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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 2024

The board of directors (the “Board”) of Guangdong Investment Limited (the “Company”) hereby announce the unaudited financial information of the Company and its subsidiaries (the “Group”) for the nine months ended 30 September 2024 (the “Period”) together with the comparative figures.

Unaudited financial highlights			
	<u>For the nine months ended 30 September</u>		
	2024	2023	Changes
	(Unaudited)	(Unaudited)	
	HK\$'000	HK\$'000	%
Revenue	<u>18,142,306</u>	<u>16,435,341</u>	+10.4
<i>Write-down of properties held for sale under development</i>			
	-	(133,321)	
<i>Changes in fair value of investment properties</i>			
	(106,993)	486,800	
Profit before tax	<u>5,287,764</u>	<u>5,953,391</u>	-11.2
Profit attributable to owners of the Company	<u>3,593,395</u>	<u>3,827,692</u>	-6.1
	30 September 2024	31 December 2023	Changes
	(Unaudited)	(Audited)	
	HK\$'000	HK\$'000	%
Total Assets	<u>138,034,476</u>	<u>139,965,972</u>	-1.4
Equity attributable to owners of the Company	<u>43,248,040</u>	<u>41,802,210</u>	+3.5

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 2023 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 2023 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\$18,142 million (2023: HK\$16,435 million), an increase of 10.4% as compared with the same period last year. The increase in revenue was mainly attributable to increase in revenue from property investment and development business, which was partially offset by the decrease in revenue from construction services in water resources business.

The unaudited consolidated profit before tax for the Period, excluding changes in fair value of investment properties, impairment of properties held for sale under development, net gain on disposal of properties, net exchange differences and net finance costs, increased by 0.3% to HK\$6,167 million (2023: HK\$6,151 million), mainly attributed to the steady growth of the water resources business and electric power generation business; which offset the impact of the decrease in profit of the property investment and development business and the depreciation of Renminbi against Hong Kong dollars by 1.3% over the same period last year. The net loss arising from fair value adjustments for investment properties of the Group for the Period was HK\$107 million (2023: net gain of HK\$487 million), impairment of properties held for sale under development was Nil (2023: HK\$133 million), net gain on disposal of properties was Nil (2023: HK\$150 million), net exchange loss was HK\$17 million (2023: net exchange gain of HK\$23 million) and net finance costs was HK\$755 million (2023: HK\$725 million). The unaudited consolidated profit before tax for the Period decreased by 11.2% to HK\$5,288 million (2023: HK\$5,953 million). The unaudited consolidated profit attributable to owners of the Company for the Period decreased by 6.1% to HK\$3,593 million (2023: HK\$3,828 million).

As at 30 September 2024, the unaudited equity attributable to owners of the Company was HK\$43,248 million (31 December 2023: HK\$41,802 million (audited)), increased by approximately HK\$1,446 million during the Period. The changes for the Period mainly represented the unaudited consolidated profit attributable to owners of the Company for the Period of HK\$3,593 million, dividends distributed during the Period of HK\$2,373 million and the other comprehensive income of HK\$211 million in relation to the exchange differences on translation of foreign operations as a result of the appreciation of Renminbi.

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 1.646 billion tons (2023: 1.729 billion tons), a decrease of 4.8%, which generated a revenue of HK\$5,159 million (2023: HK\$5,136 million), an increase of 0.4% over the same period last year.

The revenue from water sales to Hong Kong for the Period increased by 2.2% to HK\$4,196 million (2023: HK\$4,104 million). The revenue from water sales to Shenzhen and Dongguan areas decreased by 6.7% to HK\$963 million (2023: HK\$1,032 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\$3,461 million (2023: HK\$3,334 million), 3.8% 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 mainland of the People's Republic of China (the "PRC") ("Mainland China").

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 2024 were 16,150,200 tons per day (31 December 2023: 16,150,200 tons per day) and 3,345,900 tons per day (31 December 2023: 3,345,900 tons per day), respectively.

The water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants operated by the subsidiaries and associates of the Group as at 30 September 2024 were 10,736,800 tons per day (30 September 2023: 10,486,800 tons per day) and 2,054,400 tons per day (30 September 2023: 2,054,400 tons per day), respectively. In addition, the water supply capacity of the water supply plants and the waste water processing capacity of the sewage treatment plants under construction by the subsidiaries of the Group as at 30 September 2024 were 1,287,000 tons per day and 50,000 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 are 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
儀征粵海水務有限公司 (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.▲)	150,000	3,500
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	801,500	-
浙江博華環境技術工程有限公司 (Zhejiang Bohua Environmental Technology Engineering Co., Ltd.▲) and its subsidiaries	-	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.▲)	-	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 (continued)</u>	<u>Water supply capacity (tons per day)</u>	<u>Waste water processing capacity (tons per day)</u>
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.▲)	80,000	-
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.▲)	300,000	-
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.▲)	245,000	-
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.	550,000	-
湛江市鶴地供水營運有限公司 (Zhanjiang Hedi Water Supply Operation Co., Ltd.▲)	1,060,000	-
湘陰粵海水務有限公司 (Xiangyin Guangdong Water Co., Ltd.▲)	100,000	-
恩施粵海水務有限公司 (Enshi Guangdong Water Co., Ltd.▲)	400,000	-
汕尾粵海清源環保有限公司 (Shanwei Guangdong Qingyuan Huanbao Co., Ltd.▲)	-	100,000
開平粵海淨水有限公司 (Kaiping Guangdong Water Purification Co., Ltd.▲)	-	25,000
Total as at 30 September 2024	<u>8,786,800</u>	<u>2,054,400</u>
Total as at 30 September 2023	<u>8,536,800</u>	<u>2,054,400</u>
<u>Name of associates of the Group</u>		<u>Water supply capacity (tons per day)</u>
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.▲)		430,000
Total as at 30 September 2024		<u>1,950,000</u>
Total as at 30 September 2023		<u>1,950,000</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 30 September 2024 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>
荔浦粵海水務有限公司 (Lipu Guangdong Water Co., Ltd.▲)	80,000	-
揭陽粵海國業水務有限公司 (Jieyang Guangdong Guoye Water Co., Ltd.▲)	270,000	-
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
信宜粵海水務有限公司 (Xinyi Guangdong Water Co., Ltd.▲)	100,000	-
汕尾粵海供水有限公司 (Shanwei Guangdong Water Supply Co., Ltd.▲)	410,000	-
Guangzhou Nansha GDH Water Co., Ltd.	200,000	-
江西粵海公用事業集團有限公司 (Jiangxi Guangdong Public Utilities Holdings Co., Ltd.▲) and its subsidiaries	177,000	-
Zhaoqing HZ GDH Water Co., Ltd.	<u>50,000</u>	<u>-</u>
Total	<u>1,287,000</u>	<u>50,000</u>

Revenue of Other Water Resources Projects for the Period in aggregate decreased by 15.9% to HK\$5,305,151,000 (2023: HK\$6,304,871,000), of which income from construction services amounted to HK\$211,304,000 (2023: HK\$1,161,003,000). Profit before tax of Other Water Resources Projects for the Period, excluding the net exchange differences and net finance costs, amounted to HK\$1,644,176,000 (2023: HK\$1,639,684,000), 0.3% higher than that in the same period last year.

Property Investment and Development

Mainland China

GDH Teem

As at 30 September 2024, the Group held an effective interest of 76.13% (31 December 2023: 76.13%) in 廣東粵海天河城(集團)股份有限公司(GDH Teem (Holdings) Limited▲) (“Guangdong Teem”) and its subsidiaries, and held an effective interest of 76.02% (31 December 2023: 76.02%) in Tianjin YueHai Teem Shopping Center Co., Ltd. (collectively the “GDH Teem”). GDH Teem operates several shopping malls in Mainland China, of which Teem Plaza, Panyu Teemmall, Guangzhou Comic City and Tianjin Teemmall are owned by GDH Teem whereas Shenzhen Teemmall and 粵海天地 (Yuehai Tiandi▲) are operated under lease arrangements.

Revenue of GDH Teem’s property investment and development business mainly comprises rental income (including rentals from the department stores operated by the Group). The revenue of GDH Teem’s property investment business for the Period increased by 8.3% to HK\$1,204,167,000 (2023: HK\$1,111,978,000), which was mainly due to the increase in average rental and increase in occupancy rate of certain properties; and the effect from the newly opened 粵海天地 (Yuehai Tiandi▲). The profit before tax, excluding changes in fair value of investment properties and net interest income, of GDH Teem’s property investment business for the Period increased by 14.2% to HK\$689,281,000 (2023: HK\$603,318,000).

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 nine months ended 30 September		Changes %
			2024 HK\$’000	2023 HK\$’000	
Teem Plaza - Teemmall	107,000	98.9	527,831	493,031	+7.1
Teem Plaza - Teem Tower	88,000	84.9	131,288	139,722	-6.0
Panyu Teemmall	144,000	94.8	184,401	186,937	-1.4
Tianjin Teemmall	145,000	97.4	210,052	186,625	+12.6
Guangzhou Comic City	23,000	99.6	68,729	43,738	+57.1
Shenzhen Teemmall	104,000	86.5	50,686	61,925	-18.1
粵海天地 (Yuehai Tiandi▲) (opened in December 2023)	<u>19,000</u>	91.3	<u>31,180</u>	<u>-</u>	<u>+100.0</u>
	<u>630,000</u>		<u>1,204,167</u>	<u>1,111,978</u>	<u>+8.3</u>

Guangdong Land Holdings Limited (“GD Land”)

The Company’s effective interest in GD Land is approximately 73.82% (31 December 2023: 73.82%).

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

General Information of the Projects

Name of the property project	Status	Use	Interest held by GD Land	Approximate gross floor area (“GFA”) of project (sq. m.)	Approximate GFA included in calculation of plot ratio* (sq. m.)	Expected completion and filing date
Shenzhen City						
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)	Completed	Commercial/ Offices	100%	255,373	206,618	N/A
Guangzhou City						
Guangzhou GDH Future City	Sale in progress	Residential/ Business apartment/ Commercial/ Offices	100%	737,367	506,000	2028
Guangzhou Laurel House	Completed	Car-parking spaces	100%	N/A	N/A	N/A
Ruyingju	Completed	Car-parking spaces	80%	N/A	N/A	N/A
Baohuaxuan	Completed	Car-parking spaces	100%	N/A	N/A	N/A
Foshan City						
Foshan Laurel House	Completed	Residential	100%	203,171	151,492	N/A
Foshan One Mansion	Sale in progress	Residential/ Commercial/ Offices	51%	154,414	118,122	2026
Zhuhai City						
Zhuhai Laurel House	Sale in progress	Residential/ Commercial	100%	248,598	167,278	2025
Zhongshan City						
Zhongshan GDH City	Sale in progress	Residential	97.64%	321,456	247,028	2025
Jiangmen City						
Jiangmen One Mansion	Completed	Residential/ Business apartment/ Commercial	100%	222,708	164,216	N/A
Jiangmen GDH City (Land No. 3)	Completed	Residential	51%	163,181	122,331	N/A
Jiangmen GDH City (Land No. 4)	Sale in progress	Residential/ Business apartment/ Commercial	51%	299,029	207,419	2027

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)	To be developed	Residential	51%	89,201	63,150	2027
Huizhou City						
Huizhou One Mansion	Sale in progress	Residential/ Business apartment/ Commercial	100%	140,163	92,094	2025
Huizhou Huiyang Lijiang Garden	Completed	Car-parking spaces	100%	N/A	N/A	N/A

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.)	
Shenzhen City							
Shenzhen GDH City (Northwestern Land)	114,986	-	104,912	91.2%	-	104,912	91.2%
Shenzhen GDH City (Northern Land)	84,246	14,068	14,068	16.7%	14,068	14,068	16.7%
Guangzhou City							
Guangzhou GDH Future City	492,223	29,488	109,569	22.3%	N/A	N/A	N/A
Guangzhou Laurel House (Car-parking spaces)	2,764	-	2,697	97.6%	-	2,697	97.6%
Ruyingju (Car-parking spaces)	8,052	61	6,682	83.0%	61	6,682	83.0%
Baohuaxuan (Car-parking spaces)	245	-	38	15.5%	-	38	15.5%
Foshan City							
Foshan Laurel House	146,382	18,993	90,871	62.1%	54,693	73,100	49.9%
Foshan Laurel House (Car-parking spaces)	9,914	4,884	4,884	49.3%	3,816	3,816	38.5%
Foshan One Mansion	117,692	20,557	31,318	26.6%	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.)	
Zhuhai City							
Zhuhai Laurel House	145,773	11,667	75,991	52.1%	30,685	62,370	42.8%
Zhongshan City							
Zhongshan GDH City	236,728	26,735	95,030	40.1%	45,895	78,912	33.3%
Jiangmen City							
Jiangmen One Mansion	158,407	25,904	132,173	83.4%	19,534	121,277	76.6%
Jiangmen One Mansion (Car-parking spaces)	37,574	2,431	8,142	21.7%	2,575	7,773	20.7%
Jiangmen GDH City (Land No. 3)	119,334	16,159	99,443	83.3%	17,545	93,649	78.5%
Jiangmen GDH City (Land No. 3) (Car-parking spaces)	29,895	1,571	10,028	33.5%	1,920	9,156	30.6%
Jiangmen GDH City (Land No. 4)	204,229	31,871	45,280	22.2%	19,383	30,373	14.9%
Jiangmen GDH City (Land No. 5)	42,254	N/A	N/A	N/A	N/A	N/A	N/A
Huizhou City							
Huizhou One Mansion	89,240	7,869	22,384	25.1%	N/A	N/A	N/A
Huizhou Huiyang Lijiang Garden (Car-parking spaces)	1,504	13	229	15.2%	13	229	15.2%

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 212,000 sq.m. (2023: 209,000 sq.m.) and 210,000 sq.m. (2023: 101,000 sq.m.), respectively. Revenue of GD Land for the Period increased by 207.5% to HK\$4,043,416,000 (2023: HK\$1,314,891,000), of which income from sales of properties amounted to HK\$4,011,569,000 (2023: HK\$1,289,736,000). The net loss arising from fair value adjustments for investment properties was HK\$34,438,000 (2023: net gain of HK\$325,620,000), net gain on disposal of properties was Nil (2023: HK\$149,784,000) and impairment of properties held for sale under development was Nil (2023: HK\$133,321,000). The loss before tax of GD Land for the Period was HK\$573,663,000 (2023: profit before tax of HK\$136,910,000). Due to the higher gross profit margin of properties delivered in the same period in 2023, the loss before tax of GD Land for the Period, excluding changes in fair value of investment properties, net gain on disposal of properties, impairment of properties held for sale under development and net finance costs, was HK\$282,309,000 (2023: HK\$58,193,000).

As at 30 September 2024, GD Land held completed properties for sale amounted to approximately HK\$9,828 million (31 December 2023: HK\$9,141 million) and properties for sale under development amounted to approximately HK\$20,192 million (31 December 2023: HK\$23,592 million), with a total amount of approximately HK\$30,020 million (31 December 2023: HK\$32,733 million). Amongst them, the sales amount of properties that have been contracted and received but have not yet been delivered was approximately HK\$10,494 million (31 December 2023: HK\$9,517 million), which was stated as contract liabilities and would be recognised as revenue upon delivery of the relevant properties.

Hong Kong

Guangdong Investment Tower

The average occupancy rate of Guangdong Investment Tower for the Period was 95.7% (2023: 90.0%). The total revenue for the Period decreased by 0.2% to HK\$35,057,000 (2023: HK\$35,120,000).

Department Store Operation

As at 30 September 2024, the Group operated six department stores (31 December 2023: five) with a total leased area of approximately 194,390 sq.m. (31 December 2023: 209,900 sq.m.). The total revenue for the Period decreased by 1.7% to HK\$582,158,000 (2023: HK\$592,421,000). The profit before tax for the Period, excluding changes in fair value of investment properties and gain on lease modification, decreased by 30.8% to HK\$46,697,000 (2023: HK\$67,442,000).

The revenue of the stores operated by the Group for the nine months ended 30 September 2024 was as follows:

	Leased area sq.m.	Revenue for the nine months ended 30 September		Changes %
		2024 HK\$'000	2023 HK\$'000	
Teemall Store	41,600	468,403	450,764	+3.9
Wan Bo Store	17,100	33,595	36,710	-8.5
Ming Sheng Store (closed in March 2023)	-	-	7,050	-100.0
Dong Pu Store	15,600	34,827	51,169	-31.9
Ao Ti Store	21,500	29,449	29,743	-1.0
Hua Du Store	98,450	15,781	16,985	-7.1
TeemLife (opened in May 2024)	140	103	-	+100.0
	<u>194,390</u>	<u>582,158</u>	<u>592,421</u>	<u>-1.7</u>

Hotel Ownership, Operation and Management

As at 30 September 2024, the Group's hotel management team managed a total of 20 hotels (31 December 2023: 20 hotels), of which three were located in Hong Kong and 17 in Mainland China. As at 30 September 2024, 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 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\$1,217 (2023: HK\$1,179) whereas the average room rate of the remaining five hotels was HK\$671 (2023: HK\$713). The average occupancy rate of Sheraton Guangzhou Hotel was 92.7% (2023: 94.4%) and that of the other five hotels was 69.6% (2023: 68.1%) during the Period.

The revenue of hotel ownership, operation and management business for the Period decreased by 0.6% to HK\$470,543,000 (2023: HK\$473,509,000). The profit before tax for the Period, excluding changes in fair value of investment properties and net exchange differences, amounted to HK\$86,499,000 (2023: HK\$95,048,000), 9.0% lower than that in the same period last year.

Energy Projects

GDH Energy Project

Zhongshan Power (Hong Kong) Limited, a subsidiary of the Company, holds 75% (31 December 2023: 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 2,092 million kwh (2023: 2,073 million kwh), increased by 0.9%. Due to the mixed impact of the increase in sales of electricity, decrease in electricity tariff and the drop of exchange rate of Renminbi against Hong Kong dollars of 1.3% 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 8.1 % to HK\$1,215,920,000 (2023: HK\$1,322,806,000). As a result of the drop in coal price, the profit before tax of GDH Energy for the Period, excluding net finance costs, was HK\$121,921,000 (2023: HK\$89,021,000), an increase of 37.0%.

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

The Group's effective interest in Yudean Jinghai Power is 25% (31 December 2023: 25%). As at 30 September 2024, 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 11,584 million kwh (2023: 12,017 million kwh), a decrease of 3.6%. Due to the decrease in sales of electricity and electricity tariff, revenue for the Period decreased by 17.3% to HK\$5,292,158,000 (2023: HK\$6,396,446,000). The profit before tax of Yudean Jinghai Power for the Period was HK\$426,959,000 (2023: HK\$442,793,000). The Group's share of profit in Yudean Jinghai Power amounted to HK\$79,878,000 (2023: HK\$83,280,000) 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.

The average daily toll traffic flow of the Xingliu Expressway decreased by 2.7% to 26,348 vehicle trips (2023: 27,083 vehicle trips). As a result of the impact of the depreciation of Renminbi against Hong Kong dollars by 1.3% over the same period last year, the toll revenue of GDH Highway during the Period amounted to HK\$479,085,000 (2023: HK\$506,161,000), decreased by 5.3%. The profit before tax during the Period, excluding net finance costs, amounted to HK\$252,009,000 (2023: HK\$283,877,000), decreased by 11.2%.

Yinping 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 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 Project.

On 31 May 2023, Yuehai Yinping and the Xiegang Government entered into a supplemental agreement, pursuant to which the cooperation agreement was supplemented and amended to the effect that payments to be made for the Yinping Project would be subject to performance assessment. Details of the assessment were set out in the announcement of the Company published on 31 May 2023.

As at 30 September 2024, four Project Roads (31 December 2023: four Project Roads) were completed and one Project Road (31 December 2023: one Project Road) was under construction. As at 30 September 2024, the cumulative development costs in relation to the Yinping Project amounted to approximately RMB2,019 million (equivalent to approximately HK\$2,239 million) (31 December 2023: approximately RMB1,987 million (equivalent to approximately HK\$2,193 million)).

The total interest, management fee and maintenance fee of the Yinping Project recognised during the Period decreased by 8.3% to HK\$116,494,000 (2023: HK\$127,072,000) and profit before tax decreased by 8.9% to HK\$99,273,000 (2023: HK\$108,997,000) during the Period.

PROSPECTS

In the third quarter of 2024, the Federal Reserve announced an interest rate cut, which means the beginning of the monetary easing cycle. However, under the influence of factors such as restricted financial conditions and continued uncertainty in the geopolitical environment, global economic growth will be further affected. With the deployment of economic stabilisation policies, China's economic operation overall is expected to demonstrate a stabilising and upturning trend, though the economic recovery is still challenged by insufficient demand, overcapacity in specific industries and low expectations in society. Given the impact of the volatile economic recovery on population movements, logistics, business operations, capital markets, interest rates and foreign exchange rates, we will adhere to our development strategy of “balancing progress and stability and enhancing quality and efficiency”, maintain stable growth of our core operations and strengthen our risk management capabilities to create long-term value for our stakeholders.

The Group will continue to ramp up its efforts in expanding upstream and downstream of the water resources industry chain, actively extending into high-value-added businesses, and solidifying its core business segments while optimising its asset portfolio and resource allocation. Based on the existing business needs and available resources, we endeavour to proactively seek potential opportunities arising from the strategic planning of the development of the “Guangdong-Hong Kong-Macao Greater Bay Area”. We will continue to pay attention to acquisition opportunities available in the market to provide a new breakthrough of profit growth, which will further enhance the Company's financial performance and overall value.

REVIEW OF UNAUDITED FINANCIAL INFORMATION

The unaudited financial information of the Group for the nine months ended 30 September 2024 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 2024.

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

BAI Tao

Chairman

Hong Kong, 29 October 2024

As at the date of this announcement, the Board of the Company comprises five Executive Directors, namely, Ms. BAI Tao, Mr. LIN Tiejun, Mr. WEN Yinheng, Mr. TSANG Hon Nam and Ms. LIANG Yuanjuan; two Non-Executive Directors, namely, Mr. CAI Yong 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.