Gemdale Properties and Investment Corporation Limited
金地商置集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 535)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE FIFTEEN MONTHS ENDED 31 DECEMBER 2013

ANNUAL RESULTS

The Board of Directors (the "Board") of Gemdale Properties and Investment Corporation Limited (formerly known as Frasers Properties (China) Limited) ("the Company") announces the consolidated results of the Company and its subsidiaries (the "Group") for the period from 1 October 2012 to 31 December 2013 together with the comparative figures for the previous year ended 30 September 2012.

Following the change of the ultimate holding company of the Company to 金地(集團)股份有限公司 (Gemdale Corporation*) ("Gemdale") on 28 September 2012, the name of the Company was changed to Gemdale Properties and Investment Corporation Limited (金地商置集團有限公司*) on 12 March 2013. Further, the financial year end date of the Group has been changed from 30 September to 31 December effective from 2013 to align with that of Gemdale such that the current financial reporting period would be a 15-month span from 1 October 2012 to 31 December 2013. The corresponding comparative amounts shown covered twelve months period from 1 October 2011 to 30 September 2012, and therefore may not be entirely comparable with the amounts shown for the current period.

** For identification purpose only*

Consolidated Statement of Profit or Loss

Period from 1 October 2012 to 31 December 2013

	Notes	**Period ended 31 December 2013 HK$'000**	Year ended 30 September 2012 HK$'000 (Restated)
Revenue	*3*	**290,651**	199,264
Cost of sales		**(20,350)**	(10,001)
Gross profit		**270,301**	189,263
Direct operating expenses		**(318,713)**	(81,507)
Other income and gains	*3*	**21,332**	71,707
Changes in fair values of investment properties		**1,413,446**	667,648
Provision written back/(made)	*4*	**278,420**	(24,327)
Administrative expenses		**(118,459)**	(33,794)
Finance costs	*5*	**(56,063)**	(29,626)
Share of losses of jointly-controlled entities		**(9,881)**	-
Profit before tax	*6*	**1,480,383**	759,364
Tax	*7*	**(343,454)**	(214,766)
Profit for the period/year		**1,136,929**	544,598
Attributable to:			
Owners of the Company		**1,149,394**	497,150
Non-controlling interests		**(12,465)**	47,448
		1,136,929	544,598
Earnings per share attributable to owners of the Company:			
- Basic (HK$)	*8*	**0.1323**	0.0725
- Diluted (HK$)	*8*	**0.1323**	0.0724
Dividend	*9*	**90,931**	-

Consolidated Statement of Comprehensive Income

Period from 1 October 2012 to 31 December 2013

	Period ended 31 December 2013 HK$'000	Year ended 30 September 2012 HK$'000 (Restated)
Profit for the period/year	**1,136,929**	544,598
Other comprehensive income		
- Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Cash flow hedges:		
Effective portion of changes in fair values of hedging instruments arising during the period/year, net	-	2,462
	-	2,462
Exchange fluctuation reserves:		
Exchange differences on translation of foreign operations	**248,390**	3,606
Share of exchange differences on translation of foreign operations of jointly-controlled entities	**776**	-
	249,166	3,606
Other comprehensive income for the period/year, net of tax	**249,166**	6,068
Total comprehensive income for the period/year	**1,386,095**	550,666
Attributable to:		
Owners of the Company	**1,360,798**	503,201
Non-controlling interests	**25,297**	47,465
	1,386,095	550,666

Consolidated Statement of Financial Position

31 December 2013

	Note	**31 December 2013 HK$'000**	30 September 2012 HK$'000 (Restated)	1 October 2011 HK$'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**15,526**	1,728	1,813
Investment properties		**3,908,744**	2,129,075	1,456,147
Prepayments, deposits and other receivables		**8,514**	1,847	1,891
Investments in jointly-controlled entities		**105,351**	-	-
Available-for-sale financial investment		**8,822**	8,822	8,822
Deferred tax assets		**39,565**	509	7,569
Total non-current assets		**4,086,522**	2,141,981	1,476,242
CURRENT ASSETS				
Properties held for sale		**171,671**	79,061	90,251
Properties under development		**8,583,168**	2,384,239	1,862,115
Prepayments for acquisitions of land use rights		**511,746**	620,298	-
Held-to-maturity investment		**155,098**	-	-
Trade receivables	*10*	**9,249**	4,946	1,316
Prepayments, deposits and other receivables		**214,406**	13,080	540,014
Due from fellow subsidiaries		**103**	-	-
Due from a non-controlling shareholder		**63,254**	63,254	-
Due from the immediate holding company		-	-	63,385
Derivative financial instrument		-	-	971
Restricted cash		**42,237**	74	73
Deposits, bank and cash balances		**1,815,436**	1,537,802	899,394
Total current assets		**11,566,368**	4,702,754	3,457,519
CURRENT LIABILITIES				
Trade payables	*11*	**362,934**	28,152	38,014
Advanced receipts, accruals and other payables		**3,019,021**	164,099	247,390
Interest-bearing bank and other borrowings		**279,176**	1,178,079	485,904
Loans from the ultimate holding company		**2,390,677**	35,424	-
Loans from the immediate holding company		**1,179,226**	-	-
Loan from a non-controlling shareholder		**151,996**	-	-
Due to the ultimate holding company		**243,514**	-	-
Due to the immediate holding company		**66,625**	827,148	81,634
Due to non-controlling shareholders		**81,544**	76,590	-
Due to fellow subsidiaries		**1,299**	-	42
Due to related companies		**580**	189	-
Tax payable		**1,739**	69,023	80,133
Total current liabilities		**7,778,331**	2,378,704	933,117
NET CURRENT ASSETS		**3,788,037**	2,324,050	2,524,402
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,874,559**	4,466,031	4,000,644

Consolidated Statement of Financial Position (Continued)

31 December 2013

	31 December 2013 HK$'000	30 September 2012 HK$'000 (Restated)	1 October 2011 HK$'000 (Restated)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	**-**	260,504	818,799
Deferred tax liabilities	**769,935**	401,015	223,696
Total non-current liabilities	**769,935**	661,519	1,042,495
NET ASSETS	**7,104,624**	3,804,512	2,958,149
EQUITY			
Equity attributable to owners of the Company			
Issued capital	**909,310**	705,811	684,940
Reserves	**4,962,439**	2,268,856	1,630,654
	5,871,749	2,974,667	2,315,594
Non-controlling interests	**1,232,875**	829,845	642,555
TOTAL EQUITY	**7,104,624**	3,804,512	2,958,149

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and derivative financial instruments, which have been measured at fair value. These financial statements are presented in Hong Kong dollars ("HK$") and all values are rounded to the nearest thousand except when otherwise indicated.

1.1 BUSINESS COMBINATION INVOLVING ENTITIES UNDER COMMON CONTROL

On 17 August 2013, a wholly-owned subsidiary of the Company (the "Purchaser") and Famous Commercial Limited (the "Vendor"), the immediate holding company of the Company, entered into a sale and purchase agreement by which the Purchaser acquired 51% of the entire share capital of Ever Trust Commercial Limited, 51% of the entire share capital of Integrity Investment (Hong Kong) Limited and the entire share capital of Ever Trusty Investment Management Limited (together "the Target Companies") from the Vendor ("the Acquisition") and the consideration was satisfied by the issuance of 1,325,726,134 new shares of the Company to the Vendor. The Acquisition was completed on 28 October 2013.

As the Company and the Target Companies are under the common control of Gemdale before and after the Acquisition, the Acquisition has been accounted for in the consolidated financial statements of the Company as a business combination under common control using the principles of merger accounting under Accounting Guideline 5 *Merger Accounting for Common Control Combinations* issued by the HKICPA. The consolidated financial statements included the financial position, results and cash flows of the Target Companies as if the Acquisition had occurred since 28 September 2012 (the date on which Gemdale completed the acquisition of the Company). There was no material effect on the statement of profit or loss and the cash flows of the Group arising from the business combination under common control for the year ended 30 September 2012. The assets and liabilities of the Target Companies were included in the consolidated statement of financial position as at 30 September 2012. As a result, comparative figures of the consolidated statement of financial position as at 30 September 2012, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 30 September 2012 and the related notes have been restated accordingly.

The effects arising from the business combination under common control on the financial statements are summarised below:

	As at 30 September 2012 HK$'000	As at 1 October 2011 HK$'000
Consolidated statement of financial position		
Increase in deferred tax assets and increase in total non-current assets	509	-
Increase in properties under development	280,200	-
Increase in prepayments for acquisitions of land use rights	620,298	-
Increase in prepayments, deposits and other receivables	51	-
Increase in cash and bank balances	260,997	-
Increase in total current assets	1,161,546	-
Increase in advanced receipts, accruals and other payables	918	-
Increase in loans from the ultimate holding company	35,424	-
Increase in an amount due to the immediate holding company	827,148	-
Increase in total current liabilities	863,490	-
Increase in net current assets	298,056	-
Increase in net assets	298,565	-
Increase in issued capital	19,397	-
Increase in share premium	141,601	-
Decrease in exchange fluctuation reserves	(298)	-
Decrease in merger reserves	(7,629)	-
Decrease in retained profits	(805)	-
Increase in non-controlling interests	146,299	-
Increase in equity	298,565	-

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current period's financial statements.

HKAS 1 Amendments	Amendments to HKAS 1 *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

The impact of the revised HKFRSs on these financial statements is further explained below:

(a) The HKAS 1 Amendments change the grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial investments) are presented separately from items which will never be reclassified (for example, the revaluation of land and buildings). The amendments have affected the presentation only and have had no impact on the financial position or performance of the Group. The consolidated statement of comprehensive income has been restated to reflect the changes. In addition, the Group has chosen to use the new title "statement of profit or loss" as introduced by the amendments in these financial statements.

(b) The HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis.

The presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale has been rebutted by the Group as the Group's investment properties are held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Accordingly deferred tax has been determined on the basis of recovery through use. The adoption of the amendments did not have any impact on the financial position or performance of the Group.

In addition, the Group has voluntarily changed its accounting policy regarding the revenue recognition of sale of properties. The Group recognises revenue from sales of properties when the significant risk and rewards of the properties are passed to the purchasers. In prior years, when properties under development for sale were pre-sold prior to completion, revenue was recognised upon the signing of sales and purchase contract, the issue of the relevant building occupation permit by the relevant government authorities or upon the delivery, whichever was the later, and was taken to the point of time when the risks and rewards of the ownership of the property had passed to the buyers. Deposits and instalments received on properties sold prior to this stage were recorded as sales deposits received and included in current liabilities. Under the revised accounting policy, revenue from sale of properties is recognised when (i) an irrevocable sale and purchase contract has been entered into by both buyer and seller; (ii) the seller has received or obtained the right to receive all the consideration of the sale; (iii) the construction has been completed, and its quality has been inspected and accepted by the relevant government authorities; and (iv) the ready-for-delivery conditions under the sale and purchase contract have been fulfilled. In the opinion of the directors, the financial statements according to the revised policy will provide reliable and more relevant information to the users of the financial statements about the effects of property sale transactions on the Group's financial position and financial performance. This change in policy has been applied retrospectively, but does not have any material financial effect on the Groups results and cash flows for the year ended 30 September 2012 and on the Group's financial positions as of 30 September 2012 and 1 October 2011.

2. OPERATING SEGMENT INFORMATION

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

(a) the property development segment - development, investment and management of properties;

(b) the business park segment - development, investment and management of business parks; and

(c) the corporate segment - the Group's corporate management services to the residential, commercial and business park projects.

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

Segment assets exclude deferred tax assets and certain deposits, bank and cash balances as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank and other borrowings, tax payable, deferred tax liabilities, amounts due to the ultimate holding company, the immediate holding company, non-controlling shareholders, fellow subsidiaries and related companies, and certain loans from the immediate holding company as these liabilities are managed on a group basis.

2. OPERATING SEGMENT INFORMATION *(continued)*

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

15 months period ended 31 December 2013	Property development HK$'000	Business park HK$'000	Corporate HK$'000	Total HK$'000
Segment revenue:				
Sales to external customers	55,490	235,161	-	290,651
Segment results:	(134,218)	1,783,697	(118,601)	1,530,878
Reconciliation				
Interest income				15,449
Finance costs				(56,063)
Share of losses of jointly-controlled entities				(9,881)
Profit before tax				1,480,383
Segment assets:	11,460,765	4,059,699	29,244	15,549,708
Reconciliation				
Other unallocated assets				103,182
Total assets				15,652,890
Segment liabilities:	6,272,716	92,446	18,694	6,383,856
Reconciliation				
Other unallocated liabilities				2,164,410
Total liabilities				8,548,266
Other segment information:				
Changes in fair values of investment properties	-	(1,413,446)	-	(1,413,446)
Depreciation	476	568	2,314	3,358
Provision written back for a property development project *(Note 4)*	(34,112)	(228,286)	-	(262,398)
(Reversal of impairment)/ impairment of receivables, net *(Note 4)*	(16,368)	200	146	(16,022)
Capital expenditure *	3,242	22,645	12,087	37,974

* Capital expenditure consists of additions to property, plant and equipment and investment properties.

2. OPERATING SEGMENT INFORMATION *(continued)*

Year ended 30 September 2012	Property development HK$'000 (Restated)	Business park HK$'000 (Restated)	Corporate HK$'000 (Restated)	Total HK$'000 (Restated)
Segment revenue:				
Sales to external customers	21,666	177,598	-	199,264
Segment results:	(11,964)	806,769	(33,373)	761,432
Reconciliation				
Interest income				27,558
Finance costs				(29,626)
Profit before tax				759,364
Segment assets:	4,158,744	2,280,842	12,471	6,452,057
Reconciliation				
Other unallocated assets				392,678
Total assets				6,844,735
Segment liabilities:	149,646	56,371	21,657	227,674
Reconciliation				
Other unallocated liabilities				2,812,549
Total liabilities				3,040,223
Other segment information:				
Changes in fair values of investment properties	-	(667,648)	-	(667,648)
Depreciation	275	231	32	538
Impairment of other receivables *(Note 4)*	17,330	-	-	17,330
Amortisation of land use rights	15,205	-	-	15,205
Capital expenditure *	391	1,520	52	1,963

* Capital expenditure consists of additions to property, plant and equipment and investment properties.

3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents sales of properties, gross rental income and property management fee received and receivable from the principal activities, utility income and entrusted management fee income received from fellow subsidiaries during the period/year.

An analysis of revenue, other income and gains recognised during the period/year is as follows:

	Period ended 31 December 2013 HK$'000	Year ended 30 September 2012 HK$'000
Revenue		
Sale of properties	**37,493**	18,079
Gross rental income	**154,079**	119,017
Property management fee income for owned properties	**69,271**	52,598
Utility income	**6,018**	9,570
Entrusted management fee income from fellow subsidiaries for non-owned properties	**23,790**	-
	290,651	199,264
Other income and gains		
Recovery of retention money *(Note)*	**-**	41,372
Interest income	**15,449**	27,558
Others	**5,883**	2,777
	21,332	71,707

Note: Amount, net of tax, represents the retention money received relating to the disposal of Group's interest in a land development site for Beijing project in prior years.

4. PROVISION WRITTEN BACK/(MADE)

	Period ended 31 December 2013 HK$'000	Year ended 30 September 2012 HK$'000 (Restated)
Provision written back for a property development project *(Note)*	**262,398**	-
Impairment of trade receivables, net	**(483)**	-
Reversal of impairment/(impairment) of other receivables, net	**16,505**	(17,330)
Provision for litigation claims	**-**	(6,997)
	278,420	(24,327)

Note: *Amount represented the write back during the period for provision made in prior years for a development project in Shenzhen Hi-tech Industrial Park, the PRC. During the period, the Group reached in a consensus with the relevant government authorities in Shenzhen for the reactivation of the development of a previously idle project namely phase 3 of Shenzhen Hi-tech Industrial Park. The reactivated project can be developed into investment properties and properties held for sale in accordance with the framework agreement with the government. Details of transaction were disclosed in note 30 to the financial statements of the Group for the year ended 30 September 2012. Provision written back was debited to investment properties (HK$228,286,000) and properties under development (HK$34,112,000), in proportion to their gross floor areas.*

5. FINANCE COSTS

An analysis of finance costs is as follows:

	Period ended 31 December 2013 HK$'000	Year ended 30 September 2012 HK$'000
Interest on other borrowings wholly repayable within five years		
- bank and other borrowings	**64,326**	49,615
- loans from the ultimate holding company	**70,747**	-
- loans from the immediate holding company	**9,928**	-
- loan from a non-controlling shareholder	**8,312**	-
	153,313	49,615
Other finance costs	**11,905**	7,221
Total finance costs incurred	**165,218**	56,836
Less: Interest capitalised to properties under development	**(109,155)**	(27,210)
	56,063	29,626

6. PROFIT BEFORE TAX

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

	Period ended 31 December 2013 HK$'000	Year ended 30 September 2012 HK$'000 (Restated)
Depreciation	**3,555**	685
Less: Amounts capitalised to properties under development	**(197)**	(147)
	3,358	538
Gross rental income	**(154,079)**	(119,017)
Less: Outgoing expenses *(Note a)*	**25,349**	21,927
Net rental income *(Note b)*	**(128,730)**	(97,090)
Net loss on disposal of items of property, plant and equipment	**6**	42
Changes in fair values of investment properties	**(1,413,446)**	(667,648)
Provision written back for a property development project *(Note 4)*	**(262,398)**	-
Amortisation of land use rights	**71,854**	15,205
Less: Amounts capitalised to properties under development	**(71,854)**	-
	-	15,205
(Reversal of impairment)/impairment of other receivables, net *(Note 4)*	**(16,505)**	17,330
Impairment of trade receivable, net *(Note 4)*	**483**	-
Minimum lease payments under operating leases in respect of land and building	**15,554**	3,023
Employees benefits expenses (including directors' emoluments):		
Wages and salaries	**90,362**	37,130
Share-based compensation expenses	**62,471**	1,597
Pension schemes contributions	**607**	1,071
Less: Forfeited contribution	**(1,045)**	(197)
Net pension schemes contributions	**(438)**	874
Total employees benefits expenses	**152,395**	39,601
Auditors' remuneration	**2,117**	2,209
Foreign exchange losses/(gains), net	**36,875**	(998)

Notes:

(a) The outgoing expenses for the period/year were included in "direct operating expenses" on the face of the consolidated statement of profit or loss.

(b) Rental income on investment properties was included in net rental income.

7. TAX

No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in Hong Kong during the period (Year ended 30 September 2012: Nil). Taxation on mainland China profits was calculated on the estimated assessable profits for the period/year at the rates of tax prevailing in the jurisdiction in which the Group operates.

The provision of land appreciation tax ("LAT") has been estimated according to the requirements set forth in the relevant PRC laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

The amount of tax charge in the consolidated statement of profit or loss represented:

	Period ended 31 December 2013 HK$'000	Year ended 30 September 2012 HK$'000
Current – Hong Kong	**-**	-
Current – mainland China		
Charge for the period/year	**29,807**	29,708
Over/under-provision in prior years	**(878)**	457
LAT in mainland China	**890**	557
Deferred	**313,635**	184,044
	343,454	214,766

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic earnings per share

The calculation of basic earnings per share was based on the profit for the period attributable to owners of the Company, and the weighted average of 8,686,330,023 (Year ended 30 September 2012: 6,852,522,794) ordinary shares in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share was based on the profit for the period/year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation was the number of ordinary shares in issue during the period/year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all potentially dilutive ordinary shares into ordinary shares.

8. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(Continued)*

The calculations of basic and diluted earnings per share were based on:

	Period ended 31 December 2013 HK$'000	Year ended 30 September 2012 HK$'000
Earnings		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	**1,149,394**	497,150

	Number of shares	
	Period ended 31 December 2013	Year ended 30 September 2012 (Restated)
Shares		
Weighted average number of ordinary shares in issue during the period/year used in the basic earnings per share calculation	**8,686,330,023**	6,852,522,794
Effect of dilution - weighted average number of ordinary shares:		
Share options	**-**	13,935,693
	8,686,330,023	6,866,458,487

9. DIVIDEND

	Period ended 31 December 2013 HK$'000	Year ended 30 September 2012 HK$'000
Proposed final – HK$0.01 (Year ended 30 September 2012: Nil) per ordinary share	**90,931**	-

At the Board meeting held on 7 March 2014, the Board resolved to recommend the payment of a final dividend, amounting to HK$90,931,000, of HK$0.01 per share for the 15 months period ended 31 December 2013. The proposed final dividend is not reflected as dividend payable in the consolidated financial statements until it has been approved by the shareholders at the forthcoming annual general meeting of the Company.

10. TRADE RECEIVABLES

	31 December 2013 HK$'000	30 September 2012 HK$'000
Trade receivables	**9,736**	4,959
Impairment	**(487)**	(13)
	9,249	4,946

Trade receivables represent sale proceeds in respect of sold properties and rental receivables. Sale proceeds in respect of sold properties are payable by the purchasers pursuant to the terms of the sale and purchase agreements. Rental receivables are billed in advance and are payable by tenants upon receipts of billings within an average credit term of one month.

Under normal circumstances, the Group does not grant credit terms to its customers. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are regularly reviewed by Management. In view of the aforementioned and the fact that the Group's trade receivables relate to a certain number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing and unsecured.

An aged analysis of the trade receivables as at the reporting date, based on the invoice date and net of provisions, is as follows:

	31 December 2013 HK$'000	30 September 2012 HK$'000
Within one month	**9,058**	4,946
1 to 3 months	**95**	-
Over 3 months	**96**	-
	9,249	4,946

The movements in provision for impairment of trade receivables during the period/year are as follows:

	31 December 2013 HK$'000	30 September 2012 HK$'000
At the beginning of the financial period/year	**13**	13
Impairment recognised *(Note 4)*	**496**	-
Impairment reversed *(Note 4)*	**(13)**	-
Exchange realignment	**(9)**	-
At the end of the financial period/year	**487**	13

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of HK$487,000 (30 September 2012: HK$13,000) with a carrying amount before provision of HK$487,000 (30 September 2012: HK$13,000).

The individually impaired trade receivables, as of 30 September 2012, related to customers that were experiencing delinquency in interest or principal payments, were recovered and the provision for impairment was fully reversed in the current period.

11. TRADE PAYABLES

An aged analysis of the trade payables as at the reporting date, based on the invoice date, is as follows:

	31 December 2013 HK$'000	30 September 2012 HK$'000
Within 1 month	**285,560**	27,652
1 to 3 months	**60,804**	208
Over 3 months	**16,570**	292
	362,934	28,152

Trade payables are non-interest-bearing and are normally settled within an average term of one month.

12. EVENT AFTER THE REPORTING PERIOD

On 7 March 2014, the Company entered into a loan agreement with a syndicate of banks on a club deal basis for a 3-year term loan facility in the principal amount of up to US$185 million. The purpose of the loan facility is to refinance the existing indebtedness and the Group's corporate funding requirements.

13. COMPARATIVE FIGURES

Certain comparative figures in the consolidated statement of profit or loss have been reclassified to conform with the current period's presentation.

FINANCIAL REVIEW

Following the change of the ultimate holding company of the Company to Gemdale on 28 September 2012, the name of the Company was changed to Gemdale Properties and Investment Corporation Limited on 12 March 2013. Further, the financial year end date of the Company and its subsidiaries ("the Group") has been changed from 30 September to 31 December effective from 2013 to align with that of Gemdale such that the current financial reporting period would be a 15-month span from 1 October 2012 to 31 December 2013. The corresponding comparative amounts shown covered twelve months period from 1 October 2011 to 30 September 2012, and therefore may not be entirely comparable with the amounts shown for the current period.

In October 2013, the Group acquired certain project companies of the immediate holding company ("the Target Companies") ("the Acquisition"). As the Company and the Target Companies are under common control of Gemdale before and after the Acquisition, the Acquisition has been accounted for in the consolidated financial statements of the Group as a business combination under common control using the principles of merger accounting under Accounting Guideline 5 *Merger Accounting for Common Control Combinations* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements of the Group included the financial position, results and cash flows of the Target Companies as if the Acquisition had occurred since 28 September 2012 (the date of which Gemdale completed the acquisition of the Company). As a result, certain corresponding comparative amounts for the year ended 30 September 2012 were restated.

The accounting policies and methods of computation used in the preparation of the financial statements for the fifteen months ended 31 December 2013 were consistent with those used in the previous year ended 30 September 2012, except that the Group adopted a voluntary change in accounting policy regarding the revenue recognition of sale of properties and, for the first time, the revised Hong Kong Financial Reporting Standards ("HKFRSs", which included all HKFRSs, Hong Kong Accounting Standards, and Interpretations) issued by HKICPA which are effective for the Group's financial periods beginning on or after 1 October 2012.

RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2013

The revenue of the Group for the fifteen months ended 31 December 2013 increased by 46% to HK$290.7 million from HK$199.3 million for the twelve months ended 30 September 2012. The increase was mainly due to increase in rental income as a result of higher rental rates upon the renewal of the leases of Vision Shenzhen Business Park (VSBP) and Sohu.com Internet Plaza (SIP), recognition of revenue from sales of residential units of Shenyang Yijing project launched in October 2013 and an additional three months rental income included in current period compared to last year.

During the period under review, the Group reached a consensus with the relevant government authorities in Shenzhen for the reactivation of the development of a previously idle project namely phase 3 of Shenzhen Hi-tech Industrial Park ("VSBP 3"). The development project was fully impaired in prior years, and a portion of provision amounting to HK$262.4 million was written back accordingly during the current period. While the project will be developed into research and development offices for rental purpose and apartments for sale purpose, the provision written back was shared by business park segment amounting to HK$228.3 million and property development segment amounting to HK$34.1 million.

The changes of fair values of investment properties of HK$1,413.4 million in the period under review included the valuation of phases 1, 2 and 3 of VSBP and SIP while the changes of HK$667.6 million included the valuation of phases 1 and 2 and SIP .

Other income and gain decreased to HK$21.3 million for the current period from HK$71.7 million for the twelve months ended 30 September 2012. The decrease was mainly due to a recovery of retention money of HK$41.4 million relating to the disposal of an interest in a land development site in Beijing in prior years included in the last financial year and reduction in interest income by HK$12.1 million as a result of acquisition of certain parcels of land in the PRC and lower interest rates obtained from the bank deposits during the period under review.

The Group's direct operating expenses for the fifteen months ended 31 December 2013 increased to HK$318.7 million from HK$81.5 million for the twelve months ended 30 September 2012. The significant increase was mainly due to operating expenses incurred for property development projects newly acquired or bidded in Shenzhen, Shenyang, Dalian and Shaanxi, the PRC, higher marketing and operating expenses for Shanghai Shanshui Four Seasons project and increase in staff cost incurred for business expansion of the Group with the number of staff increased from 210 of last year to 356 of current period.

The Group's administrative expenses for the fifteen months ended 31 December 2013 increased to HK$118.5 million from HK$33.8 million for the twelve months ended 30 September 2012, mainly due to the increase in share-based compensation expenses.

The finance cost increased to HK$56.1 million for the current period from HK$29.6 million for the twelve months ended 30 September 2012. The increase was mainly due to interest paid on loans from the immediate holding company and a non-controlling shareholder for acquisition of land in the PRC.

Overall, the Group recorded higher profit attributable to owners of the Company for the fifteen months ended 31 December 2013 of HK$1,149.4 million, against profit of HK$497.2 million for the twelve months ended 30 September 2012. The increase was mainly due to an increase in changes in fair values of investment properties of HK$559.4 million (net of deferred tax charge of HK$186.4 million) and a provision written back of HK$262.4 million for VSBP 3 recorded in the current period.

On a per-share basis, the Group recorded basic earnings of HK$0.1323, against HK$0.0725 for the twelve months ended 30 September 2012. There were no potentially dilutive ordinary shares in issue during the current period. Accordingly, the diluted earning per share was same as the basic earnings per share. For the twelve months ended 30 September 2012, the diluted earnings per share was HK$0.0724.

PROPOSED FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK$0.01 per share (Year ended 30 September 2012: Nil) for the 15 months ended 31 December 2013, subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 23 April 2014. Dividend warrants will be posted on or about 30 June 2014 to shareholders whose names appear on the register of members of the Company on 20 May 2014.

BUSINESS SEGMENTS

Property development

For the fifteen months ended 31 December 2013, the property development revenue increased to HK$55.5 million, representing 19% of the total revenue, compared with HK$21.7 million, representing 11% of the total revenue for the twelve months ended 30 September 2012. The revenue of the current period was mainly contributed by the sales from the Shenyang Yijing project and the sales of the remaining car park spaces in Hong Kong while sales from the Shanghai Shanshui Four Seasons project was recognised in the previous year. The loss in the property development segment during the current period increased to HK$134.2 million. The increase in loss was mainly due to operating expenses incurred for the PRC property development projects newly acquired and higher marketing and operating expenses for Shanghai Shanshui Four Seasons project. The loss was partially offset by the provision written back of HK$34.1 million for VSBP 3 included in the current period.

Business park

The revenue earned by the business park segment for the fifteen months ended 31 December 2013 grew from HK$177.6 million, representing 89% of the total revenue for the twelve months ended 30 September 2012, to HK$235.2 million representing 81% of the total revenue. This improved revenue was due to the higher rental earned by VSBP and SIP, and rental income of fifteen months recorded for the current period against twelve months for the last year. During the period under review, the business park segment recorded a profit of HK$1,783.7 million, including fair value gain on investment properties of HK$1,413.4 million, compared with fair value gain of HK$667.6 million for the previous year, and a provision written back of HK$228.3 million for VSBP 3.

SHAREHOLDERS' FUNDS

The Group's total shareholders' funds increased from HK$2,974.7 million as at 30 September 2012 to HK$5,871.7 million as at 31 December 2013, representing a significant increase of 97%. On a per-share basis, the consolidated net asset value of the Group attributable to the owners of the Company as at 31 December 2013 increased to HK$0.646 against HK$0.421 (restated) as at 30 September 2012. The total shareholders' funds constituted approximately 38% of the total assets of HK$15,652.9 million as at 31 December 2013, against 43% (restated) of total assets of HK$6,844.7 million (restated) as at 30 September 2012.

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL STRUCTURE

Liquidity and capital resources

The Group's deposit, bank and cash balances increased by 18% to HK$1,815.4 million as at 31 December 2013 from HK$1,537.8 million (restated) as at 30 September 2012. The increase was mainly from the pre-sale proceeds of several property development projects in the PRC launched during the current period and the receipts of net proceeds of HK$691.6 million from the issue of new shares in February 2013, net of cash applied to acquisition of land use rights in Shenzhen, Shenyang, Dalian and Shaanxi, the PRC and the development cost of property projects in the PRC.

For financing the Group's business development, the Company issued 900,000,000 new shares of the Company at a subscription price of HK$0.78 per share in early of February 2013 with net proceeds of approximately HK$691.6 million and arranged loan facilities from the ultimate holding company of RMB2,520 million and from the immediate holding company of HK$1,700 million during the period under review. The loan facilities of the ultimate holding company and the immediate holding company were unsecured and interest bearing at 6.15% per annum and 4% per annum, respectively. As at 31 December 2013, the undrawn loan facilities of the ultimate holding company and the immediate holding company amounted to RMB640.4 million and HK$520.8 million respectively.

On 7 March 2014, the Company arranged a new 3-year term loan facility of US$185 million with a syndicate of banks for refinancing the existing indebtedness and the Group's corporate funding requirement.

Borrowings

Total bank and other borrowings of the Group decreased by 81% to HK$279.2 million as at 31 December 2013 from HK$1,438.6 million as at 30 September 2012. The loans from related parties of the Group as at 31 December 2013 were amounted to HK$3,721.9 million, against HK$35.4 million (restated) as at 30 September 2012.

The maturity profiles of the Group's outstanding borrowings as at 31 December 2013 and 30 September 2012 are summarised below:

	As at	
	31 December 2013 HK$'000	30 September 2012 HK$'000 (Restated)
Short-term and long-term bank and other borrowings		
Within the first year or on demand	**279,176**	1,178,079
In the second year	**-**	260,504
	279,176	1,438,583
Loans from related parties		
Within the first year or on demand	**3,721,899**	35,424
Total borrowings wholly repayable within five years	**4,001,075**	1,474,007

The net debt (measured by total borrowings minus cash and bank deposits) as at 31 December 2013 was HK$2,185.6 million. There was no net debt as at 30 September 2012. The increase of net debts was mainly due to acquisition of land use rights for parcels of land in the PRC and payment of development cost of PRC property projects, and partially offset by repayment of certain bank and other borrowings with the proceeds from pre-sale of Shanghai Four Seasons project.

The Group's gearing ratio (defined as the total borrowings over total equity, including non-controlling interests) rose to 56% as at 31 December 2013 from 39% (restated) as at 30 September 2012.

FINANCIAL MANAGEMENT

Foreign currency risk

As at 31 December 2013, borrowings denominated in United States dollars (USD) remained at the same levels, those in Hong Kong dollars (HKD) and Renminbi (RMB) increased during the period under review. As most of the operating income of the Group's business is denominated in RMB and the continuity of appreciation of RMB against USD and HKD is expected, the foreign exchange risk exposure was considered minimal. The Group will review and monitor its currency exposure from time to time and when appropriate to hedge its currency risk.

The currency denominations of the Group's outstanding borrowings as at 31 December 2013 and 30 September 2012 are summarised below:

	As at	
	31 December 2013 HK$'000	30 September 2012 HK$'000 (Restated)
Hong Kong dollar	**1,179,226**	715,588
Renminbi	**2,390,677**	479,153
United States dollar	**431,172**	279,266
Total	**4,001,075**	1,474,007

Interest rate risk

As at 31 December 2013, 7% (30 September 2012: 100% (restated)) of borrowings of the Group were on a floating rate basis. The interest rate risk exposure was considered acceptable and no hedging was considered necessary. The Group will continue to monitor the suitability and cost efficiency of hedging instrument (including interest rates swaps) and consider a mix of fixed and floating rate borrowings in order to manage interest rate risks.

PLEDGE OF ASSETS

No asset of the Group was pledged at the end of the reporting period. As at 30 September 2012, certain of the Group's bank and other borrowings were secured by certain properties under development with aggregate carrying value of HK$1,063.7 million.

CONTINGENT LIABILITIES

As at 31 December 2013, the Group did not have any significant contingent liabilities (30 September 2012: Nil).

REVIEW OF OPERATIONS

Land Bank

The Group's management believes that a sizable and quality land bank is the most important successful factor for a property developer. Timing for acquisition of land bank at competitive pricing is the core successful factor for the Group.

As the Group's strategy is to expand into nationwide property developer in the PRC, it succeeded in entering into five new cities including Shenyang, Dalian, Tianjin, Xi'an and Ningbo during the period. A total of four new acquisitions of land parcels were transacted through participation in public land auctions, with an approximate gross floor area of 1,338,000 square meters in aggregate added to the Group's land bank for a total consideration of RMB2,842 million. Also, the acquisition of six residential projects from Gemdale Corporation at consideration of HK$1,272.7 million, gives the Group an extra land bank of 1,500,000 square meters.

As at 31 December 2013, total land bank of the Group (in terms of gross floor area) amounted to approximately 4 million square meters in eight different cities in the PRC.

Segment Information

Properties Sales and Development

The Group's high quality housing products continued to attract medium to high income level end-users. Sales performance became prominent starting from the fourth quarter in 2013 after more saleable resources being available after asset injection in August 2013.

With more residential projects being available for sale, property contracted sales increased significantly from Nil to RMB4,232 million, corresponding to a saleable gross floor area of 334,400 square meters.

Contracted sales from major projects for the fifteen months ended 31 December 2013:

City	Name of project	Saleable GFA (sq. m)	Amount (RMB '0000)
Beijing	Beijing Mentougou	16,925	60,700
Shanghai	Shanghai Shanshui Four seasons	108,842	192,061
Shenyang	Shenyang Riverfront Left Shore	58,211	38,555
	Shenyang Yijing	24,933	18,529
Tianjin	Tianjin Yijing	75,944	74,160
Xi'an	Xi'an Tanghua Road	5,645	5,253
	Xi'an Yanxiang Road	43,937	33,929
	Total	**334,437**	**423,187**

Property Leasing

For the fifteen months ended 31 December 2013, with the increased in rental rate for expired leases and therefore a higher average rental rate, as well as the rental income covered 15 months financial period (2012: 12 months), rental income increased to HK$154 million (Year ended 30 September 2012: HK$119 million). Taken into account of the fair value gain of HK$1,413 million (Year ended 30 September 2012: HK$668 million) in respect of the investment properties, segment profit was HK$1,784 million (Year ended 30 September 2012: HK$807 million).

As at 31 December 2013, Vision Shenzhen Business Park Phase 1 and 2 in Shenzhen Nan Shan district was 97% let while the occupancy rate for the Beijing Sohu.com Internet Plaza was 100%. The Group owns 100% and 60% of these projects respectively.

OUTLOOK

Looking forward to 2014, the Group will remain focused in differentiating its business from competitors, further strengthening its investment in first-and-second tier cities with large population. In term of business model, the Group's residential property development business will focus on quick-turnover products with owner-occupier as target customers to maintain our sales momentum. The Group will further leverage on our parent company's reputable brand, relationship and financial support to speed up our growth and development. Furthermore, the Group will continue to maintain and develop its comprehensive financing platform to support further growth by leveraging both domestic and overseas financial markets.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2013, the Group had 356 (2012: 210) employees. Salaries of employees are maintained at competitive levels while bonuses may be granted on a discretionary basis with reference to the performance of the Group as well as the individual's performance. Other employee benefits include mandatory provident fund, insurance and medical cover, subsidised educational and training programmes as well as share option schemes.

The emoluments of the Directors are determined with reference to Directors' duties, responsibilities and performance and the results of the Group.

CORPORATE GOVERNANCE

The Company (together with its subsidiaries, the "Group") is committed to maintain a high standard of corporate governance with an emphasis on a quality board of directors, sound internal control, principles and practices, and transparency and accountability to all shareholders of the Company (the "Shareholders").

The Company has taken steps to adopt the principles and comply with the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Board has reviewed periodically the compliance of the CG Code and is of the view that throughout the 15 months ended 31 December 2013 ("FY2013" or the "Reporting Period"), the Company has complied with the applicable code provisions of the CG Code, except for the following deviations:–

1. Under the CG Code A.6.7, independent non-executive Directors should attend general meetings and develop a balanced understanding of the view of Shareholders. Due to other prearranged business commitments which must be attended by Mr. Hu Chunyuan, an independent non-executive Director, he was not able to attend two special general meetings of the Company held on 15 May 2013 and 17 October 2013 respectively.

2. Under CG Code C.1.2, management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer's performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. During the first six months of the Reporting Period, management had not provided all members of the board with such updates on a monthly basis due to the restructuring of the management and general staff of the Group and the change of accounting systems after the change of the controlling shareholder of the Company in November 2012. However, several board meetings were held during the period for reviewing the periodic operating and financial conditions of the Group based on updated operating information provided by the management. As such, the Company considers that all members of the board were given regular updates on the Company's performance, position and prospects during that period. The Company has complied with the CG Code C.1.2 then.

3. Under CG Code E.1.2, the chairman of the board should attend the annual general meeting of the Company ("AGM"). Due to other prearranged business commitments which must be attended by Mr. Huang Juncan, the chairman of the board, he was not present at the AGM of the Company held on 29 January 2013 ("2013 AGM").

4. Under CG Code E.1.3, the issuer should arrange for the notice to shareholders to be sent for AGMs at least 20 clear business days before the meeting. The notice of 2013 AGM of the Company had been sent to its shareholders more than 21 clear calendar days in compliance with the Company's bye-laws but less than 20 clear business days before the date of the 2013 AGM as the new management of the Company intended to meet the shareholders of the Company at the 2013 AGM as soon as possible.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities on the Stock Exchange during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as amended from time to time, (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Following specific enquiries made by the Company, all Directors confirmed that they had complied with the required standards set out in the Model Code throughout the Reporting Period. The Model Code also applies to other specified senior management of the Company.

AUDIT COMMITTEE

The audit committee of the Board (the "Audit Committee") has been established with specific written terms of reference stipulating its authorities and duties in compliance with Rule 3.21 of the Listing Rules, which are available on the websites of the Company (www.gemdalepi.com) and HKExnews (www.hkexnews.hk). The Audit Committee currently comprises Mr. Hu Chunyuan (Chairman of the committee), Mr. Hui Chiu Chung and Mr. Chiang Sheung Yee, Anthony. All Audit Committee members are INEDs.

The functions of the Audit Committee are, among other things, to assist the Board to review the financial reporting, including interim and final results, to supervise over the Group's internal controls, risk management and to monitor the internal and external audit functions and to make relevant recommendations to the Board to ensure effective and efficient operations and reliable reporting. The functions of the Audit Committee will be reviewed regularly by the Board and amended from time to time, as and when appropriate, in order to ensure compliance with the applicable code provisions of the CG Code (as amended from time to time).

The Audit Committee has reviewed with the management of the Company and Ernst & Young, the auditors of the Company, the accounting principles and practices adopted by the Group and has discussed auditing, internal controls and financial reporting matters, including the review of the annual results and report of the Company for the Reporting Period.

CHANGE OF ADDRESS OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 31 March 2014, the Hong Kong branch share registrar and transfer office of the Company, Tricor Standard Limited (the "**Branch Share Registrar**"), will change its address from 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong to:

Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

All telephone and facsimile numbers of the Branch Share Registrar will remain unchanged.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting of the Company to be held on Wednesday, 23 April 2014, the register of members of the Company will be closed from Thursday, 17 April 2014 to Wednesday, 23 April 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the above meeting, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) for registration no later than 4:30 p.m. on Wednesday, 16 April 2014.

For determining the entitlement to the proposed final dividend for the 15 months ended 31 December 2013 (subject to approval by the shareholders at the annual general meeting), the register of members of the Company will be closed from Monday, 19 May 2014 to Tuesday, 20 May 2014, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible for the above proposed final dividend, unregistered holders of shares of the Company should ensure that all transfer forms accompanied by the relevant share certificates must be lodged with Branch Share Registrar at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong with effect from 31 March 2014) for registration no later than 4:30 p.m. on Friday, 16 May 2014.

By Order of the Board
Gemdale Properties and Investment Corporation Limited
Huang Juncan
Chairman and Executive Director

Hong Kong, 7 March 2014

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Ling Ke, Mr. Huang Juncan, Mr. Wei Chuanjun and Mr. Xu Jiajun; and three independent non-executive Directors, namely Mr. Hui Chiu Chung, Mr. Chiang Sheung Yee, Anthony and Mr. Hu Chunyuan.