



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

(於百慕達註冊成立之有限公司)
(Incorporated in Bermuda with limited liability)
股份代號 Stock Code: 00124



2024

中期報告 INTERIM REPORT

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Corporate Information

(As at 28 August 2024)

Board of Directors

Executive Directors

LAN Runing (*Chairman*)
KUANG Hu (*Vice Chairman*)
WANG Jian (*Managing Director*)
WU Mingchang
LI Wenchang
JIAO Li (*Chief Financial Officer*)

Independent Non-Executive Directors

Felix FONG Wo *BBS, JP*
Vincent Marshall LEE Kwan Ho *Member of the Chinese People's Political Consultative Conference (CPPCC) National Committee of PRC, BBS, Officer of the Order of the Crown (Belgium)*
LEUNG Luen Cheong

Audit Committee

Vincent Marshall LEE Kwan Ho *Member of the Chinese People's Political Consultative Conference (CPPCC) National Committee of PRC, BBS, Officer of the Order of the Crown (Belgium)*
(*Committee Chairman*)
Felix FONG Wo *BBS, JP*
LEUNG Luen Cheong

Remuneration Committee

Felix FONG Wo *BBS, JP (Committee Chairman)*
Vincent Marshall LEE Kwan Ho *Member of the Chinese People's Political Consultative Conference (CPPCC) National Committee of PRC, BBS, Officer of the Order of the Crown (Belgium)*
LEUNG Luen Cheong

Nomination Committee

LAN Runing (*Committee Chairman*)
Felix FONG Wo *BBS, JP*
Vincent Marshall LEE Kwan Ho *Member of the Chinese People's Political Consultative Conference (CPPCC) National Committee of PRC, BBS, Officer of the Order of the Crown (Belgium)*
LEUNG Luen Cheong

Company Secretary

Christine MAK Lai Hung

Auditor

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

Website Address

<http://www.gdland.com.hk>

Principal Bankers

Shanghai Pudong Development Bank
Bank of China
Industrial Bank
Hua Xia Bank
Chong Hing Bank

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office & Principal Place of Business in Hong Kong

Office A, 18th Floor
Guangdong Investment Tower
148 Connaught Road Central
Hong Kong
Telephone: (852) 2165 6262
Facsimile: (852) 2815 2020

Principal Share Registrar

MUFG Fund Services (Bermuda) Limited
4th floor North
Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

Branch Share Registrar in Hong Kong

Tricor Tengis Limited
17th Floor, Far East Finance Centre
16 Harcourt Road
Hong Kong

Share Information

| | |
|---------------------|---|
| Place of Listing: | Main Board of The Stock Exchange of Hong Kong Limited |
| Stock Code: | 00124 |
| Board Lot: | 2,000 shares |
| Financial year end: | 31 December |

In this interim report, 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.

Highlights

For the six months ended 30 June

| | 2024 | 2023 | Change |
|---|------------------|-----------|---------|
| Revenue (HK\$'000) | 2,803,824 | 973,596 | +188.0% |
| Gross profit (HK\$'000) | 115,920 | 223,960 | -48.2% |
| Fair value gains on investment properties (HK\$'000) | 193 | 258,807 | -99.9% |
| Loss attributable to owners of the Company (HK\$'000) | (217,031) | (200,288) | +8.4% |
| Basic loss per share (HK cents) | (12.68) | (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 | 1.4 times | 1.3 times | +7.7% |
| Gearing ratio ¹ | 298.1% | 307.9% | -9.8 ppt |
| Total assets (HK\$ million) | 46,881 | 48,933 | -4.2% |
| Net asset value per share ² (HK\$) | 2.79 | 2.94 | -5.1% |
| Number of employees | 542 | 568 | -4.6% |

Notes:

- Gearing ratio = (Interest-bearing loans + Lease liabilities – Cash and cash equivalents) ÷ Net assets
- Net asset value per share = Equity attributable to owners of the Company ÷ Number of issued shares

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 |
|---------------------------------------|------------------|--|----------------------------|-------------------------------------|---|-------------------------------------|
| 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% | 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 |
| Foshan City | | | | | | |
| 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 |
| Zhuhai City | | | | | | |
| Zhuhai Laurel House | Sale in progress | Residential/Commercial | 100% | 248,598 | 166,875 | 2024 |
| 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 |
| 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 |

*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)

Business Review (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% |

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.

Management Discussion and Analysis (continued)

Business Review (continued)

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)

Business Review (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 of 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)

Business Review (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 region where the project is located will enhance the future development of the project. It is expected that the region will have sound living and education amenities. 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 superstructures of other phase properties of the project 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 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)

Business Review (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 parcel of Land No. 4 has been made in September 2023 and the filing for completion of construction of all properties on 4-2 parcel 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

| | Note | For the six months ended | | Change |
|---|------|--------------------------|-----------|----------|
| | | 30 June | 2023 | |
| | | 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 | 31 December | Change |
|--------------------------------|---------|-------------|--------|
| | 2024 | 2023 | |
| 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)

Financial Review (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)

Financial Review (continued)

Financial Resources and Liquidity (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 ratio¹ 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 18 to the unaudited interim financial report for details). Save for the above, the Group did not have any other material contingent liabilities as at 30 June 2024.

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).

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

Management Discussion and Analysis (continued)

Risks and Uncertainties (continued)

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.

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.

Management Discussion and Analysis (continued)

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.

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.

Management Discussion and Analysis (continued)

Outlook (continued)

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.

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.

Directors' Interests and Short Positions in Securities

As at 30 June 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be: (a) notified to the Company and The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), were as follows:

(i) Interests and short positions in the Company

| Name of Director | Capacity/ Nature of interest | Number of ordinary shares held | Long/Short position | Approximate percentage of interests held ^(Note) |
|------------------------------|------------------------------------|--------------------------------------|------------------------|---|
| JIAO Li | Personal | 200,000 | Long position | 0.012% |
| Vincent Marshall LEE Kwan Ho | Corporate | 2,000,000 | Long position | 0.117% |

Note: The approximate percentage of interests held was calculated on the basis of 1,711,536,850 ordinary shares of the Company in issue as at 30 June 2024.

(ii) Interests and short positions in Guangdong Investment Limited

| Name of Director | Capacity/ Nature of interest | Number of ordinary shares held | Long/Short position | Approximate percentage of interests held ^(Note) |
|------------------|------------------------------------|--------------------------------------|------------------------|---|
| JIAO Li | Personal | 100,000 | Long position | 0.002% |

Note: The approximate percentage of interests held was calculated on the basis of 6,537,821,440 ordinary shares of Guangdong Investment Limited ("GDI") in issue as at 30 June 2024.

Save as disclosed above, as at 30 June 2024, to the knowledge of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be: (a) notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); (b) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the period was the Company, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors or their spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporates.

Substantial Shareholders' Interests

As at 30 June 2024, so far as is known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) had, or were taken or deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO:

| Name of shareholder | Capacity/ Nature of interest | Number of ordinary shares held | Long/Short position | Approximate percentage of interests held <i>(Note 1)</i> |
|--|--|--------------------------------------|------------------------|---|
| 廣東粵海控股集團有限公司 (Guangdong Holdings Limited) <i>(Note 2)</i> | Interest in controlled corporation | 1,263,494,221 | Long position | 73.82% |
| GDH Limited <i>(Note 2)</i> | Interest in controlled corporation | 1,263,494,221 | Long position | 73.82% |
| Guangdong Investment Limited | Beneficial owner | 1,263,494,221 | Long position | 73.82% |

Notes:

- The approximate percentage of interests held was calculated on the basis of 1,711,536,850 ordinary shares of the Company in issue as at 30 June 2024.
- The attributable interest which 廣東粵海控股集團有限公司 (Guangdong Holdings Limited) ("Guangdong Holdings") has in the Company is held through its wholly-owned subsidiary, namely GDH Limited ("GDH"), and the attributable interest of the latter is held through its subsidiary, GDI.

Save as disclosed above, as at 30 June 2024, so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) had, or was taken or deemed to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register kept by the Company pursuant to Section 336 of the SFO.

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.

Directors' Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors. In response to specific enquiry made, all the Directors confirmed that they have complied with the required standards of dealings as set out in the Model Code during the six months ended 30 June 2024.

Change in Director's Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in Director's information during the period under review and up to the date of this report is set out below:

- (i) Mr. LAN Runing has retired as a non-executive director of GDI, with effect from 18 June 2024.
- (ii) Mr. WANG Jian was appointed as:
 - the chairman, a director and managing director of 廣東粵港投資開發有限公司 (Guangdong Yuegang Investment Development Co., Ltd.), a subsidiary of Guangdong Holdings, with effect from 21 June 2024; and
 - the chairman and a director of GDH Real Estates (China) Limited, a subsidiary of GDH, with effect from 1 August 2024.

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 interim financial report 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.

Corporate Governance and Other Information

(continued)

Disclosure under Rule 13.21 of the Listing Rules

(1) Uncommitted Revolving Term Loan Facility from the First Bank

On 6 March 2023, the Company accepted a facility letter (the “2023 First Facility Letter”) issued by a bank (the “First Bank”) in relation to a term loan facility (the “2023 First Facility”) for 360 days in the principal amount of HK\$500 million made available by the First Bank to the Company.

Pursuant to the 2023 First Facility Letter, the First Bank may by notice to the Company require the Company to fully repay the loan under the 2023 First Facility within one month if, among others, any one of the following events has occurred:

- (i) Guangdong Holdings ceases to beneficially own, directly and/or indirectly, at least 51% of the shareholding in GDI; or
- (ii) Guangdong Holdings ceases to be ultimately controlled and/or beneficially majority-owned (directly and/or indirectly) by the Guangdong Provincial People’s Government of the PRC (the “Guangdong Provincial Government”).

In addition, the Company shall undertake to ensure that GDI continues to be the single largest shareholder and holds (directly or indirectly) not less than 50% of the shareholding in the Company.

The loan under the 2023 First Facility has been fully repaid on 4 March 2024.

On 29 February 2024, the Company accepted another facility letter (the “2024 First Facility Letter”) issued by the First Bank in relation to an uncommitted revolving term loan facility (the “2024 First Facility”) for 360 days in the principal amount of HK\$400 million made available by the First Bank to the Company.

Pursuant to the 2024 First Facility Letter, the Company undertakes to the First Bank the followings:

- (i) Guangdong Holdings shall beneficially own, directly and/or indirectly, at least 51% of the shareholding in GDI;
- (ii) GDI shall continue to be the single largest shareholder of the Company and hold, directly or indirectly, not less than 50% of the shareholding in the Company; and
- (iii) Guangdong Holdings shall be ultimately controlled and/or beneficially majority-owned (directly and/or indirectly) by the Guangdong Provincial Government.

There shall be an Event of Default if any of representation or statement made by the Company is incorrect and the First Bank may, by notice in writing to the Company, declare the 2024 First Facility to be terminated and the liabilities payable under the 2024 First Facility Letter shall become due payable.

The outstanding principal of the 2024 First Facility as at 30 June 2024 amounted to HK\$400 million.

Corporate Governance and Other Information

(continued)

Disclosure under Rule 13.21 of the Listing Rules (continued)

(2) Uncommitted Revolving Loan Facility from the Second Bank

On 7 March 2023, the Company accepted a facility letter (the “2023 Second Facility Letter”) issued by the second bank (the “Second Bank”) in relation to an uncommitted revolving loan facility (the “2023 Second Facility”) for 360 days in the principal amount of HK\$300 million made available by the Second Bank to the Company.

Pursuant to the 2023 Second Facility Letter, the Second Bank may by notice to the Company require the Company to fully repay the loan under the 2023 Second Facility immediately if, among others, any one of the following events has occurred which would constitute an event of default:

- (i) Guangdong Holdings ceases to be ultimately controlled and/or beneficially majority-owned (directly and/or indirectly) by the Guangdong Provincial Government; or
- (ii) Guangdong Holdings ceases to beneficially own, directly and/or indirectly, at least 51% of the shareholding in GDI; or
- (iii) GDI ceases to retain as the single largest shareholder of the Company and ceases to hold (whether directly or indirectly) at least 50% shareholding in the Company.

The loan under the 2023 Second Facility has been fully repaid on 11 March 2024.

(3) Uncommitted Revolving Loan Facility from the Third Bank

On 6 March 2023, the Company accepted a facility letter (the “2023 Third Facility Letter”) issued by the third bank (the “Third Bank”) in relation to an uncommitted revolving loan facility (the “2023 Third Facility”) for 360 days in the principal amount of HK\$500 million made available by the Third Bank to the Company.

Pursuant to the 2023 Third Facility Letter, the Third Bank may by notice to the Company require the Company to fully repay the loan under the 2023 Third Facility immediately if, among others, any one of the following events has occurred which would constitute an event of default:

- (i) the Company ceases to be a subsidiary of GDI; or
- (ii) the Company ceases to be a subsidiary of Guangdong Holdings.

The loan under the 2023 Third Facility has been fully repaid on 4 March 2024.

On 29 February 2024, the Company accepted another facility letter (the “2024 Second Facility Letter”) issued by the Third Bank in relation to an uncommitted revolving loan facility (the “2024 Second Facility”) for 360 days in the principal amount of HK\$500 million made available by the Third Bank to the Company.

Pursuant to the 2024 Second Facility Letter, the Company covenants to the Third Bank the following undertakings:

- (i) the Company shall maintain as a subsidiary of GDI; and
- (ii) the Company shall maintain as a subsidiary of Guangdong Holdings.

Corporate Governance and Other Information

(continued)

Disclosure under Rule 13.21 of the Listing Rules (continued)

(3) Uncommitted Revolving Loan Facility from the Third Bank (continued)

The Third Bank may by notice to the Company require the Company to fully repay the loan under the 2024 Second Facility immediately if the above undertakings are not complied.

The outstanding principal of the 2024 Second Facility as at 30 June 2024 amounted to HK\$450 million.

By Order of the Board

KUANG Hu

Vice Chairman

Hong Kong, 28 August 2024

Review Report



Review report to the board of directors of Guangdong Land Holdings Limited
(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 25 to 48 which comprises the condensed consolidated statement of financial position of Guangdong Land Holdings Limited (the “Company”) and its subsidiaries as of 30 June 2024 and the related condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim Financial Reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim Financial Reporting*.

KPMG
Certified Public Accountants

8th Floor, Prince’s Building
10 Chater Road
Central, Hong Kong

28 August 2024

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2024
(Expressed in Hong Kong dollars)

| | Notes | Unaudited Six months ended 30 June | |
|---|-------|---------------------------------------|------------------|
| | | 2024 HK\$'000 | 2023 HK\$'000 |
| Revenue | 5 | 2,803,824 | 973,596 |
| Cost of sales | | (2,687,904) | (749,636) |
| Gross profit | | 115,920 | 223,960 |
| Other gains/(losses), net | 5 | 13,366 | (206,820) |
| Fair value gains on investment properties | 10 | 193 | 258,807 |
| Selling and marketing expenses | | (127,491) | (139,265) |
| Administrative expenses | | (106,404) | (100,202) |
| Operating (loss)/profit | | (104,416) | 36,480 |
| Finance income | 6 | 21,387 | 29,344 |
| Finance costs | 6 | (199,178) | (136,178) |
| Finance costs, net | | (177,791) | (106,834) |
| Loss before tax | 7 | (282,207) | (70,354) |
| Income tax expense | 8 | 66,464 | (100,863) |
| Loss for the period | | (215,743) | (171,217) |
| Attributable to: | | | |
| Owners of the Company | | (217,031) | (200,288) |
| Non-controlling interests | | 1,288 | 29,071 |
| | | (215,743) | (171,217) |
| Loss per share | | | |
| Basic and diluted | 9 | HK(12.68 cents) | HK(11.70 cents) |

The notes on pages 31 to 48 form an integral part of this interim financial report.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2024
(Expressed in Hong Kong dollars)

| | Unaudited | |
|--|--------------------------|-----------|
| | Six months ended 30 June | |
| | 2024 | 2023 |
| | HK\$'000 | HK\$'000 |
| Loss for the period | (215,743) | (171,217) |
| Other comprehensive income | | |
| Other comprehensive income to be reclassified to profit or loss in subsequent periods: | | |
| Exchange differences on translation of Chinese Mainland operations | (49,717) | (326,724) |
| Total comprehensive income for the period | (265,460) | (497,941) |
| Attributable to: | | |
| Owners of the Company | (256,913) | (470,413) |
| Non-controlling interests | (8,547) | (27,528) |
| Total comprehensive income for the period | (265,460) | (497,941) |

The notes on pages 31 to 48 form an integral part of this interim financial report.

Condensed Consolidated Statement of Financial Position

As at 30 June 2024
(Expressed in Hong Kong dollars)

| | | Unaudited 30 June 2024 HK\$'000 | Audited 31 December 2023 HK\$'000 |
|---|-------|--|--|
| | Notes | | |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 82,699 | 87,124 |
| Right-of-use assets | | 9,286 | 18,056 |
| Intangible assets | | 17,841 | 18,252 |
| Investment properties | 10 | 9,046,652 | 9,110,859 |
| Equity investments designated at fair value through other comprehensive income | | 39,689 | 39,689 |
| Other receivables | | 6,716 | 7,196 |
| Deferred tax assets | | 1,049,242 | 1,020,103 |
| Total non-current assets | | 10,252,125 | 10,301,279 |
| Current assets | | | |
| Completed properties held for sale | 11 | 7,697,251 | 8,061,645 |
| Properties held for sale under development | 11 | 22,382,416 | 24,051,914 |
| Other contract costs | 11 | 80,616 | 99,407 |
| Prepayments, deposits and other receivables | 12 | 1,108,317 | 1,336,135 |
| Tax recoverable | | 704,781 | 547,139 |
| Restricted bank balances | 13 | 397,962 | 451,660 |
| Cash and cash equivalents | 13 | 4,257,228 | 4,083,905 |
| Total current assets | | 36,628,571 | 38,631,805 |
| Total assets | | 46,880,696 | 48,933,084 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables and accruals | 14 | (4,411,935) | (5,457,043) |
| Contract liabilities | | (10,330,924) | (9,517,294) |
| Lease liabilities | | (8,127) | (17,402) |
| Tax payable | | (1,927,557) | (2,277,419) |
| Bank and other borrowings | 15 | (2,129,633) | (2,453,442) |
| Loans from related parties | 19(c) | (7,919,633) | (10,612,331) |
| Total current liabilities | | (26,727,809) | (30,334,931) |
| Net current assets | | 9,900,762 | 8,296,874 |
| Total assets less current liabilities | | 20,152,887 | 18,598,153 |

Condensed Consolidated Statement of Financial Position (continued)

As at 30 June 2024
(Expressed in Hong Kong dollars)

| | Notes | Unaudited 30 June 2024 HK\$'000 | Audited 31 December 2023 HK\$'000 |
|---|-------|--|--|
| Non-current liabilities | | | |
| Bank and other borrowings | 15 | (7,782,668) | (7,694,116) |
| Loans from related parties | 19(c) | (4,792,050) | (3,100,423) |
| Lease liabilities | | (1,341) | (2,393) |
| Deferred tax liabilities | | (1,396,484) | (1,355,432) |
| Other payables | 14 | (16,398) | (16,383) |
| Total non-current liabilities | | (13,988,941) | (12,168,747) |
| Total liabilities | | (40,716,750) | (42,503,678) |
| Net assets | | 6,163,946 | 6,429,406 |
| Equity | | | |
| Equity attributable to owners of the Company | | | |
| Share capital | 16(a) | 171,154 | 171,154 |
| Reserves | | 4,611,021 | 4,867,934 |
| | | 4,782,175 | 5,039,088 |
| Non-controlling interests | | 1,381,771 | 1,390,318 |
| Total equity | | 6,163,946 | 6,429,406 |

The notes on pages 31 to 48 form an integral part of this interim financial report.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024
(Expressed in Hong Kong dollars)

| Notes | Unaudited Attributable to owners of the Company | | | | | | | | | | |
|--|--|-----------------------|-----------------|------------------------------|------------------------------|---------------|------------------------------|------------------|-----------|---------------------------|--------------|
| | Share capital | Share premium account | Capital reserve | Property revaluation reserve | Enterprise development funds | Reserve funds | Exchange fluctuation reserve | Retained profits | Total | Non-controlling interests | Total equity |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 January 2023 | 171,154 | 1,688,606 | 2,785 | 6,984 | 216 | 295,198 | (340,059) | 5,962,544 | 7,787,428 | 830,444 | 8,617,872 |
| (Loss)/profit for the period | - | - | - | - | - | - | - | (200,288) | (200,288) | 29,071 | (171,217) |
| Other comprehensive income for the period | - | - | - | - | - | - | (270,125) | - | (270,125) | (56,599) | (326,724) |
| Total comprehensive income for the period | - | - | - | - | - | - | (270,125) | (200,288) | (470,413) | (27,528) | (497,941) |
| Transactions with owners in their capacity as owners: | | | | | | | | | | | |
| Capital injection from non-controlling interests | 19(a) | - | - | - | - | - | - | - | - | 826,251 | 826,251 |
| Transfer to reserve funds | | - | - | - | - | 19,979 | - | (19,979) | - | - | - |
| Dividends provided | 16(b) | - | - | - | - | - | - | (136,923) | (136,923) | - | (136,923) |
| At 30 June 2023 | 171,154 | 1,688,606 | 2,785 | 6,984 | 216 | 315,177 | (610,184) | 5,605,354 | 7,180,092 | 1,629,167 | 8,809,259 |

| | Unaudited Attributable to owners of the Company | | | | | | | | | | | |
|---|--|-----------------------|-----------------|------------------------------|------------------------------|---------------|--------------------|------------------------------|------------------|-----------|---------------------------|--------------|
| | Share capital | Share premium account | Capital reserve | Property revaluation reserve | Enterprise development funds | Reserve funds | Fair value reserve | Exchange fluctuation reserve | Retained profits | Total | Non-controlling interests | Total equity |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| At 1 January 2024 | 171,154 | 1,688,606 | 2,785 | 6,984 | 216 | 393,503 | 2,039 | (457,281) | 3,231,082 | 5,039,088 | 1,390,318 | 6,429,406 |
| (Loss)/profit for the period | - | - | - | - | - | - | - | - | (217,031) | (217,031) | 1,288 | (215,743) |
| Other comprehensive income for the period | - | - | - | - | - | - | - | (39,882) | - | (39,882) | (9,835) | (49,717) |
| Total comprehensive income for the period | - | - | - | - | - | - | - | (39,882) | (217,031) | (256,913) | (8,547) | (265,460) |
| At 30 June 2024 | 171,154 | 1,688,606 | 2,785 | 6,984 | 216 | 393,503 | 2,039 | (497,163) | 3,014,051 | 4,782,175 | 1,381,771 | 6,163,946 |

The notes on pages 31 to 48 form an integral part of this interim financial report.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024
(Expressed in Hong Kong dollars)

| | Note | Unaudited Six months ended 30 June | |
|--|------|---------------------------------------|------------------|
| | | 2024 HK\$'000 | 2023 HK\$'000 |
| Cash flows from operating activities | | | |
| Net cash generated from operations | | 2,517,846 | 2,708,851 |
| Interest received | | 22,213 | 29,344 |
| Interest paid | | (807,790) | (458,439) |
| PRC tax paid | | (440,497) | (211,750) |
| Net cash flows generated from operating activities | | 1,291,772 | 2,068,006 |
| Cash flows from investing activities | | | |
| Proceeds from disposal of property, plant and equipment | | 2 | – |
| Purchases of property, plant and equipment | | (3,191) | (12,283) |
| Additions to construction in progress | | – | (10,786) |
| Additions to investment properties | | – | (336,450) |
| Net cash flows used in investing activities | | (3,189) | (359,519) |
| Cash flows from financing activities | | | |
| Proceeds from bank and other borrowings | | 1,809,900 | 6,271,125 |
| Proceeds from loans from related parties | | 3,611,060 | 4,045,752 |
| Repayments to bank and other borrowings | | (1,980,316) | (2,752,266) |
| Repayments of loans from related parties | | (4,519,164) | (5,732,600) |
| Capital injection from non-controlling interests | | – | 826,251 |
| Principal elements of lease payments | | (7,826) | (6,279) |
| Net cash flows (used in)/generated from financing activities | | (1,086,346) | 2,651,983 |
| Net increase in cash and cash equivalents | | 202,237 | 4,360,470 |
| Cash and cash equivalents at beginning of period | | 4,083,905 | 2,660,932 |
| Effect of foreign exchange rate changes, net | | (28,914) | (232,782) |
| Cash and cash equivalents at end of period | 13 | 4,257,228 | 6,788,620 |

The notes on pages 31 to 48 form an integral part of this interim financial report.

Notes to the Unaudited Interim Financial Report

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General information

Guangdong Land Holdings Limited (the “Company”) 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) (“Guangdong Holdings”), a company established in the People’s Republic of China (the “PRC”).

During the period, the Company and its subsidiaries (together, the “Group”) were involved in property development and investment businesses.

2 Basis of preparation

This interim financial report 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 interim financial report 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 report 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 interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Critical accounting estimates

The preparation of interim financial report 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 interim financial report, 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.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

4 Segment information (continued)

| | For the six months ended 30 June 2024 | | | |
|-----------------------------|---------------------------------------|------------------------------------|-------------------|-------------------|
| | Property development HK\$'000 | Property investment HK\$'000 | Other HK\$'000 | Total HK\$'000 |
| Segment revenue: | | | | |
| Sales to external customers | 2,778,718 | 25,106 | – | 2,803,824 |
| Segment results | (69,131) | (21,292) | (13,993) | (104,416) |
| Reconciliation: | | | | |
| Finance income | | | | 21,387 |
| Finance costs | | | | (199,178) |
| Loss before tax | | | | (282,207) |
| | For the six months ended 30 June 2023 | | | |
| | Property development HK\$'000 | Property investment HK\$'000 | Other HK\$'000 | Total HK\$'000 |
| Segment revenue: | | | | |
| Sales to external customers | 957,917 | 15,679 | – | 973,596 |
| Segment results | (199,058) | 252,607 | (17,069) | 36,480 |
| Reconciliation: | | | | |
| Finance income | | | | 29,344 |
| Finance costs | | | | (136,178) |
| Loss before tax | | | | (70,354) |

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

4 Segment information (continued)

| | As at 30 June 2024 | | | Total HK\$'000 |
|--|-------------------------------------|------------------------------------|-------------------|-------------------|
| | Property development HK\$'000 | Property investment HK\$'000 | Other HK\$'000 | |
| Segment assets | 36,417,660 | 9,337,405 | 76,389 | 45,831,454 |
| Reconciliation: Unallocated assets | | | | 1,049,242 |
| Total assets | | | | 46,880,696 |
| Segment liabilities | (38,418,447) | (21,036) | (880,783) | (39,320,266) |
| Reconciliation: Unallocated liabilities | | | | (1,396,484) |
| Total liabilities | | | | (40,716,750) |
| | As at 31 December 2023 | | | |
| | Property development HK\$'000 | Property investment HK\$'000 | Other HK\$'000 | Total HK\$'000 |
| Segment assets | 38,352,136 | 9,396,680 | 164,165 | 47,912,981 |
| Reconciliation: Unallocated assets | | | | 1,020,103 |
| Total assets | | | | 48,933,084 |
| Segment liabilities | (40,217,050) | (1,394) | (929,802) | (41,148,246) |
| Reconciliation: Unallocated liabilities | | | | (1,355,432) |
| Total liabilities | | | | (42,503,678) |

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

5 Revenue and other gains/(losses), net

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

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

6 Finance income and finance costs

| | For the six months ended 30 June | |
|---|-------------------------------------|------------------|
| | 2024 HK\$'000 | 2023 HK\$'000 |
| Finance income | | |
| – bank interest income | 21,387 | 29,344 |
| Finance costs | | |
| – interest expenses on bank borrowings | 211,166 | 197,951 |
| – interest expenses on other borrowings | 282,853 | 453,141 |
| – others | 2,417 | 1,363 |
| Total finance costs incurred | 496,436 | 652,455 |
| Less: amount capitalised in property development projects | (297,258) | (516,277) |
| Total finance costs expensed during the period | 199,178 | 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% and 6.65%).

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Loss before tax

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

| | For the six months ended 30 June | |
|--|-------------------------------------|------------------|
| | 2024 HK\$'000 | 2023 HK\$'000 |
| Cost of properties sold (Note 11(b)) | 2,659,026 | 747,210 |
| Depreciation | 14,717 | 10,702 |
| Commission expenses | 63,816 | 25,664 |
| Staff costs | | |
| – wages and salaries | 72,817 | 114,178 |
| – contributions to defined contribution schemes | 14,882 | 17,476 |
| | 87,699 | 131,654 |
| Less: amount capitalised under property development projects | (12,336) | (45,666) |
| Total staff costs expensed during the period | 75,363 | 85,988 |

8 Income tax expense

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

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

9 Loss per share attributable to ordinary equity holders of the Company

The calculation of 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 for the six months ended 30 June 2024 and 2023.

10 Investment properties

| | Completed investment properties at fair value <i>HK\$'000</i> | Investment properties under development at fair value <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|---|---|--|--------------------------|
| 2024 | | | |
| At 1 January 2024 | 9,110,859 | – | 9,110,859 |
| Fair value gains on investment properties | 193 | – | 193 |
| Exchange differences | (64,400) | – | (64,400) |
| At 30 June 2024 | 9,046,652 | – | 9,046,652 |
| 2023 | | | |
| At 1 January 2023 | 3,429,456 | 5,031,689 | 8,461,145 |
| Additions | – | 397,564 | 397,564 |
| Fair value gains on investment properties | 5,889 | 252,918 | 258,807 |
| Exchange differences | (107,123) | (180,165) | (287,288) |
| At 30 June 2023 | 3,328,222 | 5,502,006 | 8,830,228 |

As at 30 June 2024, investment properties of fair value HK\$433,414,000 (31 December 2023: HK\$6,235,660,000) was pledged as securities for other borrowings (31 December 2023: for bank and other borrowings) (Note 15).

The Group's investment properties as at 30 June 2024 were revalued by Guangdong Zhixin Asset Evaluation Co., Ltd., an independent professionally qualified valuer.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

11 Completed properties held for sale, properties held for sale under development and other contract costs

- (a) The analysis of completed properties held for sale, properties held for sale under development and other contract costs under properties development segment is as follows:

| | 30 June 2024 HK\$'000 | 31 December 2023 HK\$'000 |
|---|--------------------------------------|---------------------------------|
| Completed properties held for sale | 7,697,251 | 8,061,645 |
| Properties held for sale under development | 22,382,416 | 24,051,914 |
| Contract costs relating to sales commission of property sales | 80,616 | 99,407 |
| | 30,160,283 | 32,212,966 |

At the end of the reporting period, completed properties held for sale and properties held for sale under development of HK\$22,163,301,000 (31 December 2023: HK\$23,618,039,000) were expected to be recovered after more than one year.

At the end of the reporting period, properties held for sale under development of HK\$1,035,533,000 (31 December 2023: HK\$2,353,734,000) were pledged to banks as securities for bank borrowings granted to subsidiaries of the Group (Note 15), and none (31 December 2023: HK\$152,776,000) of the completed properties held for sale was pledged.

- (b) The analysis of the amount of completed properties held for sale, properties held for sale under development recognised as an expense and included in profit or loss is as follows:

| | For the six months ended 30 June | |
|--|---|------------------|
| | 2024 HK\$'000 | 2023 HK\$'000 |
| Carrying amount of completed properties held for sale sold | 2,659,026 | 747,210 |
| Write down of completed properties held for sale | – | 70,267 |
| Write down of properties held for sale under development | – | 134,505 |
| | 2,659,026 | 951,982 |

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

12 Prepayments, deposits and other receivables

| | Note | 30 June 2024 HK\$'000 | 31 December 2023 HK\$'000 |
|---|-------|-----------------------------|---------------------------------|
| Trade receivables | | 10,985 | 8,541 |
| Amounts due from fellow subsidiaries | 19(c) | 15,686 | 12,845 |
| Other receivables (Note (a)) | | 66,973 | 53,154 |
| <hr/> | | | |
| Financial assets measured at amortised cost | | 93,644 | 74,540 |
| Prepaid taxes | | 752,875 | 994,261 |
| Prepaid construction costs | | 11,700 | 14,677 |
| Other prepayments and deposits | | 8,103 | 8,939 |
| Other current assets (Note (b)) | | 241,995 | 243,718 |
| <hr/> | | | |
| | | 1,108,317 | 1,336,135 |

Notes:

- (a) As at 30 June 2024, none of the other receivables was past due (31 December 2023: Nil). The credit risk was low as the counterparties were with strong financial position. With no significant increase in credit risk at period end and taking into account of the forward-looking information, the expected credit loss was considered as immaterial to the Group.
- (b) The Group disposed one of its property, plant and equipment in 2023 and one of its investment properties in 2022 to third parties under relocation compensation agreements for the city renovation projects. Other current assets represented the contractual right of receiving the residential properties under the relocation compensation agreements.

Aging analysis

As of the end of the reporting period, the aging analysis of the Group's trade receivables, based on the payment due date, is as follows:

| | 30 June 2024 HK\$'000 | 31 December 2023 HK\$'000 |
|--|-----------------------------|---------------------------------|
| Current or less than 3 months past due | 10,985 | 8,541 |

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

13 Restricted bank balances and cash and cash equivalents

| | 30 June 2024 HK\$'000 | 31 December 2023 HK\$'000 |
|--------------------------------|-----------------------------|---------------------------------|
| Cash and bank balances | 3,097,355 | 3,264,588 |
| Other deposits with banks | 1,049 | 1,052 |
| Property pre-sale proceeds | 1,556,786 | 1,269,925 |
| | 4,655,190 | 4,535,565 |
| Less: restricted bank balances | (397,962) | (451,660) |
| Cash and cash equivalents | 4,257,228 | 4,083,905 |

Note:

Balance at 30 June 2024 mainly represented pre-sale proceeds from the Group's completed properties held for sale and properties held for sale under development placed at designated bank accounts under supervision pursuant to relevant regulations in the PRC amounting to approximately HK\$396,913,000 (31 December 2023: HK\$450,608,000).

As of the end of the reporting period, cash and bank balances (excluding restricted bank balances) situated in Chinese Mainland amounted to HK\$4,227,198,000 (31 December 2023: HK\$3,967,587,000). Remittance of funds out of Chinese Mainland is subject to relevant rules and regulations of foreign exchange control.

14 Trade and other payables and accruals

| | 30 June 2024 HK\$'000 | 31 December 2023 HK\$'000 |
|--|-----------------------------|---------------------------------|
| Current portion: | | |
| Trade and bills payables | 97,323 | 164,334 |
| Construction costs accruals | 2,168,594 | 2,477,739 |
| Interest payable to related parties | 754,811 | 1,066,165 |
| Other payables, accruals and provisions | 309,374 | 423,102 |
| Amounts due to related parties | 21,056 | 16,831 |
| | 3,351,158 | 4,148,171 |
| Financial liabilities measured at amortised cost | 1,040,429 | 1,288,027 |
| Other taxes payable | 20,348 | 20,845 |
| | 4,411,935 | 5,457,043 |
| Non-current portion: | | |
| Financial liabilities measured at amortised cost | | |
| – Other payables | 16,398 | 16,383 |

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

14 Trade and other payables and accruals (continued)

The carrying amounts of trade, bills and other payables, accruals and provisions approximate their fair values because of their immediate or short-term maturity.

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

15 Bank and other borrowings

| | 30 June 2024 HK\$'000 | 31 December 2023 HK\$'000 |
|---|--------------------------------------|---------------------------------|
| Bank borrowings – secured | 1,350,737 | 3,834,430 |
| Bank and other borrowings – unsecured | 8,217,350 | 5,964,588 |
| Other borrowings – Commercial Mortgage Backed Securities (“CMBS”) – secured | 344,214 | 348,540 |
| | 9,912,301 | 10,147,558 |
| Bank and other borrowings repayable as follows: | | |
| Not exceeding 1 year | 2,129,633 | 2,453,442 |
| More than 1 year but not exceed 2 years | 1,438,661 | 1,465,342 |
| More than 2 years but not exceed 5 years | 5,943,281 | 5,662,817 |
| More than 5 years | 400,726 | 565,957 |
| | 9,912,301 | 10,147,558 |
| Less: current portion | (2,129,633) | (2,453,442) |
| Non-current portion | 7,782,668 | 7,694,116 |

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

15 Bank and other borrowings (continued)

Bank and other borrowings are secured by the following pledged assets:

| | 30 June 2024 HK\$'000 | 31 December 2023 HK\$'000 |
|--|-----------------------------|---------------------------------|
| Investment properties (Note 10) | 433,414 | 6,235,660 |
| Completed properties held for sale (Note 11) | – | 152,776 |
| Properties held for sale under development (Note 11) | 1,035,533 | 2,353,734 |
| | 1,468,947 | 8,742,170 |

Note:

All of the secured bank borrowings are repayable by instalments and interest-bearing at floating rates with contractual interest repricing dates ranged within 6 months. No secured bank loans (31 December 2023: HK\$736,001,000) is secured by pledge of equity interests of subsidiaries.

Included in the unsecured bank and other borrowings is an aggregate amount of HK\$4,382,800,000 (31 December 2023: HK\$4,414,000,000) which is guaranteed by Guangdong Holdings. The Group signed a counter-guarantee agreement with Guangdong Holdings to provide counter-guarantee for the guarantee obligations of Guangdong Holdings to the Group.

On 30 August 2022, CMBS amounted to RMB330,000,000 were issued in the Shanghai Stock Exchange and repayable in installments. The CMBS were secured by certain investment properties and their operating income receivables. As at 30 June 2024, the interest rates of the CMBS classified as priority A level with the outstanding principal amount of RMB164,150,000 (equivalent to approximately HK\$179,859,000) (31 December 2023: RMB165,850,000 (equivalent to approximately HK\$183,015,000)) was fixed at 3.35% per annum and that of priority B level of RMB150,000,000 (equivalent to approximately HK\$164,355,000) (31 December 2023: RMB150,000,000 (equivalent to approximately HK\$165,525,000)) was fixed at 3.80% per annum. The term of the CMBS was 18 years. At the end of the third year, the sixth year, the ninth year, the twelfth year, the fifteenth year and the eighteenth year, the Group shall be entitled to adjust the interest rates of the CMBS or repurchase the outstanding balance, and the holders of the CMBS shall be entitled to require the Group to redeem the outstanding balance.

As at 30 June 2024, the weighted average effective interest rate of the Group's bank and other borrowings is 3.84% (31 December 2023: 4.02%) per annum.

16 Share capital and dividends

(a) Share capital

| | 30 June 2024 HK\$'000 | 31 December 2023 HK\$'000 |
|--|-----------------------------|---------------------------------|
| Authorised: | | |
| 5,000,000,000 ordinary shares of HK\$0.10 each | 500,000 | 500,000 |
| Issued and fully paid: | | |
| 1,711,536,850 ordinary shares of HK\$0.10 each | 171,154 | 171,154 |

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

16 Share capital and dividends (continued)

(b) Dividends

- (i) Dividends payable to shareholders of the Company attributable to the interim period:

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

The Board of Directors did not recommend any interim dividend for the six months ended 30 June 2024.

- (ii) Dividends payable to shareholders of the Company attributable to the previous financial year, and approved during the interim period:

| | For the six months ended 30 June | |
|--|-------------------------------------|------------------|
| | 2024 HK\$'000 | 2023 HK\$'000 |
| Final dividend in respect of the previous financial year, and approved during the following interim period – Nil (for the six months ended 30 June 2023: HK8.00 cents per ordinary share) | – | 136,923 |

17 Capital commitments

The Group had the following capital commitments at the end of the reporting period:

| | 30 June 2024 HK\$'000 | 31 December 2023 HK\$'000 |
|-----------------------------------|-----------------------------|---------------------------------|
| Contracted, but not provided for: | | |
| Property development expenditure | 6,944,366 | 7,557,725 |
| Capital injection | 10,847 | 10,925 |

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

18 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.

19 Related party transactions

(a) Summary of significant related party transactions:

In addition to the related party information and transaction disclosed elsewhere in the interim financial report, the following is a summary of significant related party transactions entered into the ordinary course of business between the Group and its related parties:

| | | For the six months ended 30 June | |
|---|-------|-------------------------------------|------------------|
| | Notes | 2024 HK\$'000 | 2023 HK\$'000 |
| Rental expenses paid to fellow subsidiaries | (i) | 7,715 | 5,703 |
| Rental income received from a fellow subsidiary | (i) | 2,605 | 2,388 |
| Property management fees paid to fellow subsidiaries | (ii) | 33,335 | 27,920 |
| Interest expenses paid to fellow subsidiaries and non-controlling interests | (iii) | 242,939 | 395,294 |
| Interest expenses paid to the ultimate holding company | (iv) | 55,597 | 84,264 |
| Property leasing services fees paid to fellow subsidiaries | (v) | 1,292 | 1,142 |
| Capital injection from non-controlling interests | (vi) | – | 826,251 |

Notes:

- (i) All the rental income/expenses were charged in accordance with the terms of agreement entered into between the Group and the respective fellow subsidiaries.
- (ii) The property management service fees were charged in accordance with the terms of agreements entered into between the Group and the fellow subsidiaries.
- (iii) The interest expenses were charged at effective interest rate of 2.80% to 5.50% (for the six months ended 30 June 2023: 3.20% to 5.50%) per annum.
- (iv) The interest expenses were charged at effective interest rate of 3.63% and 4.75% (for the six months ended 30 June 2023: 4.75% and 5.50%) per annum.
- (v) The property leasing service fees were charged in accordance with the terms of agreements entered into between the Group and the fellow subsidiaries.
- (vi) Being the non-controlling shareholder of a non-wholly owned subsidiary of the Group, a fellow subsidiary invested capital amounting to RMB734,510,000 (equivalent to approximately HK\$826,251,000) to the non-wholly owned subsidiary during the six months ended 30 June 2023.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

19 Related party transactions (continued)

(b) Compensation of key management personnel of the Group:

| | For the six months ended 30 June | |
|---|-------------------------------------|------------------|
| | 2024 HK\$'000 | 2023 HK\$'000 |
| Short term employee benefits | 1,523 | 3,745 |
| Post-employment benefits | 425 | 542 |
| Total compensation paid to key management personnel | 1,948 | 4,287 |

(c) Balances with related parties are analysed as follows:

| | Notes | 30 June 2024 HK\$'000 | 31 December 2023 HK\$'000 |
|---|-------|-----------------------------|---------------------------------|
| Amounts due from fellow subsidiaries | (i) | 15,686 | 12,845 |
| Amount due to an intermediate holding company | (i) | – | 35 |
| Amounts due to fellow subsidiaries and non-controlling interests | (i) | 21,056 | 16,796 |
| | | 21,056 | 16,831 |
| Interest payable to fellow subsidiaries and non-controlling interests | | 706,005 | 795,028 |
| Interest payable to the ultimate holding company | | 48,806 | 271,137 |
| | | 754,811 | 1,066,165 |
| Short-term loans and current portion of long-term loans from fellow subsidiaries | (ii) | 5,728,233 | 8,690,034 |
| Short-term loan and current portion of long-term loan from the ultimate holding company | (iii) | 2,191,400 | 1,922,297 |
| Long-term loans from fellow subsidiaries and non-controlling interests | (ii) | 2,883,341 | 3,100,423 |
| Long-term loan from the ultimate holding company | (iii) | 1,908,709 | – |
| | | 12,711,683 | 13,712,754 |
| Balances with related parties are repayable as follows: | | | |
| Not exceeding 1 year | | 7,919,633 | 10,612,331 |
| More than 1 year but not exceed 2 years | | 629,255 | 879,408 |
| More than 2 years but not exceed 5 years | | 4,162,795 | 2,221,015 |
| | | 12,711,683 | 13,712,754 |

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

19 Related party transactions (continued)

(c) Balances with related parties are analysed as follows (continued):

Notes:

- (i) The amounts due from/to related parties are unsecured and interest-free. Except for the rental deposit, the remaining amounts are repayable on demand.
- (ii) The short-term loans and current portion of long-term loans from fellow subsidiaries are unsecured, interest-bearing at interest rate with a range from 2.80% to 5.50% (for the six months ended 30 June 2023: 3.20% to 5.50%) per annum and repayable within one year.

The long-term loans from fellow subsidiaries and non-controlling interests are unsecured, interest-bearing at interest rate with a range of 2.80% to 4.75% (for the six months ended 30 June 2023: 3.30% to 5.50%) per annum and repayable within three years.

- (iii) The short-term loan from the ultimate holding company is unsecured, interest-bearing at interest rate of 3.63% (for the six months ended 30 June 2023: The current portion of long-term loan from the ultimate holding company is unsecured, interest-bearing at interest rate of 4.75%) per annum and repayable within one year.

The long-term loan from the ultimate holding company is unsecured, interest-bearing at interest rate of 3.63% (for the six months ended 30 June 2023: Nil) per annum and repayable within three years.

20 Fair value measurement of financial instruments

(a) Financial assets and liabilities measured at fair value

- (i) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

20 Fair value measurement of financial instruments (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(i) Fair value hierarchy (continued)

| | Fair value at 30 June 2024 and 31 December 2023 HK\$'000 | Fair value measurements as at 30 June 2024 and 31 December 2023 categorised into | | |
|--|---|---|---------------------|---------------------|
| | | Level 1 HK\$'000 | Level 2 HK\$'000 | Level 3 HK\$'000 |
| Recurring fair value measurements | | | | |
| Equity investments designated at fair value through other comprehensive income | 39,689 | – | – | 39,689 |

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (31 December 2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The fair value of unlisted equity investments designated at fair value through other comprehensive income has been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculate an appropriate price multiple, such as price to sales ("P/S") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by a revenue measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding revenue measure of the unlisted equity investments to measure the fair value. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

For financial instrument in Level 3, prices are determined using valuation technique such as market-based valuation technique. Categorisation of fair value measures within Level 3 of the valuation hierarchy is generally based on the significance of the unobservable inputs to the overall fair value measurement.

Notes to the Unaudited Interim Financial Report (continued)

(Expressed in Hong Kong dollars unless otherwise indicated)

20 Fair value measurement of financial instruments (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(i) Fair value hierarchy (continued)

| | Valuation techniques | Unobservable input | | Sensitivity of fair value to the input |
|--|----------------------|-------------------------------|----------------------------------|--|
| Equity investments designated at fair value through other comprehensive income | Market multiples | Average P/S multiple of peers | 1.58 (31 December 2023: 1.58) | The higher the multiple, the higher the fair value |

Any gains or losses arising from the remeasurement of the Group's unlisted equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2023 and 30 June 2024.



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