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GUANGDONG LAND HOLDINGS LIMITED
粵海置地控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00124)

2023 Interim Results Announcement

HIGHLIGHTS

	For the six months ended 30 June		
	2023	2022	Change
Revenue (HK\$'000)	973,596	492,400	+97.7%
Gross profit (HK\$'000)	223,960	326,185	-31.3%
Fair value gains on investment properties (HK\$'000)	258,807	351,232	-26.3%
(Loss)/profit attributable to owners of the Company (HK\$'000)	(200,288)	237,824	-184.2%
Basic (loss)/earnings per share (HK cents)	(11.70)	13.90	-184.2%
Interim dividend per share (HK cents)	3.00	3.00	0.0%
	As at 30 June 2023	As at 31 December 2022	Change
Current ratio	1.6 times	2.1 times	-23.8%
Gearing ratio ¹	234.3%	275.7%	-41.4 ppt
Total assets (HK\$ million)	54,083	48,920	+10.6%
Net asset value per share ² (HK\$)	4.20	4.55	-7.7%
Net asset value per share (RMB)	3.87	4.06	-4.7%
Number of employees	591	579	+2.1%
Notes:			
1. Gearing ratio = (Interest-bearing loans + Lease liabilities - Cash and cash equivalents) ÷ Net assets			
2. Net asset value per share = Equity attributable to owners of the Company ÷ Number of issued shares			

UNAUDITED INTERIM RESULTS

The board of directors (the “**Board**”) of Guangdong Land Holdings Limited (the “**Company**”) announces that the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2023 together with comparative figures are as follows:

Condensed Consolidated Statement of Profit or Loss For the six months ended 30 June 2023 – unaudited

	<i>Notes</i>	2023 HK\$'000	2022 HK\$'000
Revenue	5	973,596	492,400
Cost of sales		(749,636)	(166,215)
Gross profit		223,960	326,185
Other (losses)/gains, net	5	(206,820)	4,908
Fair value gains on investment properties		258,807	351,232
Selling and marketing expenses		(139,265)	(123,217)
Administrative expenses		(100,202)	(101,438)
Operating profit		36,480	457,670
Finance income	6	29,344	10,257
Finance costs	6	(136,178)	(75,993)
Finance costs, net		(106,834)	(65,736)
(Loss)/profit before tax	7	(70,354)	391,934
Income tax expense	8	(100,863)	(159,792)
(Loss)/profit for the period		(171,217)	232,142
Attributable to:			
Owners of the Company		(200,288)	237,824
Non-controlling interests		29,071	(5,682)
		(171,217)	232,142
(Loss)/earnings per share			
Basic and diluted	9	HK(11.70) cents	HK13.90 cents

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2023 – unaudited

	2023 HK\$'000	2022 HK\$'000
(Loss)/profit for the period	(171,217)	232,142
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange differences on translation of mainland operations	(326,724)	(458,004)
Total comprehensive income for the period	(497,941)	(225,862)
Attributable to:		
Owners of the Company	(470,413)	(192,927)
Non-controlling interests	(27,528)	(32,935)
	(497,941)	(225,862)

Condensed Consolidated Statement of Financial Position
At 30 June 2023

	<i>Note</i>	30 June 2023 (Unaudited) HK\$'000	31 December 2022 (Audited) HK\$'000
Assets			
Non-current assets			
Property, plant and equipment		21,995	12,750
Construction in progress		50,573	81,816
Right-of-use assets		23,214	4,999
Intangible assets		18,497	19,668
Investment properties		8,830,228	8,461,145
Equity investments designated at fair value through other comprehensive income		37,650	37,650
Deferred tax assets		999,583	940,374
Total non-current assets		9,981,740	9,558,402
Current assets			
Completed properties held for sale		4,732,226	4,308,925
Properties held for sale under development		30,134,988	30,665,014
Other contract costs		111,911	67,964
Prepayments, land and other deposits and other receivables		1,329,314	863,312
Tax recoverable		411,107	247,222
Restricted bank balances		592,731	548,456
Cash and cash equivalents		6,788,620	2,660,932
Total current assets		44,100,897	39,361,825
Total assets		54,082,637	48,920,227
Liabilities			
Current liabilities			
Trade and other payables and accruals	<i>11</i>	(4,700,592)	(4,616,707)
Contract liabilities		(9,302,328)	(5,593,884)
Lease liabilities		(16,250)	(2,218)
Tax payable		(2,418,180)	(2,488,659)
Dividend payable		(136,923)	-
Bank and other borrowings		(3,109,210)	(2,638,347)
Loans from related parties		(7,962,385)	(3,502,474)
Total current liabilities		(27,645,868)	(18,842,289)

Condensed Consolidated Statement of Financial Position (continued)**As at 30 June 2023**

	30 June 2023 (Unaudited) HK\$'000	31 December 2022 (Audited) HK\$'000
Net current assets	16,455,029	20,519,536
Total assets less current liabilities	26,436,769	30,077,938
Non-current liabilities		
Bank and other borrowings	(7,565,338)	(4,835,887)
Loans from related parties	(8,761,970)	(15,438,783)
Lease liabilities	(9,342)	(3,113)
Deferred tax liabilities	(1,273,940)	(1,166,489)
Other payables	(16,920)	(15,794)
Total non-current liabilities	(17,627,510)	(21,460,066)
Total liabilities	(45,273,378)	(40,302,355)
Net assets	8,809,259	8,617,872
Equity		
Equity attributable to owners of the Company		
Share capital	171,154	171,154
Reserves	7,008,938	7,616,274
	7,180,092	7,787,428
Non-controlling interests	1,629,167	830,444
Total equity	8,809,259	8,617,872

Notes:

(1) General Information

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

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

(2) Basis of Preparation

This condensed consolidated interim financial information for the six months ended 30 June 2023 has been prepared in accordance with the disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2022, 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 2022, as described in those annual financial statements, except for the adoption of new amendment to standards effective for the financial year ending 31 December 2023.

The Group has adopted the following new amendment to HKFRSs issued by the HKICPA to this interim financial information for the current accounting period:

- HKFRS 17, *Insurance contracts*
- Amendments to HKAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to HKAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to HKAS 12, *Income taxes: International tax reform – Pillar Two model rules*

(2) Basis of Preparation (continued)

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

(3) Critical Accounting Estimates

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

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

(4) Segment Information

For management purposes, the Group is organised into business units based on their products and activities 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 profit/(loss), which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that finance and interest income and finance cost are excluded from such measurement.

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

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

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

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

	Property development HK\$'000	Property investment HK\$'000	Other HK\$'000	Total HK\$'000
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For the six months ended 30 June 2023

Segment revenue:

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

Finance income				29,344
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Finance costs				(136,178)
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Loss before tax				(70,354)
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	Property development HK\$'000	Property investment HK\$'000	Other HK\$'000	Total HK\$'000
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For the six months ended 30 June 2022

Segment revenue:

Sales to external customers	480,524	11,876	-	492,400
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Segment results	151,062	329,271	(22,663)	457,670
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Reconciliation:

Finance income				10,257
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Finance costs				(75,993)
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Profit before tax				391,934
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(4) **Segment Information** (continued)

	Property development HK\$'000	Property investment HK\$'000	Other HK\$'000	Total HK\$'000
As at 30 June 2023				
Segment assets	44,039,789	8,954,527	88,738	53,083,054
Reconciliation:				
Unallocated assets				999,583
Total assets				54,082,637
Segment liabilities	(42,516,637)	(6,472)	(1,476,329)	(43,999,438)
Reconciliation:				
Unallocated liabilities				(1,273,940)
Total liabilities				(45,273,378)
As at 31 December 2022				
Segment assets	39,290,016	8,590,217	99,620	47,979,853
Reconciliation:				
Unallocated assets				940,374
Total assets				48,920,227
Segment liabilities	(37,795,687)	(7,743)	(1,332,436)	(39,135,866)
Reconciliation:				
Unallocated liabilities				(1,166,489)
Total liabilities				(40,302,355)

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

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

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Revenue		
From contract with customers		
- Sale of properties recognized at a point of time	957,917	480,524
From other sources:		
- Rental income	15,679	11,876
	973,596	492,400
Other (losses)/gains, net		
Write down of completed properties held for sale and properties held for sale under development	(204,772)	-
Exchange losses, net	(5,953)	(1,723)
Sales deposits forfeiture	1,192	555
Others	2,713	6,076
	(206,820)	4,908

(6) **Finance Income/(Costs)**

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Finance income		
- bank interest income	29,344	10,257
Finance costs		
- interest expenses on bank borrowings	197,951	154,126
- interest expenses on other borrowings	453,141	428,412
- others	1,363	1,110
Total finance costs incurred	652,455	583,648
Less: amount capitalised in property development projects	(516,277)	(507,655)
Total finance costs expensed during the period	136,178	75,993

For the six months ended 30 June 2023, the capitalised annual interest rate applied to funds borrowed and used for the development of properties is between 2.90% and 6.65% (for the six months ended 30 June 2022: 2.05% to 6.50%).

(7) **(Loss)/Profit Before Tax**

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

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Cost of properties sold	747,210	164,897
Depreciation	10,702	11,703
Commission expenses	25,664	23,800
Staff costs		
- wages and salaries	114,178	103,501
- contributions to defined contribution schemes	17,476	16,251
	131,654	119,752
Less: amount capitalised under property development projects	(45,666)	(40,313)
Total staff costs expensed during the period	85,988	79,439

(8) Income Tax Expense

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Current income tax – PRC taxation	18,934	17,448
LAT in Chinese Mainland	9,329	82,604
Withholding tax	15,159	-
Deferred income tax	57,441	59,740
	100,863	159,792

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 2022: 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 rate of the PRC is 25%.

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

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

The calculation of the basic (loss)/earnings per share amount is based on the (loss)/earnings 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 2022: 1,711,536,850) in issue during the period.

The Group had no potentially dilutive shares in issue during the six months ended 30 June 2023 and 2022.

(10) Dividends

	For the six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Interim – HK3.00 cents (for the six months ended 30 June 2022: HK3.00 cents) per ordinary share	51,346	51,346

At a meeting of the board of directors held on 29 August 2023, the directors resolved to pay to shareholders of the Company an interim dividend of HK3.00 cents (for the six months ended 30 June 2022: HK3.00 cents) per ordinary share for the six months ended 30 June 2023.

(11) Trade and Other Payables and Accruals

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

	30 June 2023	31 December 2022
	HK\$'000	HK\$'000
Within 3 months	44,814	97,395
3 months to 6 months	18,239	37,502
6 months to 1 year	-	12,529
	63,053	147,426

(12) Guarantees

As at 30 June 2023, 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 2023, the Group's outstanding guarantees amounted to HK\$4,443,533,000 (31 December 2022: HK\$2,580,254,000) in respect of these guarantees.

MANAGEMENT DISCUSSION AND ANALYSIS

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

According to the preliminary economic statistical data for the first half of 2023 released by the PRC's National Bureau of Statistics, the PRC's GDP grew by approximately 5.5% over the same period last year, an acceleration of 1.0 percentage point from the first quarter of 2023. Among them, the PRC's GDP in the first quarter increased by 4.5% year-on-year, while that in the second quarter increased by 6.3% year-on-year, and the per capita nominal disposable income of national residents recorded a year-on-year growth of approximately 6.5%. According to the commodity residential housing price movements of the Greater Bay Area in first half of 2023 based on the statistics of CRIC, as compared to first half of 2022, the average commodity residential housing price of Foshan City, Huizhou City, Zhuhai City and Zhongshan City increased year-on-year by approximately 3.93%, 3.70%, 3.42% and 0.59% respectively, while that of Shenzhen City, Jiangmen City and Guangzhou City decreased year-on-year by approximately 14.95%, 3.83% and 0.95% respectively.

In the first half of this year, the economy and society of the PRC resumed to normal in all areas and its economy recovery showed improving signs, however, the foundation of economic recovery still needs to be strengthened due to the impact of intricate and complex global political and economic situation. The management of the Group had closely monitored the trends of economic, political and the market development and strived to advance the progress of its projects on hands under the guidance of “improving safety, inspiring ingenuity and collaborating performance achievement” to secure on-time delivery with high quality. The Group actively adapted itself to the new era of the real estate industry featured with high quality by focusing on improving its professional and management ability. In particular, it refined its management system for quality development on one hand, and strengthened structural market intelligence for fine-tuning sales and marketing plans to seize the emerging opportunities on the other. The Group continuously improves its sale services as well as property services and humanistic care during the delivery stage, improves and updates the product standardisation system, and builds various differentiated products covering complex, office, residence to satisfy the market and customers' needs better. The Group also insists on its deep cultivation on the core areas of the Guangdong-Hong Kong-Macao Greater Bay Area (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 integrate into the real estate industry with new layout and trend by virtue of quality development, so as to 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\$974 million (six months ended 30 June 2022: HK\$492 million), representing an increase of approximately 97.7% 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\$200 million (six months ended 30 June 2022: profit of HK\$238 million).

The major factors affecting the results of the Group for the six months ended 30 June 2023 include the following:

- (a) the properties delivered by the Group during the period under review were mainly the Jiangmen One Mansion Project and Jiangmen GDH City (Land No. 3) Project, while the properties delivered in the same period in 2022 were mainly the Shenzhen GDH City (Northwestern Land) Project with higher gross profit margins, therefore the profit derived from the sale of properties decreased as compared to the same period in 2022;
- (b) affected by the real estate market environment, the Group made a provision of inventory impairment of approximately HK\$205 million during the period under review due to signs of impairment in some of the Group’s property projects;
- (c) during the period under review, the Group recorded fair value gains on investment properties (net of the relevant deferred tax expense) of approximately HK\$194 million, representing a decrease as compared to the same period in 2022; and
- (d) due to business expansion of the Group, net finance costs increased by approximately HK\$41.10 million when comparing with the same period in 2022.

Interim Dividend

The Board has resolved to declare the payment of an interim dividend of HK3.00 cents (six months ended 30 June 2022: HK3.00 cents) per ordinary share for the six months ended 30 June 2023.

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)	Under development	Commercial/ Offices	100%	255,185	206,386	2023
Guangzhou City						
Guangzhou GDH Future City	In sale	Residential/ Commercial/ Offices	100%	728,549	506,000	2026
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	In sale	Residential	100%	203,171	151,493	2024
Foshan One Mansion	Under development	Residential/ Commercial/Offices	51%	150,382	118,122	2026
Zhuhai City						
Zhuhai Laurel House	In sale	Residential/ Commercial	100%	249,918	166,692	2024
Zhongshan City						
Zhongshan GDH City	In sale	Residential	97.64%	321,456	247,028	2025
Jiangmen City						
Jiangmen One Mansion	Completed	Residential/ Business apartment/ Commercial/ Car-parking spaces	100%	222,684	164,216	N/A
Jiangmen GDH City (Land No. 3)	Completed	Residential/Car-parking spaces	51%	163,511	122,331	N/A
Jiangmen GDH City (Land No. 4)	In sale	Residential/ Business apartment/ Commercial	51%	299,623	207,419	2026
Jiangmen GDH City (Land No. 5)	Under development	Residential	51%	89,201	63,150	2026
Huizhou City						
Huizhou One Mansion	In sale	Residential/ Business apartment/ Commercial	100%	140,163	92,094	2024
Huizhou Huiyang Lijiang Garden	Completed	Car-parking spaces	100%	N/A	N/A	N/A

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

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Sales of the Projects

Name of the property project	Approximate GFA available for sale (sq. m.)	Approximate GFA contracted		The proportion of accumulated GFA contracted to GFA available for sale	Approximate GFA delivered		The proportion of accumulated GFA delivered to GFA available for sale
		Period under review (sq. m.)	Accumulated (sq. m.)		Period under review (sq. m.)	Accumulated (sq. m.)	
Shenzhen City							
Shenzhen GDH City (Northwestern Land)	114,986	3,596	104,274	90.7%	2,245	102,873	89.5%
Shenzhen GDH City (Northern Land)	84,246	-	-	0.0%	-	-	0.0%
Shenzhen GDH City (Southern Land)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Guangzhou City							
Guangzhou GDH Future City	495,240	27,005	53,344	10.8%	N/A	N/A	N/A
Guangzhou Laurel House (Car-parking spaces)	2,764	-	2,644	95.7%	-	2,644	95.7%
Ruyingju (Car-parking spaces)	8,052	24	6,526	81.0%	24	6,526	81.0%
Baohuaxuan (Car-parking spaces)	245	38	38	15.5%	38	38	15.5%
Foshan City							
Foshan Laurel House	146,240	25,550	65,355	44.7%	N/A	N/A	N/A
Foshan One Mansion	118,122	N/A	N/A	N/A	N/A	N/A	N/A
Zhuhai City							
Zhuhai Laurel House	145,558	20,333	54,697	37.6%	N/A	N/A	N/A
Zhongshan City							
Zhongshan GDH City	237,560	25,088	54,615	23.0%	N/A	N/A	N/A
Jiangmen City							
Jiangmen One Mansion	158,407	26,286	97,920	61.8%	25,300	78,581	49.6%
Jiangmen One Mansion (Car-parking spaces)	41,834	N/A	N/A	N/A	N/A	N/A	N/A
Jiangmen GDH City (Land No. 3)	119,606	19,220	69,046	57.7%	44,008	57,969	48.5%
Jiangmen GDH City (Land No. 3) (Car-parking spaces)	38,226	6,348	6,348	16.6%	-	-	0.0%
Jiangmen GDH City (Land No. 4)	205,078	1,109	5,126	2.5%	3,142	3,142	1.5%
Jiangmen GDH City (Land No. 5)	62,254	N/A	N/A	N/A	N/A	N/A	N/A
Huizhou City							
Huizhou One Mansion	89,240	10,775	12,315	13.8%	N/A	N/A	N/A
Huizhou Huiyang Lijiang Garden (Car-parking spaces)	1,589	22	156	9.8%	22	156	9.8%

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

During the period under review, the Group's properties recorded the total GFA contracted (including completed properties held for sale and properties held for sale under development) and delivered of approximately 165,000 square metres (“sq. m.”) (2022: 64,000 sq. m.) and 75,000 sq. m. (2022: 7,000 sq. m.) respectively.

The Shenzhen GDH City Project

Located in Buxin Area, Luohu District, Shenzhen City in 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 Shenzhen GDH City Project is developed in two phases. The filing for completion of construction of the first phase was made in June 2020. The construction of the second phase properties came into late stages. As at 30 June 2023, the office tower and the commercial shopping building on the Northern Land development were completed; and the structures of the office tower and the commercial shopping building on the Southern Land development were topped out and the interior decoration and exterior facade construction were completed and in the process of inspection and acceptance. The whole project is expected to be filed for completion in 2023.

For the search of potential commercial occupiers of the Shenzhen GDH City Project, the Group, Luohu Government of Shenzhen and the Shanghai Diamond Exchange (“SDE”) have reached an agreement, pursuant to which the SDE agreed that its Shenzhen extended service platform will be located in the Shenzhen GDH City Project and it will continue to support the marketing efforts for the Shenzhen GDH City and encourage its members to locate their offices in the Shenzhen GDH City. The Group has entered into a property leasing services agreement with GDH Teem for the shopping mall under the Shenzhen GDH City Project, which operated by GDH Teem under the name of Shenzhen Teem. The Group shares 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.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The Guangzhou GDH Future City Project

The core area of Baiyun New Town, Baiyun District, Guangzhou City, 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, as the third phase of the Airport Avenue and Guangzhou Metro Line 12 are expected to open in 2023, 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 2023, the construction works of basement and superstructure of each phase properties of the project were being carried out, and the whole project is expected to be filed for completion in 2026. The pre-sale of the project commenced in June 2022.

The Guangzhou Laurel House Project

All residential units of the Guangzhou Laurel House 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 2023, the occupancy rate of the commercial building of the Guangzhou Laurel House Project was approximately 86.6%.

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, 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 2023, the superstructures of all 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 2024. The pre-sale of the project commenced in September 2021.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The Foshan One Mansion Project

The Foshan One Mansion Project is located at west to Fenjiang Road, north to Lujing Road and east to Luying West Street, Chengnan Sub-district in Chancheng District, Foshan City, the PRC, which belongs to the commercial belt of Jihua, and about 200 metres away from Jihuayuan 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 2023, the construction works of basement and superstructure of the first phase properties of the project were being carried out. The filing for completion of construction of the whole project is expected to be made in 2026.

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 Core Area in Jinwan District, Zhuhai City, the PRC. The high value potentials of the area where the project is located will enhance the future development of the project. It is expected that there will be sound living and education amenities in the area. With the significant advantage in terms of location resources, the project enjoys promising market prospects. The project is being developed in phases. As at 30 June 2023, the superstructure of the first phase properties of the project was topped out and the inspection works were in progress and the superstructures of other phase properties were topped out and the masonry works were in progress. The filing for completion of construction of the whole project is expected to be made in 2024. The pre-sale of the project commenced in June 2021.

The Zhongshan GDH City Project

The Zhongshan GDH City Project is located at the starting area of Cuiheng New District, Zhongshan City, the PRC. Sitting in the core centre of the Greater Bay Area, the district 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 will enjoy 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 high 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 2023, the superstructures of all 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.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

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, the PRC. Jiangmen is positioned as the western gateway of the Greater Bay Area, with its value remaining at an underestimated level. 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.

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, the PRC (the “**Jiangmen Land No. 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 No. 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 and 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. As at 30 June 2023, the superstructures of properties under construction on 4-2 and 4-6 parcels of Land No. 4 were topped out and the renovation and masonry works were in progress; and 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 2026. The pre-sale of the project commenced in May 2021.

The Huizhou One Mansion Project

The Huizhou One Mansion Project is located at Mamiao, Aotou, Dayawan District, Huizhou City, the PRC. It is close to Xin’ao Avenue, a trunk road connecting Huiyang District and Dayawan District, and is only seven kilometres away from the Huizhou Highspeed Railway South 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 2023, 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 the second quarter of 2024. The pre-sale of the project commenced in July 2022.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Financial Review

Key Financial Indicators

	For the six months ended 30 June			Change
	Note	2023	2022	
(Loss)/profit attributable to owners of the Company (HK\$'000)		(200,288)	237,824	-184.2%
Return on equity (%)	1	-2.7%	2.9%	-5.6 ppt
		30 June 2023	31 December 2022	Change
Net asset value (HK\$ million)		8,809	8,618	+2.2%

Note:

1. Return on equity = (Loss)/profit attributable to owners of the Company ÷ average equity attributable to owners of the Company

During the first half of 2023, the Group recorded loss attributable to owners of the Company, which was mainly attributable to the major properties delivered by the Group during the period under review being the Jiangmen One Mansion Project and the Jiangmen GDH City (Land No. 3) Project as compared to the major properties delivered in the same period in 2022 being the Shenzhen GDH City (Northwestern Land) Project with higher gross profit margin, resulting in the decrease in the profit derived from the sale of such properties as compared to the same period in 2022. For details, please refer to the “Results” section in this Management Discussion and Analysis.

Operating Income, Expenses and Finance Costs

During the first half of 2023, the Group recorded selling and marketing expenses of approximately HK\$139 million (six months ended 30 June 2022: HK\$123 million), representing an increase of approximately 13.0% from that for the same period last year. The increase in selling and marketing expenses was mainly due to the increase in related sales commissions in relation to the Jiangmen One Mansion Project and the Jiangmen GDH City (Land No. 3) Project. The Group’s administrative expenses for the first half of 2023 amounted to approximately HK\$100 million (six months ended 30 June 2022: HK\$101 million), representing a decrease of approximately 1.0% from that for the same period last year, which was mainly attributable to a decrease in the labour cost.

During the period under review, the Group borrowed loans to support its business development and recorded finance costs of approximately HK\$652 million (six months ended 30 June 2022: HK\$584 million), of which approximately HK\$516 million was capitalised while the remaining portion of approximately HK\$136 million was charged to the statement of profit or loss.

Capital Expenditure

The amount of capital expenditure paid by the Group during the first half of 2023 was approximately HK\$360 million (six months ended 30 June 2022: HK\$369 million). The capital expenditure for the period was mainly used for the investment properties under development of the Shenzhen GDH City Project.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Financial Resources and Liquidity

As at 30 June 2023, the equity attributable to owners of the Company was approximately HK\$7,180 million (31 December 2022: HK\$7,787 million), representing a decrease of approximately 7.8% from that as at the end of 2022. Based on the number of shares in issue as at 30 June 2023, the net asset value per share at the period end was approximately HK\$4.20 (31 December 2022: HK\$4.55), representing a decrease of approximately 7.7% from that as at the end of 2022.

As at 30 June 2023, the Group had cash and cash equivalents of approximately HK\$6,789 million (31 December 2022: HK\$2,661 million), representing an increase of approximately 155.1% from that as at the end of last year. The increase in cash and cash equivalents was mainly due to more new bank and other loans during the period under review. The main purpose for such new interest-bearing loans was to satisfy the funding needs for the Group's business development.

Of the Group's cash and bank balances (including restricted bank balances and cash and cash equivalents) as at 30 June 2023, approximately 99.4% was in RMB and approximately 0.6% was in HKD. Net cash inflows from operating activities for the first half of 2023 amounted to approximately HK\$2,068 million (six months ended 30 June 2022: net outflows of HK\$7,788 million).

As most of the transactions in the Group's daily operations in 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.

As at 30 June 2023, 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\$27,399 million (31 December 2022: HK\$26,415 million) in aggregate, with a gearing ratio¹ of approximately 234.3% (31 December 2022: 275.7%). According to the relevant loan agreements, approximately HK\$11,072 million of the interest-bearing loans are repayable within one year; approximately HK\$6,934 million are repayable within one to two years; approximately HK\$8,780 million are repayable within two to five years; and the remaining approximately HK\$613 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 2023, the weighted average effective interest rate of the Group's bank borrowings was 4.07% (31 December 2022: 4.25%) per annum. As at 30 June 2023, the banking facilities available to the Group were approximately RMB3,082 million (equivalent to approximately HK\$3,343 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.

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

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Asset Pledged and Contingent Liabilities

As at 30 June 2023, 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\$7,101 million (31 December 2022: HK\$26,000 million) and the 100% equity interests of 廣東粵海房地產開發有限公司 (Guangdong Yuehai Property Development Co., Ltd.) and 珠海粵海置地有限公司 (Zhuhai Yuehai Land Co., Ltd.) were pledged to secure certain bank loans.

In addition, as at 30 June 2023, the Group provided guarantees of approximately HK\$4,444 million (31 December 2022: HK\$2,580 million) to certain banks in relation to the mortgage loans on properties sold (please refer to note 12 in this announcement for details). Save for the above, the Group did not have any other material contingent liabilities as at 30 June 2023.

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 2023, the Group had total outstanding interest-bearing loans of approximately HK\$27,399 million (31 December 2022: HK\$26,415 million).

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

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

As most of the Company's business operations are located in 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 Chinese Mainland. To effectively manage foreign currency risk, the Company closely monitors foreign exchange markets, and utilises multiple strategic approaches, such as optimising cash management strategy and deploying project finance instruments, to control foreign exchange risk.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Policy and Performance on Environmental, Social and Governance

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

To further refine its ESG policies, the Group has been actively communicating with stakeholders such as employees, customers, business partners and suppliers, shareholders and investors, government authorities and regulators through various channels in order to gather comments and suggestions from them. Coupled with the management's expectations on development, the Group identifies and analyses important topics at two dimensions, namely “Importance to our Stakeholders” and “Importance to Guangdong Land's Development”, by conducting proactive and comprehensive stakeholder communication from multiple perspectives in various ways, such as face-to-face communication, email correspondence, 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 2022 ESG report and published it in April 2023. The Company has innovated and optimised the report framework and specific content based on the initiatives and achievements in respect of corporate social responsibility in 2022, in order to enhance the display of work results and the readability of the report for investors. The report covers various aspects including corporate governance, environmental protection, care for employees, quality management and care for the community. To redouble its ESG efforts and uphold the corporate philosophy of sustainability, the Company established the ESG Committee with the ESG Working Group under it. Authorised by the Board, the ESG Committee is responsible for determining the ESG management objectives, approaches and implementation paths, monitoring the implementation and effectiveness of the relevant policies and practices adopted, and leading and overseeing the work of the ESG Working Group, with the aim of improving the ESG performance of the Group.

Human Resources

As at 30 June 2023, the Group had 591 (31 December 2022: 579) employees. The Group provides a range of basic benefits to its employees, and its employee incentive policy is designed to reward employees by reference to and integrating factors including the operating results of the Group and the performance of individual employees. There was no share option scheme of the Company in operation during the period under review. The Group offers different training courses to its employees.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Outlook

In the first half of 2023, under the impact of factors such as radical changes in international situations including Russian-Ukrainian conflict as well as high global inflation, China's economy still faced with triple pressure from shrinking demand, supply shock, and weakening expectations. However, as the impact of the pandemic subsided and the production and livelihood of the whole society resumed in a stable and orderly manner, the economy has gradually achieved recovery growth, and the abovementioned triple pressure faced by China's economy has relieved to different extent under the combined effects of various factors including the release of backlog of demand in early stage and supportive policies.

In the first half of 2023, the real estate industry obtained affirmation of its positioning as a pillar industry, with measures such as optimising the policy on concentrated land supply, facilitating the transfer of second-hand houses with mortgage, and regulating economic services for real estate sector to further restore market expectations and regulate market operations. The favorable policies including optimising the policy on provident fund loans, loosening the local restrictions on property purchasing and lowering interest rates for first home loan have been successively introduced by various local governments to continue relax policy regulation. According to the Loan Prime Rate (the "LPR") announced by the central bank, the People's Bank of China, aiming to boosting consumption and economic recovery, lowered the 1-year LPR and over 5-year LPR by 10 basis points on 20 June, respectively. Nevertheless, residents' wait-and-see sentiment on real estate industry remained relatively intense as a result of the early-stage economic recovery and less than expected policy support for the property sector, thus the property market failed to maintain its rebounding momentum in the second quarter after a short-term concentrated release of backlog of demand in the first quarter. In general, China's economic recovery is still under pressure, guaranteeing property delivery, securing people's livelihood, stabilising economic fundamentals and facilitating the steady and healthy development of the property market will remain its top priority.

Looking forward to the second half of the year, the core of stabilising the property market still lies in maintaining confidence. It is expected that the PRC government will continue to implement loose policy regulation on real estate industry. Despite the overall relaxation in the third- and fourth-tier cities, there is still room for the optimisation of regulatory policies in first- and strong second-tier cities, where the scope of relaxation on purchase restrictions may be further extended and a partial relaxation on purchase restrictions in remote suburban areas may be allowed, so as to boost the consumption confidence of people with inelastic demand or housing improvement demand. 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, which can effectively support the moderate growth in inelastic demand and housing improvement demand.

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

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

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

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

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

The Company has complied with the code provisions and, where appropriate, adopted the applicable recommended best practices set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2023.

Interim Dividend

The Board has resolved to declare the payment of an interim dividend of HK3.00 cents (six months ended 30 June 2022: HK3.00 cents) per ordinary share for the six months ended 30 June 2023 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 10 October 2023. The interim dividend is expected to be paid on or about Thursday, 26 October 2023.

Closure of Register of Members

The register of members of the Company will be closed on Tuesday, 10 October 2023 and no transfer of shares will be registered on that day. In order to qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 9 October 2023.

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 2023. In addition, the unaudited condensed consolidated interim financial information has been reviewed by the Company's independent auditor, KPMG, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Purchase, Sale and Redemption of Listed Securities

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2023.

By Order of the Board
Guangdong Land Holdings Limited
LAN Runing
Chairman

Hong Kong, 29 August 2023

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

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