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**GUANGDONG LAND HOLDINGS LIMITED**  
**粤海置地控股有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00124)**

## 2024 Interim Results Announcement

### HIGHLIGHTS

	For the six months ended 30 June		
	2024	2023	Change
Revenue (HK\$'000)	<b>2,803,824</b>	973,596	+188.0%
Gross profit (HK\$'000)	<b>115,920</b>	223,960	-48.2%
Fair value gains on investment properties (HK\$'000)	<b>193</b>	258,807	-99.9%
Loss attributable to owners of the Company (HK\$'000)	<b>(217,031)</b>	(200,288)	+8.4%
Basic loss per share (HK cents)	<b>(12.68)</b>	(11.70)	+8.4%
Interim dividend per share (HK cents)	-	3.00	-100.0%
	As at 30 June 2024	As at 31 December 2023	Change
Current ratio	<b>1.4 times</b>	1.3 times	+7.7%
Gearing ratio <sup>1</sup>	<b>298.1%</b>	307.9%	-9.8 ppt
Total assets (HK\$ million)	<b>46,881</b>	48,933	-4.2%
Net asset value per share <sup>2</sup> (HK\$)	<b>2.79</b>	2.94	-5.1%
Number of employees	<b>542</b>	568	-4.6%
Notes:			
1. Gearing ratio = (Interest-bearing loans + Lease liabilities - Cash and cash equivalents) ÷ Net assets			
2. Net asset value per share = Equity attributable to owners of the Company ÷ Number of issued shares			

## UNAUDITED INTERIM RESULTS

The board of directors (the “**Board**”) of Guangdong Land Holdings Limited (the “**Company**”) announces that the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024 together with comparative figures are as follows:

### Condensed Consolidated Statement of Profit or Loss For the six months ended 30 June 2024 – unaudited

	<i>Notes</i>	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	5	<b>2,803,824</b>	973,596
Cost of sales		<b>(2,687,904)</b>	(749,636)
Gross profit		<b>115,920</b>	223,960
Other gains/(losses), net	5	<b>13,366</b>	(206,820)
Fair value gains on investment properties		<b>193</b>	258,807
Selling and marketing expenses		<b>(127,491)</b>	(139,265)
Administrative expenses		<b>(106,404)</b>	(100,202)
Operating (loss)/profit		<b>(104,416)</b>	36,480
Finance income	6	<b>21,387</b>	29,344
Finance costs	6	<b>(199,178)</b>	(136,178)
Finance costs, net		<b>(177,791)</b>	(106,834)
Loss before tax	7	<b>(282,207)</b>	(70,354)
Income tax expense	8	<b>66,464</b>	(100,863)
<b>Loss for the period</b>		<b>(215,743)</b>	(171,217)
Attributable to:			
Owners of the Company		<b>(217,031)</b>	(200,288)
Non-controlling interests		<b>1,288</b>	29,071
		<b>(215,743)</b>	(171,217)
<b>Loss per share</b>			
Basic and diluted	9	<b>HK(12.68) cents</b>	HK(11.70) cents

**Condensed Consolidated Statement of Comprehensive Income**  
**For the six months ended 30 June 2024 – unaudited**

	2024 HK\$'000	2023 HK\$'000
<b>Loss for the period</b>	<b>(215,743)</b>	<b>(171,217)</b>
<b>Other comprehensive income</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of Chinese Mainland operations	<b>(49,717)</b>	<b>(326,724)</b>
<b>Total comprehensive income for the period</b>	<b>(265,460)</b>	<b>(497,941)</b>
<b>Attributable to:</b>		
Owners of the Company	<b>(256,913)</b>	<b>(470,413)</b>
Non-controlling interests	<b>(8,547)</b>	<b>(27,528)</b>
<b>Total comprehensive income for the period</b>	<b>(265,460)</b>	<b>(497,941)</b>

**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2024**

		<b>30 June 2024 (Unaudited) HK\$'000</b>	<b>31 December 2023 (Audited) HK\$'000</b>
	<i>Note</i>		
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>82,699</b>	87,124
Right-of-use assets		<b>9,286</b>	18,056
Intangible assets		<b>17,841</b>	18,252
Investment properties		<b>9,046,652</b>	9,110,859
Equity investments designated at fair value through other comprehensive income		<b>39,689</b>	39,689
Other receivables		<b>6,716</b>	7,196
Deferred tax assets		<b>1,049,242</b>	1,020,103
<b>Total non-current assets</b>		<b>10,252,125</b>	10,301,279
<b>Current assets</b>			
Completed properties held for sale		<b>7,697,251</b>	8,061,645
Properties held for sale under development		<b>22,382,416</b>	24,051,914
Other contract costs		<b>80,616</b>	99,407
Prepayments, deposits and other receivables		<b>1,108,317</b>	1,336,135
Tax recoverable		<b>704,781</b>	547,139
Restricted bank balances		<b>397,962</b>	451,660
Cash and cash equivalents		<b>4,257,228</b>	4,083,905
<b>Total current assets</b>		<b>36,628,571</b>	38,631,805
<b>Total assets</b>		<b>46,880,696</b>	48,933,084
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables and accruals	<i>11</i>	<b>(4,411,935)</b>	(5,457,043)
Contract liabilities		<b>(10,330,924)</b>	(9,517,294)
Lease liabilities		<b>(8,127)</b>	(17,402)
Tax payable		<b>(1,927,557)</b>	(2,277,419)
Bank and other borrowings		<b>(2,129,633)</b>	(2,453,442)
Loans from related parties		<b>(7,919,633)</b>	(10,612,331)
<b>Total current liabilities</b>		<b>(26,727,809)</b>	(30,334,931)

**Condensed Consolidated Statement of Financial Position (continued)**  
**As at 30 June 2024**

	<b>30 June 2024 (Unaudited) HK\$'000</b>	<b>31 December 2023 (Audited) HK\$'000</b>
<b>Net current assets</b>	<b>9,900,762</b>	<b>8,296,874</b>
<b>Total assets less current liabilities</b>	<b>20,152,887</b>	<b>18,598,153</b>
<b>Non-current liabilities</b>		
Bank and other borrowings	(7,782,668)	(7,694,116)
Loans from related parties	(4,792,050)	(3,100,423)
Lease liabilities	(1,341)	(2,393)
Deferred tax liabilities	(1,396,484)	(1,355,432)
Other payables	(16,398)	(16,383)
<b>Total non-current liabilities</b>	<b>(13,988,941)</b>	<b>(12,168,747)</b>
<b>Total liabilities</b>	<b>(40,716,750)</b>	<b>(42,503,678)</b>
<b>Net assets</b>	<b>6,163,946</b>	<b>6,429,406</b>
<b>Equity</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	171,154	171,154
Reserves	4,611,021	4,867,934
	<b>4,782,175</b>	<b>5,039,088</b>
Non-controlling interests	1,381,771	1,390,318
<b>Total equity</b>	<b>6,163,946</b>	<b>6,429,406</b>

Notes:

**(1) General Information**

Guangdong Land Holdings Limited is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at Office A, 18th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong. In the opinion of the directors, the ultimate holding company of the Company is 廣東粵海控股集團有限公司 (Guangdong Holdings Limited), a company established in the People's Republic of China (the "PRC").

During the period, the Group was involved in property development and investment businesses.

**(2) Basis of Preparation**

This condensed consolidated interim financial information for the six months ended 30 June 2024 has been prepared in accordance with the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023, as described in those annual financial statements, except for the adoption of new amendment to standards effective for the financial year ending 31 December 2024.

The Group has applied the following amendments to HKFRSs issued by the HKICPA to this interim financial information for the current accounting period:

- Amendments to HKAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current*
- Amendments to HKAS 1, *Presentation of financial statements: Non-current liabilities with covenants*
- Amendments to HKFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to HKAS 7, *Statement of cash flows* and HKFRS 7, *Financial instruments: Disclosures – Supplier finance arrangements*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this condensed consolidated interim financial information. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### **(3) Critical Accounting Estimates**

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, incomes and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

### **(4) Segment Information**

For management purposes, the Group is organised into business units based on the projects and has three reportable segments as follows:

- (a) the property development segment consists of property development;
- (b) the property investment segment consists of property investment, leasing and management operations; and
- (c) the other segment consists of corporate and other income and expense items.

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

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

Segment liabilities exclude deferred tax liabilities as these liabilities are managed on a group basis. The management considers all bank and other borrowings, and loans from related parties in Chinese Mainland are managed in the property development segment.

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

(4) **Segment Information** (continued)

	Property development HK\$'000	Property investment HK\$'000	Other HK\$'000	Total HK\$'000
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**For the six months ended 30 June 2024**

**Segment revenue:**

Sales to external customers	<b>2,778,718</b>	<b>25,106</b>	-	<b>2,803,824</b>
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<b>Segment results</b>	<b>(69,131)</b>	<b>(21,292)</b>	<b>(13,993)</b>	<b>(104,416)</b>
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Reconciliation:

Finance income				<b>21,387</b>
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Finance costs				<b>(199,178)</b>
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Loss before tax				<b>(282,207)</b>
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	Property development HK\$'000	Property investment HK\$'000	Other HK\$'000	Total HK\$'000
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**For the six months ended 30 June 2023**

**Segment revenue:**

Sales to external customers	957,917	15,679	-	973,596
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<b>Segment results</b>	<b>(199,058)</b>	<b>252,607</b>	<b>(17,069)</b>	<b>36,480</b>
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Reconciliation:

Finance income				29,344
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Finance costs				(136,178)
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Loss before tax				(70,354)
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(4) **Segment Information** (continued)

	Property development HK\$'000	Property investment HK\$'000	Other HK\$'000	Total HK\$'000
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**As at 30 June 2024**

<b>Segment assets</b>	<b>36,417,660</b>	<b>9,337,405</b>	<b>76,389</b>	<b>45,831,454</b>
Reconciliation:				
Unallocated assets				<b>1,049,242</b>
Total assets				<b>46,880,696</b>
<b>Segment liabilities</b>	<b>(38,418,447)</b>	<b>(21,036)</b>	<b>(880,783)</b>	<b>(39,320,266)</b>
Reconciliation:				
Unallocated liabilities				<b>(1,396,484)</b>
Total liabilities				<b>(40,716,750)</b>

	Property development HK\$'000	Property investment HK\$'000	Other HK\$'000	Total HK\$'000
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**As at 31 December 2023**

<b>Segment assets</b>	<b>38,352,136</b>	<b>9,396,680</b>	<b>164,165</b>	<b>47,912,981</b>
Reconciliation:				
Unallocated assets				<b>1,020,103</b>
Total assets				<b>48,933,084</b>
<b>Segment liabilities</b>	<b>(40,217,050)</b>	<b>(1,394)</b>	<b>(929,802)</b>	<b>(41,148,246)</b>
Reconciliation:				
Unallocated liabilities				<b>(1,355,432)</b>
Total liabilities				<b>(42,503,678)</b>

**(5) Revenue and Other Gains/(Losses), Net**

An analysis of revenue and other gains/(losses), net is as follows:

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>		
From contract with customers		
- Sale of properties recognised at a point of time	<b>2,778,718</b>	957,917
From other sources:		
- Rental income	<b>25,106</b>	15,679
	<b>2,803,824</b>	973,596
<b>Other gains/(losses), net</b>		
Write down of completed properties held for sale and properties held for sale under development	-	(204,772)
Exchange gains/(losses), net	<b>68</b>	(5,953)
Sales deposits forfeiture	<b>1,387</b>	1,192
Penalty income from contractors	<b>10,090</b>	1,977
Others	<b>1,821</b>	736
	<b>13,366</b>	(206,820)

**(6) Finance Income and Finance Costs**

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Finance income</b>		
- bank interest income	<b>21,387</b>	29,344
<b>Finance costs</b>		
- interest expenses on bank borrowings	<b>211,166</b>	197,951
- interest expenses on other borrowings	<b>282,853</b>	453,141
- others	<b>2,417</b>	1,363
Total finance costs incurred	<b>496,436</b>	652,455
Less: amount capitalised in property development projects	<b>(297,258)</b>	(516,277)
Total finance costs expensed during the period	<b>199,178</b>	136,178

For the six months ended 30 June 2024, the capitalised annual interest rate applied to funds borrowed and used for the development of properties is between 2.28% and 6.81% (for the six months ended 30 June 2023: 2.90% to 6.65%).

**(7) Loss Before Tax**

The Group's loss before tax is arrived at after charging/(crediting):

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Cost of properties sold	<b>2,659,026</b>	747,210
Depreciation	<b>14,717</b>	10,702
Commission expenses	<b>63,816</b>	25,664
Staff costs		
- wages and salaries	<b>72,817</b>	114,178
- contributions to defined contribution schemes	<b>14,882</b>	17,476
	<b>87,699</b>	131,654
Less: amount capitalised under property development projects	<b>(12,336)</b>	(45,666)
Total staff costs expensed during the period	<b>75,363</b>	85,988

**(8) Income Tax Expense**

	<b>For the six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Corporate Income Tax (Note (a))	<b>(81,005)</b>	18,934
Land Appreciation Tax (Note (b))	<b>196</b>	9,329
Withholding tax	<b>-</b>	15,159
Deferred income tax (Note (a))	<b>14,345</b>	57,441
	<b>(66,464)</b>	100,863

Notes:

- (a) No provision for Hong Kong Profits Tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period (for the six months ended 30 June 2023: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates. The Corporate Income Tax (“CIT”) rate of the PRC is 25%.

During the six months ended 30 June 2024, as a result of clearance of Land Appreciation Tax (“LAT”) by the respective tax bureau, LAT payment of RMB300,097,000 (equivalent to approximately HK\$330,257,000) (for the six months ended 30 June 2023: Nil) made during the period is considered CIT deductible. Accordingly, a provision of CIT of RMB75,024,000 (equivalent to approximately HK\$82,564,000) (for the six months ended 30 June 2023: Nil) in prior years and the corresponding deferred tax assets with same amount were reversed. In this respect, there is no net impact to profit or loss during the period.

- (b) LAT has been provided in accordance with the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation values, with certain allowable deductions.

**(9) Loss per Share Attributable to Ordinary Equity Holders of the Company**

The calculation of the basic loss per share amount is based on the loss for the period attributable to ordinary equity holders of the Company and the number of shares of 1,711,536,850 (for the six months ended 30 June 2023: 1,711,536,850) in issue during the period.

The Group had no potentially dilutive shares in issue during the six months ended 30 June 2024 and 2023.

## (10) Dividends

	For the six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Interim – Nil (for the six months ended 30 June 2023: HK3.00 cents per ordinary share)	-	51,346

At a meeting held on 28 August 2024, the Board of Directors resolved not to declare the payment of an interim dividend for the six months ended 30 June 2024.

## (11) Trade and Other Payables and Accruals

Trade payables are non-interest-bearing, while bills payables are interest-bearing. An aging analysis of the balance as at the end of the reporting period, based on the payment due date, is as follows:

	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
Within 3 months	97,323	164,334

## (12) Guarantees

As at 30 June 2024, the Group provided guarantees to certain banks in respect of mortgage granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by any of these purchasers, the Group is responsible for repaying the relevant outstanding mortgage principals together with the accrued interest and penalties owed by the defaulting purchasers to the banks, and the Group is entitled but not limited to take over the legal titles and possession of the related properties. The Group's guarantee period starts from the dates of grant of the relevant mortgage loans and ends upon issuance of the real estate ownership certificates. As at 30 June 2024, the Group's outstanding guarantees amounted to HK\$4,982,995,000 (31 December 2023: HK\$4,665,595,000) in respect of these guarantees.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the period under review, the Group was engaged in property development and investment businesses. The Group currently mainly holds the Shenzhen GDH City Project and certain investment properties in Shenzhen City, the Guangzhou GDH Future City Project in Baiyun District, the Guangzhou Laurel House Project, etc. in Yuexiu District, Guangzhou City, the Foshan Laurel House Project and the Foshan One Mansion Project in Chancheng District, Foshan City, the Zhuhai Laurel House Project in Jinwan District, Zhuhai City, the Zhongshan GDH City Project in Cuiheng New District, Zhongshan City, the Jiangmen One Mansion Project and the Jiangmen GDH City Project in Pengjiang District, Jiangmen City and the Huizhou One Mansion Project in Dayawan District, Huizhou City in the People's Republic of China (the “**PRC**” or the “**Chinese Mainland**”).

According to the economic statistical data for the first half of 2024 released by the PRC's National Bureau of Statistics, the PRC's gross domestic product (“**GDP**”) grew by approximately 5.0% over the same period last year, representing a quarter-on-quarter increase of 0.7 percentage point from the first quarter of 2024. Among them, the PRC's GDP in the first quarter increased by 5.3% year-on-year, while that in the second quarter increased by 4.7% year-on-year, and the per capita nominal disposable income of national residents recorded a year-on-year growth of approximately 5.4%. According to the commodity residential housing price movements of the Guangdong-Hong Kong-Macao Greater Bay Area (the “**Greater Bay Area**”) in first half of 2024 based on the statistics of CRIC, as compared to first half of 2023, the average commodity residential housing price of Guangzhou City and Zhongshan City increased year-on-year by approximately 1.54% and 1.75%, respectively, while that of Foshan City, Huizhou City, Zhuhai City, Shenzhen City and Jiangmen City decreased year-on-year by approximately 9.92%, 9.85%, 2.48%, 1.78% and 0.73%, respectively.

In the first half of the year, China's economy was gradually stabilising and recovering, and the overall economic operation was stable. However, factors such as the timing of the Federal Reserve's interest rate cut, trade protectionism, geopolitical conflicts, and the election cycles in Europe and the United States will still cause great uncertainty and instability to China's economy. The management of the Group has paid close attention to domestic and foreign economic developments, policy dynamics and market trends. On the basis of fully understanding the development trend of new urbanisation and the changes in supply and demand in the real estate market, the management has actively implemented the requirements on “ensuring delivery and destocking” of the Chinese government at the meeting of the Political Bureau of the Central Committee on 30 April, and solidly promoted the construction progress of various projects held by the Group. The Group has actively implemented the new requirements of the real estate industry to enter the era of high-quality development by striving to advance “refined organisation, refined management and lean operation”, and continuously deepened the management in this regard to unleash the vitality of high-quality development of the Company. To further grasp the opportunities from the structural market, the Group has made precise measures for the inventory structure, kept the integrity and surprisingly innovated marketing strategies and sales tools, and continued to improve sales services, property services and humanistic care in the delivery stage. It has identified market segments from geographical regions, brand positioning, product varieties, special customers and other aspects to constantly develop new products and improve product added value; the Group also insists on its deep cultivation on the core areas of the Greater Bay Area and makes customised strategy for each individual city as well as gradually optimised the investment proportion in cities of different tiers to strengthen the Company's ability to resist the periodic industry fluctuation. In general, the Group adhered to the general principle of pursuing progress in stability by remedying shortcomings and assessing situations, aiming to promote the construction of a new development model for the Company, so as to realise stable, healthy and sustainable development of the Company and continuously increase its brand reputation and recognition.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Results

During the period under review, the consolidated revenue of the Group amounted to approximately HK\$2,804 million (six months ended 30 June 2023: HK\$974 million), representing an increase of approximately 188.0% from the same period last year. The increase in revenue was mainly attributable to the increase in the sale of gross floor area (“GFA”) of properties held for sale. During the period under review, the Group recorded a loss attributable to owners of the Company of approximately HK\$217 million (six months ended 30 June 2023: HK\$200 million), representing an increase of approximately 8.4% from the same period last year.

The major factors affecting the results of the Group for the six months ended 30 June 2024 include the following:

- (a) the properties delivered by the Group during the period under review were mainly the Foshan Laurel House Project, Zhongshan GDH City Project and Zhuhai Laurel House Project, while the properties delivered in the same period in 2023 were mainly the Jiangmen One Mansion Project and Jiangmen GDH City (Land No. 3) Project with higher gross profit margins, therefore the profit derived from the sale of properties decreased as compared to the same period in 2023;
- (b) during the period under review, the Group recorded fair value gains on investment properties (net of the relevant deferred tax expense) of approximately HK\$0.14 million, representing a significant decrease as compared to the same period in 2023;
- (c) due to the cessation of capitalisation of the Group’s completed properties held for sale, net finance costs increased by approximately HK\$70.96 million as compared to the same period in 2023; and
- (d) the Group’s property projects have not shown further signs of impairment during the period under review and therefore have not provided for impairment of inventories (six months ended 30 June 2023: HK\$205 million).

### Interim Dividend

The Board resolved not to declare the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: HK3.00 cents per ordinary share).

# MANAGEMENT DISCUSSION AND ANALYSIS (continued)

## Business Review

### General Information of the Projects

Name of the property project	Status	Use	Interest held by the Group	Approximate GFA of project (sq. m.)	Approximate GFA included in calculation of plot ratio* (sq. m.)	Expected completion and filing date
<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)	Completed	Commercial/ Offices	100%	255,373	206,618	N/A
<b>Guangzhou City</b>						
Guangzhou GDH Future City	Sale in progress	Residential/ Business apartment/ Commercial/ Offices	100%	728,549	506,000	2027
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
<b>Foshan City</b>						
Foshan Laurel House	Sale in progress	Residential	100%	203,171	151,492	2024
Foshan One Mansion	Sale in progress	Residential/ Commercial/Offices	51%	154,414	118,122	2026
<b>Zhuhai City</b>						
Zhuhai Laurel House	Sale in progress	Residential/ Commercial	100%	248,598	166,875	2024
<b>Zhongshan City</b>						
Zhongshan GDH City	Sale in progress	Residential	97.64%	321,456	247,028	2025
<b>Jiangmen City</b>						
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
Jiangmen GDH City (Land No. 5)	To be developed	Residential	51%	89,201	63,150	2027
<b>Huizhou City</b>						
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

\*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.



# MANAGEMENT DISCUSSION AND ANALYSIS (continued)

## 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%	-	-	0.0%
Guangzhou City							
Guangzhou GDH Future City	492,223	19,587	99,669	20.2%	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	49	6,670	82.8%	49	6,670	82.8%
Baohuaxuan (Car-parking spaces)	245	-	38	15.5%	-	38	15.5%
Foshan City							
Foshan Laurel House	146,240	13,870	85,748	58.6%	49,536	67,943	46.5%
Foshan Laurel House (Car-parking spaces)	9,914	4,503	4,503	45.4%	2,811	2,811	28.4%
Foshan One Mansion	117,692	12,475	23,237	19.7%	N/A	N/A	N/A
Zhuhai City							
Zhuhai Laurel House	145,781	6,139	70,463	48.3%	19,229	50,914	34.9%
Zhongshan City							
Zhongshan GDH City	236,728	20,815	89,108	37.6%	30,263	63,280	26.7%
Jiangmen City							
Jiangmen One Mansion	158,407	16,165	122,434	77.3%	13,664	115,408	72.9%
Jiangmen One Mansion (Car-parking spaces)	37,574	1,889	7,600	20.2%	2,055	7,253	19.3%
Jiangmen GDH City (Land No. 3)	119,334	13,827	97,111	81.4%	14,132	90,236	75.6%
Jiangmen GDH City (Land No. 3) (Car-parking spaces)	29,895	1,457	9,914	33.2%	1,521	8,757	29.3%
Jiangmen GDH City (Land No. 4)	204,229	21,566	34,975	17.1%	9,334	20,323	10.0%
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	5,468	19,982	22.4%	N/A	N/A	N/A
Huizhou Huiyang Lijiang Garden (Car-parking spaces)	1,504	13	229	15.2%	13	229	15.2%

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

During the period under review, the Group's properties recorded the total GFA contracted (including completed properties held for sale and properties held for sale under development) and delivered of approximately 152,000 square metres ("sq. m.") (six months ended 30 June 2023: 165,000 sq. m.) and 143,000 sq. m. (six months ended 30 June 2023: 75,000 sq. m.) respectively.

### The Shenzhen GDH City Project

Located in Buxin Area, Luohu District, Shenzhen City, Guangdong Province, the PRC, the Shenzhen GDH City Project is a multi-functional commercial complex with jewelry as the main theme. The project, which is in close proximity to the urban highways and subway stations and adjoins Weiling Park, is surrounded by several municipal parks within a radius of 1.5 kilometres and enjoys convenient transportation and superb landscape resources. The filing for completion of construction of the whole project was made in August 2023.

For the search of potential commercial occupiers of the Shenzhen GDH City Project, the Group has entered into a property leasing services agreement with 廣東粵海天河城（集團）股份有限公司 (GDH Teem (Holdings) Limited) ("**GDH Teem**"), a fellow subsidiary of the Company, for the shopping mall under the Shenzhen GDH City Project, which operates by GDH Teem under the name of Shenzhen Teem. The Group will share the operating profit with GDH Teem. GDH Teem is principally engaged in the provision of property leasing services, property investment and development, department stores operation, hotel ownership and operations in the PRC, and has extensive industry experience. The agreement enables the Group to benefit from the branding effect of GDH Teem, which is conducive to attracting quality companies to locate in the property. As at 30 June 2024, the occupancy rate of the first phase shopping mall at the Northern Land of the Shenzhen GDH City Project was approximately 93.6%.

### The Guangzhou GDH Future City Project

The core area of Baiyun New Town, Baiyun District, Guangzhou City, Guangdong Province, the PRC, at which the Guangzhou GDH Future City Project is located, is positioned to be the hub for headquarters, and is planned as a cluster of corporate headquarters, aviation industry and commercial hotel service functions, focusing on the development of headquarters economy and attracting the headquarters of large corporations and small and medium-sized enterprises. Such project is located to the north of Yuncheng South Fourth Road and south of Qixin Road, on the two sides of Yuncheng West Road, and is connected to major transport networks. It is adjacent to Baiyun Park Station of Guangzhou Metro Line 2 and trunk roads such as the Airport Expressway and the Baiyun Avenue, and it is only about 30 kilometres away from the Guangzhou Baiyun International Airport. In addition, after the third phase of the Airport Avenue and Guangzhou Metro Line 12 are expected to open, travel between such project and its surrounding areas will be more convenient in due course. The project is situated in a well-developed neighborhood where commercial shopping centres, schools, hospitals, parks and the Guangzhou Gymnasium are within a three-kilometre radius, and it is close to the scenic area of Baiyun Mountain. With the significant advantage of such project and the development of industries nearby, it has promising market prospects. The project has adopted a model of development by phases. As at 30 June 2024, the construction works of basement and superstructure of each phase properties of the project were being carried out, renovation and masonry works of some properties were in progress and the whole project is expected to be filed for completion in 2027. The pre-sale of the project commenced in June 2022 and has maintained a satisfactory level of transaction volume since the pre-sale. The project ranked first in Baiyun District, Guangzhou City in terms of amount of online registration of sales contracts in full year 2023 and first half of 2024, with a higher sell-through rate of residential units and apartments than that of other property projects in the same area.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### **The Guangzhou Laurel House Project**

The Guangzhou Laurel House Project is located at Zhuguang Road, Yuexiu District, Guangzhou City, Guangdong Province, the PRC. All residential units of the project had been delivered, and car-parking spaces of the project are being sold as planned. During the period under review, the commercial property “GD•Delin (粵海·得鄰)” of the Guangzhou Laurel House Project ushered in several leading businesses and brands with distinctive characters that perfectly fit the position and theme of the project, i.e. its core positioning “high-end education-oriented community”. As at 30 June 2024, the occupancy rate of the commercial building of the Guangzhou Laurel House Project was approximately 78.8%.

### **The Foshan Laurel House Project**

The Foshan Laurel House Project is located at west to Wenhua Road, south to Liming Second Road, Shiwan Area (Chengnan Sub-district) of Chancheng District, Foshan City, Guangdong Province, the PRC. The project is positioned as a modern, top-notch and strong central of Foshan City, which is a place ideal for living, starting business and fostering innovation. Near Wanhua Station, the interchange station of Lines 2 and 3 of Foshan Metro, the project is surrounded by two metro networks, its transportation is much convenient. Together with the well-established education, medical and commercial amenities nearby, the project has the advantages to be forged into an above-twin stations residential community featuring quality lifestyle. With the significant advantage in terms of location resources, the project enjoys promising market prospects. The project is being developed in phases. As at 30 June 2024, the filing for completion of construction of the first phase properties of the project was made. The superstructures of other phase properties were topped out and the renovation and masonry works were in progress. The filing for completion of construction of the whole project is expected to be made before the end of 2024. The pre-sale of the project commenced in September 2021, and entered the delivery stage in December 2023.

### **The Foshan One Mansion Project**

The Foshan One Mansion Project is located at west to Fenjiang Road, north to Lujing Road and east to Luying West Street, Chengnan Sub-district in Chancheng District, Foshan City, Guangdong Province, the PRC, which belongs to the commercial belt of Jihua, and about 200 metres away from Jihua Park Station, the interchange station of Foshan Metro Line 1 and Metro Line 4 (under construction). It is connected to convenient transport networks and its location is excellent. It has mature supporting amenities of education, medical care and commercial area nearby. In addition, the Foshan Municipal Government has actively launched a series of favorable policies, relaxing the threshold for talents to buy houses, and removing the purchase restrictions in Chancheng District, which effectively stimulated the demand of house purchases in the area. The project also complements the Foshan Laurel House Project of the Group in the area to create synergy benefits, achieve regional deep cultivation and increase cost efficiency. The project is being developed in phases. As at 30 June 2024, the superstructure of the first phase properties of the project was topped out and the renovation and masonry works were in progress. The construction works of the superstructures of other phase properties were being carried out. The filing for completion of construction of the whole project is expected to be made in 2026. The pre-sale of the project commenced in September 2023.

## **MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

### **The Zhuhai Laurel House Project**

The Zhuhai Laurel House Project is located at the west to Jinhui Road and north to Jinhe East Road, the Aviation New Town Sub-district in Jinwan District, Zhuhai City, Guangdong Province, the PRC. The high value potentials of the area where the project is located will enhance the future development of the project. It is expected that there will be sound living and education amenities in the area. With the significant advantage in terms of location resources, the project enjoys promising market prospects. The project is being developed in phases. As at 30 June 2024, the filing for completion of construction of the first phase properties of the project was made. The superstructures of other phase properties were topped out and the renovation and masonry works were in progress. The filing for completion of construction of the whole project is expected to be made before the end of 2024. The pre-sale of the project commenced in June 2021, and entered the delivery stage in December 2023.

### **The Zhongshan GDH City Project**

The Zhongshan GDH City Project is located at the starting area of Cuiheng New District, Zhongshan City, Guangdong Province, the PRC. Sitting in the core centre of the Greater Bay Area, the area is the bridgehead at the west bank of the Pearl River connecting to the Shenzhen Zhongshan Bridge. It therefore undergoes a rapid development and generates increasing market demand. With a superior seaview, the project enjoys rich environmental landscape resources. Coupled with the plan to perfecting the region by education, medical care and commercial amenities, the project is suitable to be developed as a low-density, ecological and quality residential community. With the significant advantage in terms of location, industries and transportation resources, the project enjoys promising market prospects. The project is being developed in phases. As at 30 June 2024, the filing for completion of construction of the first phase property has been made, the superstructure of other phase properties of the project was topped out and the renovation and masonry works were in progress. The filing for completion of construction of the whole project is expected to be made in 2025. The pre-sale of the project commenced in September 2021 and sales performance continues to improve. The project ranked first in Ma'an Island, Cuiheng New District, Zhongshan City in terms of amount of online registration of sales contracts in the first half of 2024. The project entered the delivery stage in October 2023, achieving a regional leading delivery result.

### **The Jiangmen One Mansion Project**

The Jiangmen One Mansion Project is located at the southeast to the intersection of Chenyuan Road and Longteng Road and west to Fengxiang Road in Pengjiang District, Jiangmen City, Guangdong Province, the PRC. Jiangmen is positioned as the western gateway of the Greater Bay Area. Subsequent to improvements in the transportation infrastructure across the eastern and western bays, the future development of such area is expected to prosper. The project is situated in a region with high planning position and enjoys strong market prospects, as well as convenient location as a bonus. Possessing rare landscape resources and sound living amenities, the project embraces the conditions in becoming a regional benchmark project. The filing for completion of construction of the whole project was made in August 2022. The pre-sale of the project commenced in January 2021, and entered the delivery stage in August 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### The Jiangmen GDH City Project

The Jiangmen GDH City Project is located at three adjoining parcels of land at the east of Ganbei Road, Pengjiang District, Jiangmen City, Guangdong Province, the PRC (the “**Jiangmen Land Nos. 3 to 5**”). The land has been approved for city and town residential and other commercial and service uses. In addition, there is a parcel of land adjacent to the Jiangmen Land Nos. 3 to 5 with a GFA of approximately 41,597 sq. m. (the “**Jiangmen Land No. 6**”), which has been approved for medical and health, and commercial service uses; while subject to the approval of the relevant government authorities in accordance with the policy of “Three Olds” Renovation (「三舊」改造) in relation to the resettlement of the residents. The Group shall be entitled to acquire the relevant land use right in respect of Jiangmen Land No. 6 without paying any land premium. The Jiangmen GDH City Project is located in a traditional old town district in Jiangmen City with high density population and a convenient transportation network. It is also adjacent to Xi River, connects to the Chaolian Talent Island and is accessible to five parks nearby, providing a quality living environment with an excellent river scenery.

The project is being developed in phases. The filing for completion of construction of all properties on Land No. 3 in the first phase has been made in August 2022, the filing for completion of construction of all properties on 4-1 and 4-5 parcels of Land No. 4 has been made in March 2023, the filing for completion of construction of all properties on 4-6 parcels of Land No. 4 has been made in September 2023 and the filing for completion of construction of all properties on 4-2 parcels of Land No. 4 has been made in December 2023. As at 30 June 2024, 4-3 and 4-4 parcels of Land No. 4 and Land No. 5 were pending for development. The filing for completion of construction of the whole project is expected to be made in 2027. The pre-sale of the project commenced in May 2021, and entered the delivery stage in November 2022.

### The Huizhou One Mansion Project

The Huizhou One Mansion Project is located at Mamiao, Aotou, Dayawan District, Huizhou City, Guangdong Province, the PRC. It is close to Xin’ao Avenue, a trunk road connecting Huiyang District and Dayawan District, and is only 7 kilometres away from the Highspeed Railway Huiyang Station. The project is positioned to be a quality urban residential community with natural slope land garden view. The project is being developed in one phase. As at 30 June 2024, the superstructure of properties of the project was topped out and the renovation and masonry works were in progress. The filing for completion of construction of the whole project is expected to be made in 2025. The pre-sale of the project commenced in July 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Financial Review

#### Key Financial Indicators

	For the six months ended 30 June			Change
	Note	2024	2023	
Loss attributable to owners of the Company (HK\$'000)		(217,031)	(200,288)	+8.4%
Return on equity (%)	1	-4.4%	-2.7%	-1.7 ppt
		30 June 2024	31 December 2023	Change
Net asset value (HK\$ million)		6,164	6,429	-4.1%

Note:

1. Return on equity = Loss attributable to owners of the Company ÷ average equity attributable to owners of the Company

During the first half of 2024, the Group recorded loss attributable to owners of the Company increased as compared to the same period last year, which was mainly attributable to the properties delivered by the Group during the period under review were mainly the Foshan Laurel House Project, Zhongshan GDH City Project and Zhuhai Laurel House Project, while the properties delivered in the same period in 2023 were mainly the Jiangmen One Mansion Project and Jiangmen GDH City (Land No. 3) Project with higher gross profit margins, therefore the profit derived from the sale of properties decreased as compared to the same period in 2023. For details, please refer to the section headed “Results” in this Management Discussion and Analysis.

#### Expenses and Finance Costs

During the first half of 2024, the Group recorded selling and marketing expenses of approximately HK\$127 million (six months ended 30 June 2023: HK\$139 million), representing a decrease of approximately 8.6% from that for the same period last year. The decrease in selling and marketing expenses was mainly due to the decrease in the promotion fee and the labour cost. The Group’s administrative expenses for the first half of 2024 amounted to approximately HK\$106 million (six months ended 30 June 2023: HK\$100 million), representing an increase of approximately 6.0% from that for the same period last year. The increase in administrative expenses was mainly attributable to the increase in the relevant labour cost due to the cessation of capitalisation of the completed properties held for sale.

During the period under review, the Group borrowed loans to support its business development and recorded finance costs of approximately HK\$496 million (six months ended 30 June 2023: HK\$652 million), of which approximately HK\$297 million was capitalised while the remaining portion of approximately HK\$199 million was charged to the statement of profit or loss.

## **MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

### **Properties for Sale and Contract Liabilities**

As at 30 June 2024, the Group held completed properties for sale amounted to approximately HK\$7,697 million (31 December 2023: HK\$8,062 million) and properties for sale under development amounted to approximately HK\$22,383 million (31 December 2023: HK\$24,052 million), with a total amount of approximately HK\$30,080 million (31 December 2023: HK\$32,114 million). Amongst them, the sales amount of properties that have been contracted and received but have not yet been delivered was approximately HK\$10,331 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

### **Capital Expenditure**

The amount of capital expenditure paid by the Group during the first half of 2024 was approximately HK\$3.19 million (six months ended 30 June 2023: HK\$360 million). The capital expenditure for the same period last year was mainly used for the investment properties under development of the Shenzhen GDH City Project.

### **Financial Resources and Liquidity**

As at 30 June 2024, the equity attributable to owners of the Company was approximately HK\$4,782 million (31 December 2023: HK\$5,039 million), representing a decrease of approximately 5.1% from that as at the end of 2023. Based on the number of shares in issue as at 30 June 2024, the net asset value per share at the period end was approximately HK\$2.79 (31 December 2023: HK\$2.94), representing a decrease of approximately 5.1% from that as at the end of 2023.

As at 30 June 2024, the Group had cash and cash equivalents of approximately HK\$4,257 million (31 December 2023: HK\$4,084 million), representing an increase of approximately 4.2% from that as at the end of last year. The increase in cash and cash equivalents was mainly due to proceeds recovered from property sales during the period under review.

Of the Group's cash and bank balances (including restricted bank balances and cash and cash equivalents) as at 30 June 2024, approximately 99.4% was in RMB and approximately 0.6% was in HKD. Net cash inflows from operating activities for the first half of 2024 amounted to approximately HK\$1,292 million (six months ended 30 June 2023: HK\$2,068 million).

As most of the transactions in the Group's daily operations in the Chinese Mainland are denominated in RMB, currency exposure from these transactions is low. During the period under review, the Group did not take the initiative to perform currency hedge for such transactions. The Group believed that no significant impact was caused by the fluctuation of RMB exchange rate on the Group's financial position as there is a natural hedging mechanism. Meanwhile, the Group dynamically monitored the foreign exchange exposure and made necessary adjustments in accordance with the change in market environment.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

As at 30 June 2024, the Group had interest-bearing borrowings (including Commercial Mortgage Backed Securities (“CMBS”)) from certain banks and related parties of the Company amounting to approximately HK\$22,624 million (31 December 2023: HK\$23,860 million) in aggregate, from which interest-bearing borrowings from related parties amounting to approximately HK\$12,712 million (31 December 2023: HK\$13,713 million), accounting for approximately 56.2% (31 December 2023: 57.5%) of the total interest-bearing borrowings; the gearing ratio<sup>1</sup> was approximately 298.1% (31 December 2023: 307.9%). According to the relevant loan agreements, approximately HK\$10,049 million of the interest-bearing loans are repayable within one year; approximately HK\$2,068 million are repayable within one to two years; approximately HK\$10,106 million are repayable within two to five years; and the remaining approximately HK\$401 million are repayable after five years. The Group obtained funds for business development through different financing channels and effectively controlled its finance costs. As at 30 June 2024, the weighted average effective interest rate of the Group’s bank and other borrowings was 3.84% (31 December 2023: 4.02%) per annum. As at 30 June 2024, the banking facilities available to the Group were approximately RMB2,620 million (equivalent to approximately HK\$2,870 million). The Group reviews its funding needs from time to time according to the existing projects and other new investment businesses and considers obtaining funds through various financing means and channels so as to secure adequate financial resources for business development.

### Asset Pledged and Contingent Liabilities

As at 30 June 2024, the CMBS issued by the Group in the Shanghai Stock Exchange were secured by certain investment properties and their operating income receivables. Meanwhile, the Group’s certain properties amounting to approximately HK\$1,469 million (31 December 2023: HK\$8,742 million) were pledged to secure certain bank loans.

In addition, as at 30 June 2024, the Group provided guarantees of approximately HK\$4,983 million (31 December 2023: HK\$4,666 million) to certain banks in relation to the mortgage loans on properties sold (please refer to note 12 to this announcement for details). Save for the above, the Group did not have any other material contingent liabilities as at 30 June 2024.

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<sup>1</sup> Gearing ratio = (Interest-bearing loans + Lease liabilities - Cash and cash equivalents) ÷ Net assets



## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Risks and Uncertainties

As the Group is engaged in property development and investment businesses in the Chinese Mainland, the risks and uncertainties of its business are principally associated with the property market and property prices in the Chinese Mainland, and the Group's income in the future will be directly affected accordingly. The property market in the Chinese Mainland is affected by a number of factors which include, among others, economic environment, property supply and demand, the PRC government's fiscal and monetary policies, taxation policies and austerity measures on the real estate sector, etc. At present, property projects held by the Group are all located in first-tier cities or the Greater Bay Area and comprise different property types and uses, thereby effectively diversifies the operating risks of the Group.

As property projects have a relatively long development period, the Company may need to seek external funding to partially finance the development of such projects. As such, financing channels and finance costs are subject to the prevailing market conditions, loan interest rates and the financial position of the Group. As at 30 June 2024, the Group had total outstanding interest-bearing loans of approximately HK\$22,624 million (31 December 2023: HK\$23,860 million).

According to the applicable accounting standards, investment properties of the Group were carried at fair value. The fair values of these investment properties are subject to the prices in the property markets in which they are located as at the end of each reporting periods. The fair value changes of such investment properties are recognised in the statement of profit or loss and affect the profit of the Group.

As the property development business has a relatively long product life cycle, the Group's future results and cash flows will be relatively volatile. To reduce the volatility of its revenue and profit, the commercial properties of the Guangzhou Laurel House Project and investment properties of the Shenzhen GDH City Project are held by the Group for lease in order to generate stable rental income for the Group in the future.

As most of the Company's business operations are located in the Chinese Mainland, the Company faces foreign currency risks due to exchange gain/loss from exchange rate fluctuations as well as currency conversion risk due to converted net asset value fluctuations of property development and investment projects in the Chinese Mainland. To effectively manage foreign currency risk, the Company closely monitors foreign exchange markets, and utilises multiple strategic approaches, such as optimising cash management strategy and deploying project finance instruments, to control foreign exchange risk.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Policy and Performance on Environmental, Social and Governance

The Group strictly complies with the regulations enacted by the Chinese Mainland and Hong Kong governments, including those in relation to environmental protection, social and governance. The Company's internal management for environmental, social and governance (“ESG”) takes into consideration the views of various stakeholders, especially for important ESG issues, and is supported by staff members from all levels and departments of the Group. Staff members jointly implement and execute relevant internal policies and promptly respond to the expectations of stakeholders.

To further refine its ESG policies, the Group has been actively communicating with stakeholders such as employees, customers, business partners and suppliers, shareholders and investors, government authorities and regulators through various channels in order to gather comments and suggestions from them. Coupled with the management's expectations on development, the Group identifies and analyses important topics at two dimensions, namely “Importance to our Stakeholders” and “Importance to Guangdong Land's Development”, by conducting proactive and comprehensive stakeholder communication from multiple perspectives in various ways, such as face-to-face communication, email correspondence, electronic questionnaire, telephone interviews and on-site visits, with the assistance of an independent third-party professional consultant, thereby allowing the Group to envisage changes in the operating environment and consequently achieving the goals of sustainability and proper risk management.

The Group operates in the real estate industry and it is very important to strictly comply with environmental laws and regulations on construction works. Any failure to observe the relevant environmental laws and regulations may result in the relevant authorities' rejection of the applications for construction projects. The Group ensures that all newly constructed buildings comply with the environmental protection and energy conservation requirements set by the central and local governments. It also spares no efforts in contributing to environmental protection by actively collaborating with the main contractors of its development projects.

The Company prepared its 2023 ESG report and published it in April 2024. The report details the Group's initiatives and achievements in sustainable development and corporate social responsibility in 2023.

### Human Resources

As at 30 June 2024, the Group had 542 (31 December 2023: 568) employees. The Group provides a range of basic benefits to its employees, and its employee incentive policy is designed to reward employees by reference to and integrating factors including the operating results of the Group and the performance of individual employees. There was no share option scheme of the Company in operation during the period under review. The Group offers different training courses to its employees.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Outlook

In the first half of 2024, thanks to the continuous improvement in the production and investment sides of the domestic middle and upstream manufacturing industry as boosted by the policies designed to foster new quality productive forces and the recovery of external demand, China's economy was off to a good start and ran steadily on the whole. However, the economy still faced many challenges in the continuous recovery and improvement, mainly due to the lack of effective demand, the greater pressure on business operations, and the risks and hidden dangers in key areas, all of which made the domestic circulation not smooth and stable. The current economic recovery trend still needs to be strengthened by policies.

In the first half of 2024, the underlying principle of the policies for real estate industry continued to be loose. The central government has successively introduced blockbuster policies such as reducing the down payment ratio, abolishing the lower limit of mortgage interest rates, and lowering the interest rate of housing provident fund loans. Prefecture-level cities have also given active responses and continuously relaxed real estate policies. They have launched innovative measures such as “trade-in” to further stimulate residents' replacement demand and open up the replacement chain of first- and second-hand commercial housing. Although such efforts have had a certain positive impact on releasing demand, due to the fact that short-term residents' income and employment expectations have not improved significantly, the wait-and-see mood of residents towards the real estate industry has remained unchanged. The effect of policies still needs time to be further tested. On the whole, the real estate market has been still in a downward trend, and the pace of recovery has been slow. Ensuring delivery and stability, and destocking are still the top priorities for the healthy development of the real estate industry.

Looking forward to the second half of the year, the core of stabilising the real estate market still lies in maintaining confidence. It is expected that the Chinese government will continue to loosen policies with a focus on “destocking”, and further stabilise the market from both sides of supply and demand as a way to stimulate the steady recovery of transaction volume and price. New house transactions in core first- and second-tier cities are expected to hit bottom shortly. However, due to the impact of industry downturn, sales pressure, and cash flow pressure caused by sluggish financing, real estate development and investment will remain stagnating and reach the bottoming-out stage. In the long run, China's economy will continue a favorable momentum in gradual recovery and transform and update to achieve high-quality development. Benefiting from the continuing concentration of China's population and industries in metropolitan areas, the proportion of the population in the Greater Bay Area will continue to increase with the continuous optimisation and upgrade of its industrial structure in the future, and appetites of people in the Greater Bay Area for quality housing are still relatively adequate, which can effectively support the moderate growth in inelastic demand and housing improvement demand.

With the full implementation of the development strategy of the Greater Bay Area and its economy maintaining positive growth momentum, the Group's projects such as Shenzhen GDH City, Guangzhou GDH Future City, Guangzhou Laurel House, Foshan Laurel House, Foshan One Mansion, Zhuhai Laurel House, Zhongshan GDH City, Jiangmen GDH City, Jiangmen One Mansion and Huizhou One Mansion are all located in the core cities of the Greater Bay Area and will benefit from the strong development momentum of the Greater Bay Area.

## **MANAGEMENT DISCUSSION AND ANALYSIS** (continued)

The Group will continue to position itself strategically as “the influential comprehensive urban development expert in the Greater Bay Area”, seek progress while maintaining stability, make every effort to complete the construction, sales and operation of the existing projects, and seize opportunities to explore high-quality project through prudent consideration of the market situation. It will also continue to fully utilise the advantages of a provincial state-owned enterprise in the Greater Bay Area, assess the current situation, develop steadily, adhere to the spirit of ingenuity, boost the Group’s brand reputation and awareness and enhance the Group’s competitiveness in the industry.

Under the leadership of the Board, the Group is confident in the prospect of its business development and will actively promote the development of its property business in order to create greater returns for the shareholders of the Company as we did in the past.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Corporate Governance Code

The Company has complied with the code provisions and, where appropriate, adopted the applicable recommended best practices set out in the Corporate Governance Code contained in Appendix C1 to the Listing Rules throughout the six months ended 30 June 2024, save as disclosed below:

Due to other business commitment, the Chairman of the Board, who is also the Chairman of the Nomination Committee of the Company, was unable to attend the annual general meeting of the Company held on 18 June 2024 (the “2024 AGM”) as required by code provision F.2.2. With the consent of other Directors present, Mr. KUANG Hu, the Vice Chairman, chaired the 2024 AGM. The chairmen and members of the Audit Committee and the Remuneration Committee as well as members of the Nomination Committee attended the 2024 AGM.

### Review of Interim Results

The Audit Committee of the Company has reviewed the unaudited interim financial information of the Group and the Company’s interim report for the six months ended 30 June 2024. In addition, the unaudited condensed consolidated interim financial information has been reviewed by the Company’s independent auditor, KPMG, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

### Purchase, Sale and Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the six months ended 30 June 2024.

By Order of the Board  
**Guangdong Land Holdings Limited**  
**KUANG Hu**  
*Vice Chairman*

Hong Kong, 28 August 2024

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

*As at the date of this announcement, the Board comprises six Executive Directors, namely Mr. LAN Runing, Mr. KUANG Hu, Mr. WANG Jian, Mr. WU Mingchang, Mr. LI Wenchang and Mr. JIAO Li; and three Independent Non-Executive Directors, namely Mr. Felix FONG Wo, Mr. Vincent Marshall LEE Kwan Ho and Mr. LEUNG Luen Cheong.*