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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 YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2024	2023	Change
	RMB'000	RMB'000	%
Revenue	13,195,837	17,452,374	— 24
Gross profit	2,427,240	3,612,905	— 33
Other income and gains	856,621	1,604,120	— 47
Share of results of joint ventures and associates	(2,378,302)	(356,313)	567
(Loss)/profit after tax	(4,167,249)	832,752	— 600
(Loss)/profit attributable to owners of the Company	(4,570,753)	342,718	— 1,434
(Loss)/earnings per share attributable to owners of the Company:			
- Basic (RMB)	(0.2751)	0.0206	— 1,435
	31 December	31 December	
	2024	2023	Change
	RMB'000	RMB'000	%
Deposits, bank and cash balances (including restricted cash)	3,913,093	5,161,269	— 24
Total assets	75,991,941	91,098,407	— 17
Net assets	21,062,660	26,348,402	— 20

ANNUAL RESULTS

The board of directors (the “Directors”) of Gemdale Properties and Investment Corporation Limited (the “Company”) announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2024 together with the relevant comparative figures.

* For identification purpose only

Consolidated Statement of Profit or Loss

Year ended 31 December 2024

		2024 RMB'000	2023 RMB'000
	<i>Notes</i>		
Revenue	3	13,195,837	17,452,374
Cost		<u>(10,768,597)</u>	<u>(13,839,469)</u>
Gross profit		2,427,240	3,612,905
Direct operating expenses		(1,470,861)	(1,479,764)
Other income and gains	3	856,621	1,604,120
Changes in fair values of investment properties		66,855	611,420
Changes in fair values of financial assets at fair value		(38,135)	(879)
Administrative expenses		(104,606)	(127,599)
Other losses	6	(747,587)	-
Impairment of receivables	5	(404,309)	(325,856)
Impairment of inventory of properties		(556,824)	(407,558)
Finance costs	4	(1,159,094)	(1,345,442)
Share of profits and losses of:			
Joint ventures		(2,089,371)	(125,750)
Associates		<u>(288,931)</u>	<u>(230,563)</u>
(Loss)/profit before tax	6	(3,509,002)	1,785,034
Tax	7	<u>(658,247)</u>	<u>(952,282)</u>
(Loss)/profit for the year		<u>(4,167,249)</u>	<u>832,752</u>
Attributable to:			
Owners of the Company		(4,570,753)	342,718
Non-controlling interests		<u>403,504</u>	<u>490,034</u>
		<u>(4,167,249)</u>	<u>832,752</u>
(Loss)/earnings per share attributable to owners of the Company:			
- Basic (RMB)	8	<u>(0.2751)</u>	0.0206
- Diluted (RMB)	8	<u>(0.2751)</u>	0.0206

Consolidated Statement of Comprehensive Income

Year ended 31 December 2024

	2024 RMB'000	2023 RMB'000
(Loss)/profit for the year	<u>(4,167,249)</u>	<u>832,752</u>
Other comprehensive income/(loss)		
- Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of foreign operations	(432,510)	(208,250)
Share of exchange differences on translation of foreign operations of joint ventures and associates	37,074	49,026
Release upon deregistration of subsidiaries	<u>63,408</u>	<u>12</u>
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	<u>(332,028)</u>	<u>(159,212)</u>
- Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation of financial statements	<u>128,707</u>	<u>90,482</u>
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	<u>128,707</u>	<u>90,482</u>
Other comprehensive loss for the year, net of tax	<u>(203,321)</u>	<u>(68,730)</u>
Total comprehensive (loss)/income for the year	<u><u>(4,370,570)</u></u>	<u><u>764,022</u></u>
Attributable to:		
Owners of the Company	(4,760,841)	274,325
Non-controlling interests	<u>390,271</u>	<u>489,697</u>
	<u><u>(4,370,570)</u></u>	<u><u>764,022</u></u>

Consolidated Statement of Financial Position

31 December 2024

	31 December 2024 RMB'000	31 December 2023 RMB'000
	<i>Note</i>	
NON-CURRENT ASSETS		
Property, plant and equipment	107,334	135,413
Investment properties	19,799,320	18,390,578
Intangible assets	-	-
Right-of-use assets	7,271	5,517
Prepayments, deposits and other receivables	21,864	28,778
Investments in joint ventures	12,766,092	16,160,837
Investments in associates	6,482,131	6,265,631
Amount due from a related company	-	1,109,923
Financial assets at fair value	732,860	1,255,352
Deferred tax assets	1,658,177	1,424,988
Total non-current assets	41,575,049	44,777,017
CURRENT ASSETS		
Properties held for sale	4,963,180	4,427,830
Properties under development	12,981,354	21,503,248
Trade receivables	105,947	65,711
Prepayments, deposits and other receivables	4,409,092	5,180,250
Amounts due from group companies	197,364	36,952
Amounts due from joint ventures and associates	4,226,409	5,942,252
Amounts due from non-controlling shareholders	1,827,996	3,179,017
Amount due from a related company	1,170,842	13,031
Prepaid tax	621,615	811,830
Restricted cash	2,091,790	2,706,967
Deposits, bank and cash balances	1,821,303	2,454,302
Total current assets	34,416,892	46,321,390

Consolidated Statement of Financial Position (continued)

31 December 2024

		31 December 2024 RMB'000	31 December 2023 RMB'000
	<i>Note</i>		
CURRENT LIABILITIES			
Trade payables	11	4,826,246	5,830,528
Advanced receipts, accruals and other payables		9,815,864	18,454,655
Interest-bearing bank borrowings		1,248,450	1,211,774
Lease liabilities		83,451	77,475
Amounts due to group companies		3,836,980	2,918,971
Amounts due to joint ventures and associates		8,250,246	7,974,591
Amounts due to non-controlling shareholders		1,270,057	1,313,365
Tax payable		2,016,769	2,064,340
Total current liabilities		31,348,063	39,845,699
NET CURRENT ASSETS		3,068,829	6,475,691
TOTAL ASSETS LESS CURRENT LIABILITIES		44,643,878	51,252,708
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		10,191,337	10,240,974
Lease liabilities		604,952	862,391
Amounts due to group companies		10,217,712	11,334,286
Deferred tax liabilities		2,567,217	2,466,655
Total non-current liabilities		23,581,218	24,904,306
NET ASSETS		21,062,660	26,348,402
EQUITY			
Equity attributable to owners of the Company			
Issued capital		1,505,164	1,505,164
Reserves		16,199,188	20,979,353
		17,704,352	22,484,517
Non-controlling interests		3,358,308	3,863,885
TOTAL EQUITY		21,062,660	26,348,402

Notes:

1.1 BASIS OF PREPARATION

The 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”), and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and financial assets at fair value which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

1.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the “2020 Amendments”)
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the “2022 Amendments”)
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

Change in accounting policies

The nature and the impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 January 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.

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 and sale of residential and commercial properties
- (b) the property investment and management segment – investment and management of business parks and commercial properties
- (c) the corporate and others segment – the Group’s corporate management services and others

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/loss before tax except that bank interest income, non-lease-related finance costs, changes in fair value of financial assets at fair value, other income/loss from financial assets at fair value as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, certain deposits, bank and cash balances, prepaid tax, and financial assets at fair value as these assets are managed on a group basis. Segment liabilities exclude certain interest-bearing bank borrowings, tax payable, deferred tax liabilities, and amounts due to group companies, non-controlling shareholders and a related company as these liabilities are managed on a group basis.

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

Segment information is presented by way of the Group’s primary segment reporting basis, by business segment. No geographical segment information is presented as over 90% (2023: over 90%) of the Group’s revenue is derived from customers based in Mainland China, and over 90% (2023: over 90%) of the Group’s assets are located in Mainland China.

During the current and prior years, no revenue from transactions with a single external customer amounted to 10% or more of the Group’s total revenue.

	Property development RMB'000	Property investment and management RMB'000	Corporate and others RMB'000	Total RMB'000
Year ended 31 December 2024				
Segment revenue:				
Sales to external customers	11,898,383	1,297,454	-	13,195,837
Segment cost	(10,230,952)	(537,645)	-	(10,768,597)
Segment gross profit	1,667,431	759,809	-	2,427,240
Segment results:	(2,903,721)	935,257	(201,470)	(2,169,934)
<i>Reconciliation</i>				
Bank interest income				35,800
Finance costs (other than interest on lease liabilities)				(1,117,881)
Changes in fair values of financial assets at fair value				(38,135)
Net loss from financial assets at fair value, net				(218,852)
Loss before tax				(3,509,002)
Segment assets:	43,522,588	27,707,750	1,723,588	72,953,926
<i>Reconciliation</i>				
Other unallocated assets				3,038,015
Total assets				75,991,941
Segment liabilities:	32,444,725	12,404,785	38,604	44,888,114
<i>Reconciliation</i>				
Other unallocated liabilities				10,041,167
Total liabilities				54,929,281
Other segment information:				
Share of profits and losses of joint ventures	2,330,305	(240,934)	-	2,089,371
Share of profits and losses of associates	292,405	(3,474)	-	288,931
Changes in fair values of investment properties	-	(66,855)	-	(66,855)
Changes in fair values of investment properties – right-of-use assets	-	105,520	-	105,520
Impairment of inventory of properties	556,824	-	-	556,824
Loss on disposal of a joint venture	-	9,099	-	9,099
Remeasurement loss on interests previously held in a joint venture	396,795	-	-	396,795
Depreciation of property, plant and equipment	5,893	53,991	1,787	61,671
Depreciation of right-of-use assets	-	858	4,866	5,724
Impairment of receivables, net	188,278	(7,869)	223,900	404,309
Impairment of goodwill on acquisition of joint ventures	-	48,766	-	48,766
Capital expenditure*	1,850	569,736	149	571,735
Investments in joint ventures	9,262,521	3,503,571	-	12,766,092
Investments in associates	6,472,728	9,403	-	6,482,131

	Property development RMB'000	Property investment and management RMB'000	Corporate and others RMB'000	Total RMB'000
Year ended 31 December 2023				
Segment revenue:				
Sales to external customers	16,263,730	1,188,644	-	17,452,374
Segment cost	(13,295,508)	(543,961)	-	(13,839,469)
Segment gross profit	2,968,222	644,683	-	3,612,905
Segment results:	1,053,620	2,076,526	(117,004)	3,013,142
<i>Reconciliation</i>				
Bank interest income				49,544
Finance costs (other than interest on lease liabilities)				(1,297,768)
Changes in fair values of financial assets at fair value				(879)
Other income from financial assets at fair value				20,995
Profit before tax				1,785,034
Segment assets:	59,806,162	25,491,584	2,074,361	87,372,107
<i>Reconciliation</i>				
Other unallocated assets				3,726,300
Total assets				91,098,407
Segment liabilities:	43,457,751	11,927,739	52,830	55,438,320
<i>Reconciliation</i>				
Other unallocated liabilities				9,311,685
Total liabilities				64,750,005
Other segment information:				
Share of profits and losses of joint ventures	1,069,158	(943,408)	-	125,750
Share of profits and losses of associates	242,369	(11,806)	-	230,563
Changes in fair value of investment properties	-	(611,420)	-	(611,420)
Changes in fair values of investment – right-of-use assets	-	119,844	-	119,844
Impairment of inventory of properties	407,558	-	-	407,558
Loss on disposal of a subsidiary	-	3,784	-	3,784
Gain on disposal of a joint venture	-	(1,092)	-	(1,092)
Remeasurement gains on interests previously held in joint ventures	(540,375)	-	-	(540,375)
Depreciation of property, plant and equipment	5,757	38,457	2,485	46,699
Depreciation of right-of-use assets	4,874	576	7,079	12,529
Amortisation	-	6,936	-	6,936
Impairment of receivables, net	256,668	368	68,820	325,856
Capital expenditure*	2,792	615,624	2,336	620,752
Investments in joint ventures	12,434,371	3,726,466	-	16,160,837
Investments in associates	6,223,883	41,748	-	6,265,631

* Capital expenditure consists of additions to property, plant and equipment, investment properties and right-of-use assets.

3. REVENUE, OTHER INCOME AND GAINS

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

	2024 RMB'000	2023 RMB'000
Revenue from contracts with customers		
Sale of properties	11,898,383	16,263,730
Property management fee income from:		
- fellow subsidiaries	2,386	2,089
- third parties	297,781	287,498
Entrusted management fee income from a fellow subsidiary	24,906	24,906
Revenue from other sources		
Gross rental income from operating leases		
of investment properties:		
- fellow subsidiaries	17,054	17,454
- third parties	955,327	856,697
	13,195,837	17,452,374
Other income and gains		
Bank interest income	35,800	49,544
Interest income on loans receivable	74,625	117,612
Interest income from a related company	50,798	52,147
Interest income from joint ventures and associates	96,713	265,206
Interest income from third parties	13,719	19,792
Income from financial assets at fair value	10,667	18,958
Gains on disposal of financial assets at fair value	-	2,037
Net gains on leases termination	22,567	4
Consulting services income from:		
- fellow subsidiaries	252	1,840
- joint ventures	193,255	331,229
- associates	77,935	36,651
- third parties	113,923	81,723
Net gains on disposal of joint ventures	-	1,092
Remeasurement gains on interests previously held in joint ventures	-	540,375
Gain on acquisition of interest in a joint venture	-	10,779
Government grants	6,953	7,150
Others	159,414	67,981
	856,621	1,604,120

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2024 RMB'000	2023 RMB'000
Interest on bank borrowings	517,381	589,934
Interest expenses to group companies	902,198	1,028,238
Interest expenses to non-controlling shareholders	1,937	15,938
Interest expenses to joint ventures	11,583	8,380
Interest on other borrowings	677	10,803
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	1,433,776	1,653,293
Interest on lease liabilities	41,213	47,674
Other finance costs	1,969	9,306
	<hr/>	
Total finance costs incurred	1,476,958	1,710,273
Less: Interest capitalised in		
- investment properties under construction	-	(54,074)
- properties under development	(317,864)	(310,757)
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	1,159,094	1,345,442
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5. IMPAIRMENT OF RECEIVABLES

During the year, the Group had the following impairment of receivables:

	2024 RMB'000	2023 RMB'000
Impairment of loans and other receivables, net	239,055	75,204
Amounts due from joint ventures (<i>Note</i>)	165,254	250,652
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	404,309	325,856
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Note: Amount represented provisions made for the receivables from certain joint ventures where there were large impairment losses on the inventory of properties held by these joint ventures.

6. (LOSS)/PROFIT BEFORE TAX

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

	2024 RMB'000	2023 RMB'000
Cost of properties sold	10,230,952	13,295,508
Depreciation of property, plant and equipment	62,283	47,212
Less: Amounts capitalised in property development projects	(612)	(513)
	61,671	46,699
Depreciation of right-of-use assets	203,859	278,070
Less: Amounts capitalised in property development projects	(198,135)	(265,541)
	5,724	12,529
Amortisation of intangible assets	-	6,936
Outgoings (including repairs and maintenance) arising on rental-earning investment properties	198,583	55,842
Net gains on disposal of items of property, plant and equipment	(575)	(140)
Net gains on lease termination	(22,567)	(4)
Net loss on disposal of subsidiaries (<i>Note 14</i>)	-	3,784
Changes in fair values of investment properties	(66,855)	(611,420)
Changes in fair values of investment properties - right-of-use assets*	105,520	119,844
Changes in fair values of financial assets at fair value	38,135	879
Impairment of receivables, net (<i>Note 5</i>)	404,309	325,856
Impairment of inventory of properties	556,824	407,558
Impairment of goodwill on acquisition of joint ventures**	48,766	-
Remeasurement loss/(gains) on interests previously held in joint ventures**	396,795	(540,375)
Losses/(gains) on disposal of financial assets at fair value**	229,519	(2,037)
Release of exchange reserves on deregistration of subsidiaries**	63,408	12
Net loss/(gain) on disposal of joint ventures**	9,099	(1,092)
Employee benefit expenses (including directors' emoluments):		
Wages and salaries	657,987	808,914
Pension schemes contributions	68,923	87,905
Total employee benefit expenses	726,910	896,819
Lease payments not included in the measurement of lease liabilities	1,675	253
Auditor's remuneration	5,183	5,307
Foreign exchange differences, net	(28,240)	43,611

* *The changes in fair values of investment properties – right-of-use assets is included in “Cost” in the consolidated statement of profit or loss.*

** *Expenses are included in “Other losses” in the consolidation statement of profit or loss for the year ended 31 December 2024 (2023: included in “Other income and gains” in the consolidation statement of profit or loss).*

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 year (2023: Nil). Taxation on Mainland China profits was calculated on the estimated assessable profits for the year at the rates of tax prevailing in the jurisdiction in which the Group operates.

The provision for 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 represents:

	2024 RMB'000	2023 RMB'000
Current - Hong Kong	-	-
Current – Mainland China		
Charge for the year	407,706	903,276
Under /(over) provision in prior years	40,574	(191,925)
LAT in Mainland China	196,538	409,121
Deferred	13,429	(168,190)
	<u>658,247</u>	<u>952,282</u>

8. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic (loss)/earnings per share

The calculation of the basic (loss)/earnings per share is based on the (loss)/profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares of 16,613,686,827 (2023: 16,612,678,608) outstanding during the year.

(b) Diluted (loss)/earnings per share

The calculation of the diluted (loss)/earnings per share is based on the (loss)/profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares outstanding during the year, as used in the basic (loss)/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 dilutive potential ordinary shares into ordinary shares.

No adjustment has been made to the basic loss per share presented for the year ended 31 December 2024 in respect of a dilution as the impact of the share options outstanding during the year had an anti-dilutive effect on the basic loss per share. In addition, there was no outstanding share options at the end of the reporting period.

The calculation of basic and diluted (loss)/earnings per share are based on:

	2024	2023
	RMB'000	RMB'000
(Loss)/earnings		
(Loss)/profit attributable to owners of the Company	(4,570,753)	342,718
	No. of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic (loss)/earnings per share calculation	16,613,686,827	16,612,678,608
Effect of dilution – weighted average number of ordinary shares:		
Share options	-	4,079,432
	16,613,686,827	16,616,758,040

9. DIVIDENDS

	2024	2023
	RMB'000	RMB'000
Proposed final dividend – Nil (2023: RMB0.00103 per ordinary share)	-	17,112

At the Board meeting held on 20 March 2025, the Board resolved not to propose the payment of any final dividend for the year ended 31 December 2024.

10. TRADE RECEIVABLES

	2024 RMB'000	2023 RMB'000
Trade receivables	105,947	65,711

Trade receivables represent rental and property management fee receivables. Rental and property management fee receivables are billed in advance and are payable by tenants/residents 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 large 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 aging analysis of the trade receivables as at the reporting date, based on the invoice date and net of loss allowance, is as follows:

	2024 RMB'000	2023 RMB'000
Within 1 month	41,935	29,627
1 to 3 months	42,833	21,616
Over 3 months	21,179	14,468
	105,947	65,711

11. TRADE PAYABLES

	2024 RMB'000	2023 RMB'000
Trade payables	4,826,246	5,830,528

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

	2024 RMB'000	2023 RMB'000
Within 1 month	3,574,109	3,888,362
1 to 3 months	285,222	553,897
Over 3 months	966,915	1,388,269
	4,826,246	5,830,528

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

12. BUSINESS COMBINATION

During the year, a wholly-owned subsidiary of the Company entered into a sale and purchase agreement with a joint venture to acquire 20% equity interest in a joint venture, 深圳市金地佳創投資諮詢有限公司 (Shenzhen Jindi Jiachuang Investment Consulting Company Limited*) (“Jiachuang”) at a consideration of RMB81,150,000. Jiachuang has a wholly-owned subsidiary 南京威潤房地產開發有限公司 (Nanjing Weirun Real Estate Development Company Limited*). Jiachuang and its subsidiary (“Jiachuang Group”) are engaged in property development in Mainland China. The acquisition is accounted for as a business combination. The wholly-owned subsidiary of the Group holds 97.03% interest in Jiachuang after the completion of the acquisition. Jiachuang became a subsidiary of the Company from a joint venture as previously accounted for. Fair value of previously held equity interest in the joint venture represented net liabilities amounting to RMB396,795,000 was transferred as part of consideration paid for the acquisition.

In the prior year, the Group and a joint venture partner agreed to amend the Articles of Association of 南京威磐房地產開發有限公司 (Nanjing Weipan Real Estate Development Co. Ltd*) (“Weipan”). Weipan is engaged in property development in Mainland China. The Group obtained control over Weipan after the amendment of the Articles of Association. The acquisition is accounted for as a business combination. The Group holds 86.93% interest in Weipan after the completion of the acquisition. Weipan became a subsidiary of the Company from a joint venture as previously accounted for. Fair value of previously held equity interest in the joint venture represented net assets amounting to RMB1,034,355,000 was transferred as part of consideration paid for the acquisition.

In the prior year, the Group and two joint venture partners entered into an agreement pursuant to which the Group obtained control over the joint venture, 南京威景房地產開發有限公司 (Nanjing Weijing Real Estate Development Co. Ltd*) (“Weijing”). Weijing is engaged in property development in Mainland China. The acquisition is accounted for as a business combination. The Group holds 42% interest in Weijing after the completion of the acquisition. Weijing became a subsidiary of the Company from a joint venture as previously accounted for. Fair value of previously held equity interest in the joint venture represented net assets amounting to RMB1,031,026,000 was transferred as part of consideration paid for the acquisition.

** For identification purpose only*

The fair values of the identifiable assets and liabilities of the acquired companies as at the dates of acquisitions are as follows:

	2024 Jiachuang Group RMB'000	2023 Weipan RMB'000	2023 Weijing RMB'000
Property, plant and equipment	1,623	94	51
Investment properties	862,891	596,018	451,196
Deferred tax assets	140,568	-	-
Properties held for sale	391,024	-	-
Properties under development	891,088	9,533,399	3,610,223
Trade receivables	20,980	-	-
Prepayments, deposits and other receivables	1,450,562	540,374	509,275
Due from shareholders	-	1,182,429	591,014
Prepaid taxes	29,528	378,197	125,327
Restricted cash	81,850	981,927	760,949
Bank balances	57,065	52,317	70,124
Interest-bearing bank borrowings	-	(881,700)	(383,400)
Trade payables	(193,692)	-	-
Advanced receipts, accruals and other payables	(2,661,399)	(11,106,134)	(3,957,017)
Loans from shareholders	(1,378,822)	(40,614)	(34,649)
Due to shareholders	-	-	(582,165)
Tax payables	(18,573)	-	-
Deferred tax liabilities	-	(152,332)	(47,412)
Total identifiable net (liabilities)/assets at fair value	(325,307)	1,083,975	1,113,516
Non-controlling interests	9,662	(49,620)	(82,490)
	(315,645)	1,034,355	1,031,026

The fair values and gross contractual amounts of deposits and other receivables of Jiachuang Group as at the date of acquisition amounted to RMB1,398,226,000. No receivables are expected to be uncollectible.

The fair values and gross contractual amounts of deposits and other receivables of Weipan as at the date of acquisition amounted to RMB123,138,000. No receivables were expected to be uncollectible.

The fair values and gross contractual amounts of deposits and other receivables of Weijing as at the date of acquisition amounted to RMB330,834,000. No receivables were expected to be uncollectible.

Since the acquisition, Jiachuang Group contributed RMB187,980,000 to the Group's revenue and a loss of RMB174,574,000 to the consolidated loss for the year ended 31 December 2024. Had the combination taken place at the beginning of the year, the revenue and the consolidated loss of the Group for the year would have been RMB13,290,251,000 and RMB4,224,856,000.

Since the acquisition, Weipan contributed RMB5,654,046,000 to the Group's revenue and RMB649,484,000 to the consolidated profit for the year ended 31 December 2023. Had the combination taken place at the beginning of the prior year, the revenue and the consolidated profit of the Group for the prior year would have been RMB17,452,374,000 and RMB830,826,000.

Since the acquisition, Weijing contributed no revenue to the Group's revenue and a loss of RMB1,599,000 to the consolidated profit for the year ended 31 December 2023. Had the combination taken place at the beginning of the prior year, the revenue and the consolidated profit of the Group for the prior year would have been RMB17,452,374,000 and RMB842,403,000.

13. ACQUISITION OF ASSETS THROUGH ACQUISITION OF SUBSIDIARIES

During the year, a wholly-owned subsidiary of the Company acquired 100% equity interest in a subsidiary of a joint venture, 上海新惟實業有限公司 (Shanghai Xinwei Real Estate Company Limited*) (“Xinwei”) at a cash consideration of RMB1. Xinwei has a subsidiary 上海琚駟科技有限公司 (Shanghai Junsu Technology Company Limited*). Xinwei and its subsidiary (“Xinwei Group”) are engaged in property investment in Mainland China. The Group has control over Xinwei Group after the completion of the acquisition.

In the prior year, a subsidiary of the Company acquired 51% equity interest in a joint venture, 上海奧匯置業有限公司 (Shanghai Aohui Real Estate Company Limited*) (“Aohui”) from a joint venture partner at a cash consideration of RMB84,000,000. Aohui is engaged in property development in Mainland China. The Group held 49% equity interest in Aohui before the acquisition and had control over Aohui after the completion of the acquisition.

The above transactions were accounted for as acquisition of assets rather than business combination because the acquired set of assets and activities from the related entities do not include inputs and substantive processes that together significantly contributed to the ability to create outputs. The net inflow/(outflow) of cash and cash equivalents from the acquisitions has been reflected under cash flows from investing activities in the consolidated statement of cash flows.

** For identification purpose only*

The net assets acquired in the above acquisitions are as follows:

	2024 Xinwei Group RMB'000	2023 Aohui RMB'000
Property, plant and equipment	-	15
Deferred tax assets	1,054	-
Properties under development	-	2,670,561
Investment properties	251,877	112,755
Prepayments, deposits and other receivables	16,706	146,154
Prepaid taxes	-	24,618
Restricted cash	-	674,921
Bank balances	5,871	13,202
Trade payables	(16,638)	-
Advanced receipts, accruals and other payables	(151,907)	(3,286,751)
Interest-bearing bank borrowing	(89,770)	-
Deferred tax liabilities	-	(23,814)
Net assets	17,193	331,661
Non-controlling interests	(17,193)	-
Transferred from investment in a joint venture	-	(247,661)
Total consideration	-	84,000
Satisfied by:		
Cash	-	84,000

An analysis of the cash flows in respect of the acquisition of assets through acquisition of subsidiaries is as follows:

	2024 Xinwei Group RMB'000	2023 Aohui RMB'000
Cash consideration	-	(84,000)
Bank balances acquired	5,871	13,202
Net inflow/(outflow) of cash and cash equivalents	5,871	(70,798)

14. DISPOSAL OF SUBSIDIARIES

During the year, there was no material disposal of any subsidiary.

In the prior year, the Group entered into an agreement with two independent third parties. Pursuant to the agreement, the Group disposed of 100% equity interest in a subsidiary of the Company, 上海威恒實業有限公司 (Shanghai Weiheng Real Estate Company Limited*) (“Weiheng”) to the two independent third parties, at a consideration of RMB156,600,000. Weiheng has a joint venture, 南京宇龍威新信息科技有限公司 (Nanjing Yulong Weixin Information Technology Company Limited*). The joint venture is engaged in property investment in Mainland China.

** For identification purpose only*

Details of the net assets disposed of are as follows:

	2023 Weiheng RMB'000
Deferred tax assets	3
Investment in a joint venture	315,937
Bank balances	1,845
Due to an intermediate holding company	(157,401)
	<hr/>
Net assets	160,384
Loss on disposal	(3,784)
	<hr/>
Total consideration	156,600
	<hr/>
Satisfied by:	
Cash	156,600
	<hr/>

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiary is as follows:

	2023 Weiheng RMB'000
Cash consideration	156,600
Bank balances disposed of	(1,845)
	<hr/>
Net inflow of cash and cash equivalents in respect of the disposal of subsidiary	154,755
	<hr/>

FINANCIAL REVIEW

The accounting policies and methods of computation used in the preparation of the financial statements for the year ended 31 December 2024 were consistent with those used in the last financial year ended 31 December 2023, except that the Group has applied, for the first time, the revised Hong Kong Financial Reporting Standards (“HKFRSs”, which included all HKFRSs, Hong Kong Accounting Standards and Interpretations) issued by Hong Kong Institute Certified Public Accountants which are effective for the Group’s financial year beginning on or after 1 January 2024.

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The revenue of the Group for the year ended 31 December 2024 decreased to RMB13,195.8 million from RMB17,452.4 million for the year ended 31 December 2023. The decrease was primarily due to the decrease in revenue recognised from sales of properties by RMB4,365.3 million.

Other income and gains decreased to RMB856.6 million for the year ended 31 December 2024 from RMB1,604.1 million for the year ended 31 December 2023. The decrease was mainly due to the fact that a remeasurement gain of RMB540.4 million arising from acquisition of subsidiaries was included in last year and the interest income earned for the current year was reduced by RMB232.6 million.

As the business environment in Mainland China has not yet fully recovered, the investment properties only recorded a fair value gain of RMB66.9 million for the year ended 31 December 2024, against RMB611.4 million for the year ended 31 December 2023. Furthermore, the Group’s financial assets at fair value recorded a fair value loss of RMB38.1 million for the year ended in 31 December 2024, against fair value loss of RMB0.9 million for the year ended 31 December 2023.

The Group’s direct operating expenses for the year ended 31 December 2024 decreased slightly to RMB1,470.9 million from RMB1,479.8 million for the year ended 31 December 2023. By cutting down the manpower and salaries, the staff costs for the current year was approximately reduced by RMB139.9 million as compared to the previous year. Having the difficulty and pressure in property sales increased due to the continued downturn in the real estate market, higher selling expenses was incurred for the current year as compared with the previous year, largely offsetting the reduction in staff costs.

The finance costs reduced to RMB1,159.1 million for the year ended 31 December 2024 from RMB1,345.4 million for the year ended 31 December 2023, decreased by RMB186.3 million. The decrease was mainly due to the reduction in RMB borrowing interest rates and the decrease in borrowings from the group companies.

As the real estate market of Mainland China is still experiencing unfavourable changes, the Group made further impairment loss of RMB556.8 million for the inventory of properties of certain subsidiaries during the year, against an aggregate impairment loss of RMB407.6 million in the previous year.

Due to impairment losses on certain inventory of properties held by joint ventures, the Group made an impairment allowances of RMB165.3 million for the receivables from these joint ventures during the year, compared with the previous year, there was an aggregate impairment allowance of RMB250.7 million for the receivables from the joint ventures. In addition, the Group made an impairment of RMB140.1 million on loans receivable from its microfinance business during the year, against an impairment of RMB30.0 million in the previous year.

The other charges mainly included a remeasurement loss of RMB396.8 million arising from acquisition of a subsidiary and a disposal loss of certain financial assets at fair value of RMB229.5 million.

Share of results of joint ventures and associates of the Group reported an aggregate loss of RMB2,378.3 million for the year ended 31 December 2024, against an aggregate loss of RMB356.3 million for the year ended 31 December 2023, representing an increase in loss of RMB2,022.0 million. The large loss reported by joint ventures and associates during the year was due to impairment losses made for certain inventory of properties held by joint ventures and associates.

Overall, loss attributable to owners of the Company for the year ended 31 December 2024 was RMB4,570.8 million, against profit of RMB342.7 million for the year ended 31 December 2023, a decrease in profit of RMB4,913.5 million. The decrease was mainly due to large impairment losses made for the inventory of properties of subsidiaries, joint ventures and associates during the year.

The Group recorded basic loss per share of RMB0.2751 for the year ended 31 December 2024, against basic earnings per share of RMB0.0206 for the year ended 31 December 2023.

BUSINESS SEGMENTS

Property development

For the year ended 31 December 2024, the revenue of property development segment decreased to RMB11,898.4 million, representing 90% of the total revenue, compared with RMB16,263.7 million, representing 93% of the total revenue for the year ended 31 December 2023. The decrease in the segment revenue was primarily due to decrease in the areas delivery of the sales properties. The segment results for the current year reported a loss of RMB2,903.7 million, against a profit of RMB1,053.6 million for the last year, decreased by RMB3,957.3 million. The decrease in segment results was due to large impairment loss made for the inventory of properties held by subsidiaries, joint ventures and associates during the year.

Property investment and management

The revenue earned by the property investment and management segment for the year ended 31 December 2024 increased from RMB1,188.6 million, representing 7% of the total revenue for the year ended 31 December 2023, to RMB1,297.5 million, representing 10% of the total revenue. The increase was mainly contributed by Shenzhen Business Park Phase III, Suzhou SuOne Gemdale Plaza and Nanjing Xinyao Gemdale Plaza, an investment property held by a subsidiary acquired in this year. The segment results for the year ended 31 December 2024 reported a profit of RMB935.3 million, against a profit of RMB2,076.5 million for the year ended 31 December 2023, a decrease of RMB1,141.2 million. The decrease was mainly due to reduction in fair value gain on investment properties held by subsidiaries and joint ventures.

SHAREHOLDERS' EQUITY

The Group's total shareholders' equity decreased from RMB22,484.5 million as at 31 December 2023 to RMB17,704.4 million as at 31 December 2024. The decrease was mainly resulted by loss attributable to owners of the Company for the current year of RMB4,570.8 million.

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL STRUCTURE

Liquidity and capital resources

The Group's deposits, bank and cash balances (including restricted cash) decreased by 24% to RMB3,913.1 million as at 31 December 2024 from RMB5,161.3 million as at 31 December 2023. The decrease was mainly due to payments of property development costs, PRC taxes and repayment of loans from group companies.

Borrowings

During the year, the Group has arranged several bank borrowings amounting to RMB1,328.7 million of which RMB1,135.0 million were secured long-term bank borrowings and repaid bank borrowings amounting to RMB1,444.8 million. As at 31 December 2024, total bank borrowings of the Group amounted to RMB11,439.8 million with interest rates ranging from 3.10% to 6.83% per annum.

The net debt (measured by total borrowings minus cash and bank deposits (including restricted cash)) increased by RMB55.0 million to RMB17,744.4 million as at 31 December 2024 from RMB17,689.4 million as at 31 December 2023. The Group's net debt ratio (defined as net debt over total equity, including non-controlling interests) increased to 84% as at 31 December 2024, from 67% as at 31 December 2023. The increase in the net debt ratio was mainly due to the decline in net assets caused by large loss incurred in the current year. The Group's net debt remained relatively stable with an optimal debt structure throughout the year. The proportion of short-term borrowings to total borrowings was below 10% and could be fully covered by cash balance. The overall risk was controllable.

The maturity profiles of the Group's outstanding borrowings as at 31 December 2024 and 31 December 2023 are summarised as below:

	31 December 2024 RMB'000	31 December 2023 RMB'000
Short-term and long-term bank borrowings:		
Within the first year or on demand	1,248,450	1,211,774
In the second year	1,057,100	1,541,583
In the third to fifth years, inclusive	3,115,694	2,717,447
Over five years	6,018,543	5,981,944
	11,439,787	11,452,748
Loans from related parties:		
Within the first year or on demand	-	63,626
In second year	-	-
In the third to fifth years, inclusive	7,100,996	4,714,602
Over five years	3,116,716	6,619,684
	10,217,712	11,397,912
Total borrowings	21,657,499	22,850,660

FINANCIAL MANAGEMENT

Foreign currency risk

As at 31 December 2024, borrowings were denominated in United States dollar (“US\$”), RMB and Hong Kong dollar (“HK\$”). The Group mainly operates in the Mainland China and most of the transactions, assets and liabilities are denominated in RMB, thus the Group is exposed to foreign currency risk. Moderate fluctuation of RMB against HK\$ and US\$ was expected, the Group considered the foreign currency risk exposure was considered acceptable. The Group will review and monitor its currency exposure from time to time and when appropriate hedge its currency risk.

The currency denominations of the Group’s outstanding borrowings as at 31 December 2024 and 31 December 2023 are summarised below:

	31 December 2024 RMB'000	31 December 2023 RMB'000
HK\$	182,333	362,288
RMB	13,677,702	13,898,511
US\$	7,797,464	8,589,861
Total	21,657,499	22,850,660

Interest rate risk

As at 31 December 2024, 99% of borrowings of the Group were on a floating rate basis (31 December 2023: 61%) where 63% (31 December 2023: 97%) of floating rate loans were denominated in RMB. While low fluctuation of RMB interest rate was expected, 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 risk.

PLEDGE OF ASSETS

The Group had the following pledged assets to secure bank borrowings granted to the Group as at 31 December 2024 and 31 December 2023.

	31 December 2024 RMB'000	31 December 2023 RMB'000
Investment properties	15,999,154	14,641,920
Properties under development	2,410,032	3,190,026
Properties held for sale	-	200,560
Restricted cash	124,520	240,603
Total	18,533,706	18,273,109

CONTINGENT LIABILITIES

- (a) As at 31 December 2024, the Group provided guarantees to certain banks in respect of mortgage granted by banks relating to the mortgage loans arranged for purchasers of the Group's properties. Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalty 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 31 December 2024, the Group's outstanding guarantees in connection with the arrangement amounted to RMB2,954,150,000 (31 December 2023: RMB4,313,704,000).

The Directors consider that the fair value of the guarantees is not significant and in case of defaulting payments, the net realisable value of the related properties will be sufficient to cover the outstanding mortgage principals, the accrued interest and penalty. Therefore, no provision has been made in the financial statements for the year ended 31 December 2024 (31 December 2023: Nil) for these guarantees.

- (b) At the end of the reporting period, the Group provided an aggregate maximum guarantees of US\$80,533,000 (equivalent to RMB573,945,000) and RMB200,000,000 (31 December 2023: US\$125,956,000 (equivalent to RMB892,110,000)) to financial institutions for facilities granted to joint ventures of the Group. As at 31 December 2024, the facilities guaranteed by the Group to the joint ventures were utilised to the extent of approximately RMB721,746,000 (31 December 2023: RMB753,271,000).

The Directors consider that the fair value of the guarantees is not significant and in case of defaulting payments, the net realisable value of pledged properties will be sufficient to cover the outstanding mortgage principals, the accrued interest and penalty. Therefore, no provision has been made in the financial statements for the year ended 31 December 2024 (2023: Nil) for these guarantees.

REVIEW OF OPERATIONS

Land Bank

Our management believes that a sizable and quality land bank is the key for a property developer to succeed in a competitive property market in the PRC. Our core competitive edge includes good timing for land acquisition at competitive pricing as well as professional projects cashflow management.

As at 31 December 2024, the Group's land bank (including those under associates and joint ventures) totalled 12.52 million square meters. For the Group's land bank, 33% were located in the four first-tier cities, which includes Beijing, Shanghai, Guangzhou and Shenzhen; 42% were located in the second-tier cities, including Tianjin, Taiyuan, Changsha, Chengdu, Kunming, Hangzhou, Wuhan, Qingdao, Nanjing, Jinan, Suzhou, etc.; and the remaining 25% were located in the third-tier and other cities.

Land acquisitions in 2024

During 2024, the Group acquired one land project in the PRC, with total planned GFA of approximately 54,000 square meters. Total attributable consideration paid by the Group amounted to approximately RMB354 million and the average land acquisition cost of which was approximately RMB6,560 per square meter.

Segment Information

Properties sales and development

In 2024, the overall property sales in the PRC slowed down rapidly. The Group achieved an aggregated contracted sales of approximately RMB20,307 million in 2024 with a total contracted sales area of approximately 1,514,700 square meters, representing a decrease of 43% and 40% compared to 2023, respectively. The average selling price was approximately RMB13,400 per square meter in 2024, representing a decrease of 5% compared to 2023.

Property investment and management

The Group is committed to acquiring and sustaining operation of investment properties in prime locations in economically developed cities. Currently, the Group's property investments are mainly in commercial/office projects, business parks and rental housing, etc.

As of 31 December 2024, the Group (including those under associates and joint ventures) had a total construction areas of 3.37 million square meters of investment properties (including sub-leasing properties) that are in operation in China, representing a year-on-year growth of 0.6%. A tax-included income from rental and related services from these properties was approximately RMB2.24 billion for the year, representing a year-on-year growth of 3%.

The Group (including those under associates and joint ventures) held commercial/office projects in operation with a total GFA of approximately 1.16 million square meters, and recorded total revenue from rental and related services of approximately RMB1.2 billion, representing a year-on-year growth of approximately 8%. Among them, the occupancy rate for Phases 1 and 2 of Vision Shenzhen Business Park in Nanshan District, Shenzhen, reached 91% while the occupancy rate for Phase 3 of Vision Shenzhen Business Park reached 81%. Our lessee in Phases 1, 2 and 3 of Vision Shenzhen Business Park include large listed companies such as Intel, Nvidia, BASF, Tencent and Flextronics. Additionally, Phase 3 of Vision Shenzhen Business Park has signed contracts with Xiaohongshu and Huawei, which are expected to commence leasing in 2025. Besides, Shanghai CIMC Meilan Lake Gemdale Plaza, which newly commenced business in October 2024, has achieved good performance since its opening, and has become a leading benchmark project in the region.

Meanwhile, the Group (including those under associates and joint ventures) held the business parks in operation with a total GFA of approximately 2 million square meters, and recorded a total revenue from rental and related services of approximately RMB830 million, which was basically the same as last year. The average occupancy rate of the business park projects in the stable operation period reached 93%. The Gemdale Weixin Business Park business has been awarded the honor of “Top 3 Comprehensive Strength of National Industrial and Urban Developers” by CRIC for three consecutive years, and has also won the “Top 3 Light Asset Service Capacity of National Industrial Parks” and “Top 30 Comprehensive Strength of Real Estate Asset Management in China” from CRIC. Additionally, it was ranked “Top 9 China’s Industrial Park Operator in China” by Fangsheng Research. Projects such as the Shanghai Songjiang Life Science Park, Suzhou Mudu Intelligent Park, and Tianjin Xiqing Intelligent Park have all won industry awards for outstanding industrial parks.

Our rental housing brand “Gemdale Strongberry Community” aims to provide high-quality and affordable rental apartments to youths. The rental housing business recorded revenue of approximately RMB210 million for the year, representing a year-on-year decrease of about 10%. This was mainly due to the expiration of leases for certain projects or the initiative to terminate projects with poor performance in advance so as to improve the overall asset quality. The rental housing business has been recognized as “Top 10 Comprehensive Strength of Housing Rental Enterprises in China” by CRIC, and has received honors such as “2023 Influential Housing Operation Service Enterprise” and “Top 10 Centralized Apartments in China in 2024”. Besides, Shanghai Baoshan Nanda affordable rental housing project, which is under construction, is currently progressing smoothly and is expected to open by 2025. It has set a benchmark for heavy asset investment in rental housing and promoted the long-term development of the rental housing business.

The investment properties held by the Group under proposed construction and under construction will also be put into operation successively, which will continue to generate stable revenue and cash inflow to the Group.

OUTLOOK

Looking forward to 2025, China’s economy should record a relatively rapid growth of 4-6%. Its property market is expected to show mild recovery in 2025. As one of the most well-managed real estate enterprises with good financial discipline, the Group should be able to seize the opportunities of resumed demand in real estate market and deliver satisfactory operating results to our shareholders in 2025.

CORPORATE GOVERNANCE

The Company has adopted and complied with all the mandatory disclosure requirements and the applicable code provisions as set out in the section headed “Part 2 — Principles of good corporate governance, code provisions and recommended best practices” of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2024 with the exception of code provisions C.1.6, C.5.1 and F.2.2.

Under the code provision C.1.6, generally independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. Due to other pre-arranged business commitments, Mr. Loh Lian Huat and Ms. Zhang Feiyun were not able to attend the annual general meeting of the Company held on 19 April 2024.

Under the code provision C.5.1, board meetings should be held at least four times a year at approximately quarterly intervals. During the year, only two regular board meetings were held to review and approve the annual and interim results of the Company. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings as necessary. Management supplied adequate and timely information to the board and the directors can make further enquiries to the senior management from time to time to ensure that they are provided with sufficient information to fulfill their directors’ duties.

Under the code provision F.2.2, the chairman of the board should attend the annual general meeting. Due to other pre-arranged business commitments, Mr. Huang Juncan, the chairman of the board, was not able to attend the annual general meeting of the Company on 19 April 2024.

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 C3 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 had complied with the required standards set out in the Model Code throughout the year. The Model Code also applies to other specified senior management of the Company.

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, the Group had approximately 2,500 (2023: 2,700) employees. Salaries of employees are maintained at competitive levels while bonuses may be granted on a discretionary basis with reference to the Group’s performance as well as the individual’s performance. Other employee benefits include mandatory provident fund, housing provident fund, insurance and medical insurance, subsidised educational and training programmes as well as employee share option scheme.

The emoluments of the Directors are determined by the Remuneration Committee and the Board with reference to the Directors’ duties and responsibilities as well as the Company’s remuneration policy.

SHARE OPTION SCHEME

A share option scheme was adopted by the Company on 15 May 2013 (the “Share Option Scheme”) for the purpose of giving incentive, rewarding, remunerating, compensating and/or providing benefits to the Qualifying Grantees (as defined in the Share Option Scheme) of the Company. The Share Option Scheme was expired on 15 May 2023. Any share options which were granted under the Share Option Scheme prior to their expiry shall continue to be valid and exercisable in accordance with the terms as set out therein. During the year, no share options were exercised. All share options outstanding under the Share Option Scheme was lapsed during the year.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) during the year.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management of the Company and Ernst & Young, the Company’s auditor, the accounting principles and practices adopted by the Group and has discussed auditing, risk management and internal control as well as financial reporting matters, including the review of the annual results and annual report of the Company for the year ended 31 December 2024.

SCOPE OF ERNST & YOUNG

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Company’s auditors, Ernst & Young, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this preliminary announcement.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: RMB0.00103 per share, equivalent to HK\$0.00114 per share).

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 25 June 2025, the register of members of the Company will be closed from 20 June 2025 to 25 June 2025, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on 19 June 2025.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

This results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the Company's website (www.gemdalepi.com). The 2024 annual report and the notice of the 2024 AGM, together with the relevant closure of register of members of the Company, will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board
Gemdale Properties and Investment Corporation Limited
Xu Jiajun
Executive Director

Hong Kong, 20 March 2025

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Ling Ke, Mr. Huang Juncan, Mr. Xu Jiajun and Mr. Wei Chuanjun; two non-executive Directors, namely Mr. Loh Lian Huat and Ms. Zhang Feiyun and three independent non-executive Directors, namely Mr. Hui Chiu Chung, Mr. Chiang Sheung Yee, Anthony and Mr. Xia Xinpeng.