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金地商置

Gemdale Properties & Investment

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 UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2025	2024	Change
	RMB'000	RMB'000	%
	(Unaudited)	(Unaudited)	
Revenue	6,467,765	3,286,864	+ 97
Gross profit	931,231	557,414	+ 67
Other income and gains	195,699	354,290	— 45
Share of results of joint ventures and associates	(128,188)	(1,362,678)	— 91
Loss after tax	(867,090)	(2,152,232)	— 60
Loss attributable to owners of the Company	(1,008,189)	(2,179,099)	— 54
Loss per share attributable to owners of the Company:			
- Basic (RMB)	(0.0607)	(0.1312)	— 54
- Diluted (RMB)	(0.0607)	(0.1312)	— 54
	30 June	31 December	Change
	2025	2024	%
	RMB'000	RMB'000	
	(Unaudited)	(Audited)	
Cash and bank balances (including restricted cash)	2,780,456	3,913,093	— 29
Total assets	67,611,308	75,991,941	— 11
Net assets	20,295,445	21,062,660	— 4

2025 INTERIM RESULTS (UNAUDITED)

The board of directors (the “Directors”) of Gemdale Properties and Investment Corporation Limited (the “Company”) announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 together with the relevant comparative figures.

* For identification purpose only

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2025

		Six months ended 30 June	
		2025	2024
		RMB'000	RMB'000
	Notes	(Unaudited)	(Unaudited)
Revenue	3	6,467,765	3,286,864
Cost		<u>(5,536,534)</u>	<u>(2,729,450)</u>
Gross profit		931,231	557,414
Direct operating expenses		(608,481)	(627,789)
Other income and gains	3	195,699	354,290
Changes in fair values of financial assets at fair value through profit or loss		(23,746)	(6,212)
Administrative expenses		(37,144)	(39,003)
Other loss		(29,161)	-
Impairment losses of receivables	5	(773,938)	(281,719)
Impairment losses of inventory of properties		-	(279,366)
Finance costs	4	(493,843)	(613,054)
Share of profits and losses of:			
Joint ventures		(149,847)	(1,168,865)
Associates		<u>21,659</u>	<u>(193,813)</u>
Loss before tax	6	(967,571)	(2,298,117)
Tax	7	<u>100,481</u>	<u>145,885</u>
Loss for the period		<u>(867,090)</u>	<u>(2,152,232)</u>
Attributable to:			
Owners of the Company		(1,008,189)	(2,179,099)
Non-controlling interests		<u>141,099</u>	<u>26,867</u>
		<u>(867,090)</u>	<u>(2,152,232)</u>
Loss per share attributable to owners of the Company:			
- Basic (RMB)	8	<u>(0.0607)</u>	<u>(0.1312)</u>
- Diluted (RMB)	8	<u>(0.0607)</u>	<u>(0.1312)</u>

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period	(867,090)	(2,152,232)
Other comprehensive income/(loss)		
- Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange fluctuation reserves:		
Exchange differences on translation of foreign operations	219,215	(145,237)
Share of exchange differences on translation of foreign operations of joint ventures and associates	(6,126)	13,333
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods	213,089	(131,904)
- Other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods:		
Exchange fluctuation reserves:		
Exchange differences on translation of financial statements	(90,148)	42,964
Other comprehensive income/(loss) for the period, net of tax	122,941	(88,940)
Total comprehensive loss for the period	(744,149)	(2,241,172)
Attributable to:		
Owners of the Company	(885,989)	(2,255,659)
Non-controlling interests	141,840	14,487
	(744,149)	(2,241,172)

Condensed Consolidated Statement of Financial Position
30 June 2025

		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	<i>Note</i>		
NON-CURRENT ASSETS			
Property, plant and equipment		95,132	107,334
Investment properties		19,859,473	19,799,320
Right-of-use assets		10,366	7,271
Prepayments, deposits and other receivables		21,581	21,864
Investments in joint ventures		11,946,749	12,766,092
Investments in associates		5,521,191	6,482,131
Financial assets at fair value		593,497	732,860
Deferred tax assets		1,935,660	1,658,177
Total non-current assets		39,983,649	41,575,049
CURRENT ASSETS			
Properties held for sale		7,602,234	4,963,180
Properties under development		5,492,290	12,981,354
Trade receivables	9	75,924	105,947
Prepayments, deposits and other receivables		4,015,506	4,409,092
Amounts due from group companies		29,704	197,364
Amounts due from joint ventures and associates		4,028,114	4,226,409
Amounts due from non-controlling shareholders		1,958,544	1,827,996
Amount due from a related company		1,170,789	1,170,842
Prepaid tax		474,098	621,615
Restricted cash		1,533,070	2,091,790
Bank deposits, bank and cash balances		1,247,386	1,821,303
Total current assets		27,627,659	34,416,892

Condensed Consolidated Statement of Financial Position (continued)
30 June 2025

		30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
	<i>Note</i>		
CURRENT LIABILITIES			
Trade payables	10	4,256,035	4,826,246
Advanced receipts, accruals and other payables		4,479,510	9,815,864
Interest-bearing bank borrowings		1,390,137	1,248,450
Lease liabilities		86,473	83,451
Amounts due to group companies		3,796,249	3,836,980
Amounts due to joint ventures and associates		6,976,658	8,250,246
Amounts due to non-controlling shareholders		1,316,386	1,270,057
Tax payable		1,991,036	2,016,769
Total current liabilities		24,292,484	31,348,063
NET CURRENT ASSETS		3,335,175	3,068,829
TOTAL ASSETS LESS CURRENT LIABILITIES		43,318,824	44,643,878
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		9,712,417	10,191,337
Lease liabilities		549,029	604,952
Amounts due to group companies		10,228,856	10,217,712
Deferred tax liabilities		2,533,077	2,567,217
Total non-current liabilities		23,023,379	23,581,218
NET ASSETS		20,295,445	21,062,660
EQUITY			
Equity attributable to owners of the Company			
Issued capital		1,505,164	1,505,164
Reserves		15,311,193	16,199,188
		16,816,357	17,704,352
Non-controlling interests		3,479,088	3,358,308
TOTAL EQUITY		20,295,445	21,062,660

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The unaudited interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial information does not include all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024.

Change in accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those in the annual financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21 *Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim consolidated financial information.

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 before tax except that bank interest income, non-lease-related finance costs, changes in fair value of financial assets at fair value and other income from financial assets at fair value 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 and non-controlling shareholders as these liabilities are managed on a group basis.

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

Segment information is presented on the Group’s primary segment reporting basis, by business segment. No geographical segment information is presented as over 90% (2024: over 90%) of the Group’s revenue is derived from customers based in Chinese Mainland, and over 90% (2024: over 90%) of the Group’s assets are located in Chinese Mainland.

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

An analysis of the Group's revenue, results, assets and liabilities by reportable segments for the period under review is as follows:

	Property development RMB'000	Property investment and management RMB'000	Corporate and others RMB'000	Total RMB'000
For the six months ended				
30 June 2025 (Unaudited)				
Segment revenue	5,837,347	630,418	-	6,467,765
Segment results	(686,212)	253,299	(60,075)	(492,988)
<u>Reconciliation</u>				
Bank interest income				8,350
Finance costs (other than interest on lease liabilities)				(477,610)
Changes in fair values of financial assets at fair value				(23,746)
Other income from financial assets at fair value				18,423
Loss before tax				(967,571)
<u>Other segment information:</u>				
Share of profits and losses of joint ventures	153,582	(3,735)	-	149,847
Share of profits and losses of associates	(21,652)	(7)	-	(21,659)
Changes in fair values of investment properties – right-of-use assets	-	101,947	-	101,947
Depreciation of property, plant and equipment	1,706	13,879	527	16,112
Depreciation of right-of-use assets	-	470	73	543
Impairment of receivables, net	732,769	10,194	30,975	773,938
Capital expenditure*	153	199,528	353	200,034
As at 30 June 2025 (Unaudited)				
Segment assets	34,734,349	28,194,587	1,668,916	64,597,852
<u>Reconciliation</u>				
Other unallocated assets				3,013,456
Total assets				67,611,308
Segment liabilities	24,967,755	12,131,742	21,083	37,120,580
<u>Reconciliation</u>				
Other unallocated liabilities				10,195,283
Total liabilities				47,315,863
<u>Other segment information:</u>				
Investments in joint ventures	8,451,465	3,495,284	-	11,946,749
Investments in associates	5,511,781	9,410	-	5,521,191

	Property development RMB'000	Property investment and management RMB'000	Corporate and others RMB'000	Total RMB'000
For the six months ended 30 June 2024 (Unaudited)				
Segment revenue	2,633,025	653,839	-	3,286,864
Segment results	(2,017,414)	352,169	(65,091)	(1,730,336)
<u>Reconciliation</u>				
Bank interest income				18,157
Finance costs (other than interest on lease liabilities)				(589,823)
Changes in fair values of financial assets at fair value				(6,212)
Other income from financial assets at fair value				10,097
Loss before tax				(2,298,117)
<u>Other segment information:</u>				
Share of profits and losses of joint ventures	1,185,575	(16,710)	-	1,168,865
Share of profits and losses of associates	193,813	-	-	193,813
Changes in fair values of investment properties – right-of-use assets	-	72,106	-	72,106
Depreciation of property, plant and equipment	1,619	16,629	960	19,208
Depreciation of right-of-use assets	-	356	3,232	3,588
Impairment/(reversal of impairment) of receivables, net	239,530	(8,518)	50,707	281,719
Impairment of inventory of properties	279,366	-	-	279,366
Capital expenditure*	1,783	302,906	104	304,793
As at 31 December 2024 (Audited)				
Segment assets	43,522,588	27,707,750	1,723,588	72,953,926
<u>Reconciliation</u>				
Other unallocated assets				3,038,015
Total assets				75,991,941
Segment liabilities	32,444,725	12,404,785	38,604	44,888,114
<u>Reconciliation</u>				
Other unallocated liabilities				10,041,167
Total liabilities				54,929,281
<u>Other segment information:</u>				
Investments in joint ventures	9,262,521	3,503,571	-	12,766,092
Investments in associates	6,472,728	9,403	-	6,482,131

* 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 period is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of properties	5,590,773	2,622,288
Fitting-out works income	246,574	10,737
Property management fee income from:		
- fellow subsidiaries	1,267	976
- third parties	141,169	159,386
Entrusted management fee income from a fellow subsidiary	12,453	12,453
Revenue from other sources		
Gross rental income from:		
- fellow subsidiaries	8,590	8,059
- third parties	466,939	472,965
	6,467,765	3,286,864
Other income and gains		
Bank interest income	8,350	18,157
Interest income on loans receivable	11,680	24,303
Interest income from related parties	1,957	66,379
Interest income from financial assets at fair value	5,394	10,097
Interest income from third parties	3,434	10,266
Net gain on disposal of financial assets at fair value	13,029	-
Consulting services income from:		
- joint ventures and associates	70,717	120,978
- third parties	48,845	26,582
Government subsidies	5,627	4,516
Others	26,666	73,012
	195,699	354,290

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	241,263	244,039
Interest on loans from related parties	394,208	473,680
Interest on other borrowings	265	644
	635,736	718,363
Interest on lease liabilities	16,233	23,231
Other finance costs	440	664
	652,409	742,258
Total finance costs incurred	652,409	742,258
Less: Interest capitalised in		
- investment properties	(16,891)	(17,513)
- properties under development	(141,675)	(111,691)
	493,843	613,054

5. IMPAIRMENT LOSSES OF RECEIVABLES

During the period, the Group made impairment losses of receivables as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loans and others receivables, net	40,718	69,344
Amounts due from joint ventures and associates (<i>Note</i>)	733,220	212,375
	773,938	281,719

Note: Amounts mainly represented loss provision for receivables from joint ventures and associates where large impairment losses made for the inventory of properties held by those joint ventures and associates.

6. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of properties sold	5,189,186	2,446,254
Depreciation of property, plant and equipment	16,204	19,815
Less: Amounts capitalised in property development projects	(92)	(607)
	16,112	19,208
Outgoings (including repairs and maintenance) arising on rental-earning investment properties	55,454	57,754
Changes in fair values of investment properties - right-of-use assets	101,947	72,106
Impairment of receivables, net (<i>Note 5</i>)	773,938	281,719
Net loss on disposal of joint ventures and associates*	29,161	-
Changes in fair values of financial assets at fair value	23,746	6,212
Lease payment not included in the measurement of lease liabilities	2,951	97
Depreciation of right-of-use assets	55,876	119,397
Less: Amounts capitalised in property development projects	(55,333)	(115,809)
	543	3,588
Employees benefits expenses (including directors' emoluments):		
Wages and salaries	259,540	339,411
Pension schemes contributions	30,568	33,360
Total employees benefits expenses	290,108	372,771
Auditor's remuneration	2,226	2,010
Foreign exchange loss/(gain), net	94,594	(1,993)

* Expenses are included in "Other loss" in the condensed consolidated statement of profit or loss for the six months ended 30 June 2025

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 (2024: Nil). Taxation on Mainland China profits was calculated on the estimated assessable profits for the period 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 charged/(credited) to the interim condensed consolidated statement of profit or loss represented:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Income tax in Hong Kong	-	-
Corporate income tax in Mainland China		
- Charge for the period	190,639	129,002
- Under provision in prior periods	6,798	666
LAT in Mainland China	15,351	(142,147)
Deferred	(313,269)	(133,406)
Total	(100,481)	(145,885)

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic loss per share

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares of 16,613,686,827 (2024: 16,613,686,827) in issue during the period.

(b) Diluted loss per share

The calculation of the diluted loss per share is based on the loss for the period attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic loss 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 period ended 30 June 2025 (2024: No) in respect of a dilution as there was no outstanding share options during the period (2024: the impact of the share option outstanding had an anti-dilutive effect on the basic loss per share presented).

The calculation of basic and diluted loss per share is based on:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company, used in the basic and diluted loss per share calculation	(1,008,189)	(2,179,099)
	(1,008,189)	(2,179,099)
	No. of shares	
	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic loss per share calculation	16,613,686,827	16,613,686,827
Effect of dilution – weighted average number of ordinary shares:		
Share options	-	-
	16,613,686,827	16,613,686,827

9. TRADE RECEIVABLES

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	75,924	105,947

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, is as follows:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	18,468	41,935
1 to 3 months	35,275	42,833
Over 3 months	22,181	21,179
	75,924	105,947

10. TRADE PAYABLES

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

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 1 month	3,191,322	3,574,109
1 to 3 months	264,607	285,222
Over 3 months	800,106	966,915
	4,256,035	4,826,246

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

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2025 (2024: Nil).

FINANCIAL REVIEW

The accounting policies adopted in the preparation of the financial statements for the six months ended 30 June 2025 are consistent with those used in the last financial year ended 31 December 2024, except that the Group has applied, for the first time, the revised Hong Kong Financial Reporting Standards (“HKFRS”, which include all HKFRSs, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants which are effective for the Group’s financial years beginning on or after 1 January 2025.

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The revenue of the Group increased from RMB3,286.9 million for the corresponding six months ended 30 June 2024 to RMB6,467.8 million for the six months ended 30 June 2025, increased by RMB3,180.9 million. The increase was mainly due to increase in revenue recognition from sales of properties during the period.

Other income and gains decreased from RMB354.3 million for the corresponding six months ended 30 June 2024 to RMB195.7 million for the current period. The decrease was mainly due to reduction in interest income of RMB98.4 million and consulting services income of RMB28.0 million.

The Group's direct operating expenses for the six months ended 30 June 2025 decreased to RMB608.5 million from RMB627.8 million for the corresponding period ended 30 June 2024. The Group continued to streamline its workforce and resulted in a reduction in staff cost. However, as certain projects were completed with sales revenue recognised during the current period, sales expenses increased accordingly, offsetting part of the salary savings.

The finance cost went down from RMB613.1 million for the corresponding period ended 30 June 2024 to RMB493.8 million for the current period. Due to partial repayment of bank borrowings and reduction in loan interest rates, the interest expenses on borrowings for the current period decreased by RMB112.0 million (net of capitalised interest).

Impairment losses of receivables for the current period was RMB773.9 million, of which RMB733.2 million was made for the receivables from certain joint ventures and associates where large impairment made for the inventory of properties held by those joint ventures and associates. For the corresponding period of last year, RMB281.7 million of impairment losses of receivables was reported, of which RMB212.4 million was made for the receivables from joint ventures where their inventory of properties was impaired.

Other loss represented a net loss on disposal of certain joint ventures and associates of the Group for the current period.

Share of results of joint ventures and associates of the Group recorded an aggregate loss of RMB128.2 million for the six months ended 30 June 2025, against an aggregate loss of RMB1,362.7 million for the corresponding period ended 30 June 2024. The large loss reported in the corresponding period of last year was due to impairment losses made for certain inventory of properties held by joint ventures and associates.

Overall, the loss attributable to owners of the Company for the six months ended 30 June 2025 was RMB1,008.2 million, against loss of RMB2,179.1 million for the corresponding period ended 30 June 2024, a decrease in loss of RMB1,170.9 million.

For the six months ended 30 June 2025, the Group recorded basic loss per share and diluted loss per share of RMB0.0607, against basic loss per share and diluted loss per share of RMB0.1312 for the corresponding period ended 30 June 2024.

BUSINESS SEGMENTS

Property development

The revenue of property development segment for the six months ended 30 June 2025 was RMB5,837.3 million, representing 90% of the total revenue, compared to RMB2,633.0 million, representing 80% of the total revenue for the corresponding period ended 30 June 2024. The increase in the segment revenue was primarily due to the increase in the area of properties sold during the current period. The segment results for the current period recorded a loss of RMB686.2 million, against a loss of RMB2,017.4 million for the corresponding period of last year, a decrease in segment loss of RMB1,331.2 million. The segment loss recorded for the current period was mainly due to impairment losses of RMB733.2 million made for the receivables from joint ventures and associates where large impairment losses were made for the inventory of properties held by those joint ventures and associates. For the segment loss of the corresponding period of last year, it was mainly resulted from large impairment losses made for inventory of properties held by certain subsidiaries and joint ventures.

Property investment and management

The revenue recognised by the property investment and management segment for the six months ended 30 June 2025 was RMB630.4 million, representing 10% of the total revenue, compared to RMB653.8 million, representing 20% of the total revenue for the six months ended 30 June 2024, slightly decreased by RMB23.4 million or 4%. This was mainly due to the expiration or early termination of certain property lease contracts where the Group was the lessee and used them in sub-leasing business, resulting in a decrease in rental income from sub-leasing properties. The segment results for the current period reported a profit of RMB253.3 million, against RMB352.2 million for the six months ended 30 June 2024, decreased by RMB98.9 million. The decrease was mainly due to reduction in interest income and consulting services income received.

SHAREHOLDERS' EQUITY

The Group's total shareholders' equity decreased from RMB17,704.4 million as at 31 December 2024 to RMB16,816.4 million as at 30 June 2025, decreased by RMB888.0 million. The decrease was mainly due to loss attributable to owners of the Company of RMB1,008.2 million for the six months ended 30 June 2025.

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL STRUCTURE

Liquidity and capital resources

The Group's cash and bank balances decreased by RMB573.9 million or 32% to RMB1,247.4 million as at 30 June 2025 from RMB1,821.3 million as at 31 December 2024. The decrease was mainly due to payments of property development cost, PRC taxes and repayment of bank borrowings.

Borrowings

During the period under review, the Group arranged several bank borrowings totaling RMB459.8 million of which RMB409.8 million were secured bank borrowings. The loan proceeds were mainly utilised in repayment of the existing bank borrowings. As at 30 June 2025, total bank borrowings of the Group amounted to RMB11,102.6 million with interest rates ranging from 2.65% to 5.28% per annum.

The net debt (measured by total borrowings minus cash and bank deposits including restricted cash) increased by RMB806.6 million to RMB18,551.0 million as at 30 June 2025 from RMB17,744.4 million as at 31 December 2024.

The maturity profiles of the Group's outstanding borrowings as at 30 June 2025 and 31 December 2024 are summarised as below:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within the first year or on demand	1,390,137	1,248,450
In the second year	1,132,584	1,057,100
In the third to fifth years, inclusive	12,280,802	10,216,690
Over five years	6,527,887	9,135,259
	21,331,410	21,657,499

FINANCIAL MANAGEMENT

Foreign exchange risk

As at 30 June 2025, borrowings were denominated in United States dollar (“US\$”), Renminbi (“RMB”) and Hong Kong dollars (“HK\$”). As most of the operating income of the Group’s business is denominated in RMB, the Group is exposed to foreign currency risk. Moderate fluctuation of exchange rate of RMB against HK\$ and US\$ was expected, the foreign exchange risk exposure was considered acceptable. 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 30 June 2025 and 31 December 2024 are summarised below:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
HK\$	163,881	182,333
RMB	13,538,942	13,677,702
US\$	7,628,587	7,797,464
Total	21,331,410	21,657,499

Interest rate risk

As at 30 June 2025, 96% (31 December 2024: 99%) of borrowings of the Group were on floating interest rates, where 65% (31 December 2024: 63%) of floating rate borrowings 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 its interest rate risk.

PLEDGE OF ASSETS

The Group had pledged the following assets to secure bank borrowings granted to the Group as at 30 June 2025 and 31 December 2024:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Investment properties	16,026,000	15,999,154
Properties under development	1,037,446	2,410,032
Properties held for sale	1,345,477	-
Restricted cash	169,455	124,520
Total	18,578,378	18,533,706

CONTINGENT LIABILITIES

- (a) As at 30 June 2025, the Group provided guarantees to certain banks in respect of mortgage granted by banks relating to the mortgage loans arranged for purchasers of certain 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 real estate ownership certificates or completion of mortgage registration. As at 30 June 2025, the Group's outstanding guarantees in connection with this arrangement amounted to RMB 2,504,186,000 (31 December 2024: RMB2,954,150,000).

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 six months ended 30 June 2025 (2024: Nil) for these guarantees.

- (b) As at 30 June 2025, the Group provided a maximum guarantee of US\$ 78,583,000 (equivalent to RMB 562,547,000) and RMB200,000,000 (31 December 2024: US\$80,533,000 (equivalent to: RMB573,945,000) and RMB200,000,000) to certain financial institutions for facilities granted to joint ventures of the Group. As at 30 June 2025, the facilities of RMB 707,766,000 (31 December 2024: RMB721,746,000) guaranteed by the Group to joint ventures were utilised.

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 six months ended 30 June 2025 (2024: Nil) for these guarantees.

REVIEW OF OPERATIONS

Land Bank

Our management believes that a 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 management.

As at 30 June 2025, the Group's land bank in the PRC totaled 11.57 million square meters, representing a decrease of approximately 7.6% in GFA as compared to end of December 2024.

Property investment and management

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

As of 30 June 2025, the Group (including those under associates and joint ventures) had a GFA of approximately 3.246 million square meters of investment properties (including sub-leasing properties) in operation in the PRC, representing a year-on-year increase of 2.5%. Total revenue from rental and related services generated from these properties was approximately RMB1.11 billion for the period, representing a year-on-year decrease of 0.6%.

The Group (including those under associates and joint ventures) held operating commercial/office projects with GFA of approximately 1.17 million square meters, and generated revenue from rental and related services of approximately RMB654 million for the period, representing a year-on-year increase of 7.9%. In the first half of 2025, the occupancy rate of Phases 1 & 2 of Vision Shenzhen Business Park was approximately 95% and the occupancy rate of Phase 3 of Vision Shenzhen Business Park was approximately 89%. Its tenants in Vision Shenzhen Business Park include large companies such as Intel, Nvidia, BASF, Tencent, Flextronics, Huawei, Xiaohongshu, Jinjiang International, etc. and the Park has been recognized as "Top 30 Commercial and Office Asset Operation Performance in 2025" by Guandian and "Guangdong Property Service Demonstration Project" by the Guangdong Property Management Industry Association.

Meanwhile, the Group (including those under associates and joint ventures) held operating business parks with a total GFA of approximately 1.82 million square meters, and generated a total revenue from rental and related services of approximately RMB364 million for the period. The occupancy rate for business park projects during the stable operation was approximately 89%. Gemdale Weixin business park business has been recognised as "Top 3 Comprehensive Strength Industrial City Developers in China" by CRIC for four consecutive years. Furthermore, with its excellent light asset service capabilities, it has once again won "Top 3 Light Asset Service of Industrial Parks in China" by CRIC. Gemdale Weixin Longgang Smart Manufacturing Park has been recognised as Top 10 excellent business parks in the PRC.

Our affordable apartment rental business, “Gemdale Strongberry Community”, aims to provide high-quality and affordable rental apartments for youths. Our rental housing business recorded revenue of approximately RMB96 million for the period, and the occupancy rate for those projects under stable operation period was approximately 94%. Gemdale Strongberry Community was awarded the honors of "Top 10 Excellent Brands of Housing Leasing Enterprises in China" and "Top 5 Excellent Operation Enterprises of Rental Housing Complexes in China" by CRIC, and was also awarded the "Excellent Housing Leasing Enterprise in China" by China Index Academy. The first batch of over 2,500 high-quality rental housing units under the Shanghai Baoshan Nanda rental housing project have commenced operations, which setting a benchmark for heavy asset investment in rental housing and promoting the long-term development of the rental housing business.

The investment properties held by the Group under proposed and under-construction are also be put into operation successively, which will continue to generate stable rental income and cashflow to the Group.

PROSPECTS

In first half of 2025, the PRC central government continued its principle of "differentiated policies for specific cities and precise regulation" to further optimize real estate policies. These policies include purchase restrictions relaxation in key cities, homebuying qualifications relaxation and down payment requirements loosening in first-tier and strong second-tier cities. These measures fully supported the housing upgrade demands. Furthermore, commercial banks increased support for property development loans, accelerating the implementation of special loans for "guaranteed delivery of properties". These improved the financing environment for real estate companies. In order to reduce the cost of housing purchase for residents, the government has also implemented policies such as property deed tax exemption and personal income tax refund. As these policies' effects continue to emerge, market confidence is expected to gradually bottom out and recover. The real estate industry is transitioning from a "high-leverage, high-turnover" model to a "refined & sustainable" one. Development projects were mainly focused on core first- and second-tier cities, while real estate companies are adopting a more cautious investment approach. First- and second-tier cities, due to their demographic and industrial advantages, have a resilient market and are gradually de-stocking. While for third- and fourth-tier cities, they have large inventories but are experiencing slow sale-through, leading to a slower recovery. The speed of market recovery largely depends on the pace of economic recovery, residents' income expectations and the outcome of negotiations in the Sino-US tariff war.

In second half of 2025, under government's continuous policy support, interest rates maintaining a downward trend, and citizens' confidence in purchasing properties returning, China's real estate industry is expected to gradually show signs of recovery. The Group is committed to maintaining financial stability and liquidity security as our primary operational priority, by taking flexible quantity and price management strategies, providing high-quality products to enhance brand image and apply various tools to accelerate sales collection and ensure cash flow. The Group will maintain its leading position in the industry and continue to be the most one of the well managed real estate businesses.

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 (the “CG Code”) as set out in Appendix C1 of the Listing Rules throughout the six months ended 30 June 2025 with the exception of code provisions C.1.5 and F.1.3.

Under the code provision C.1.5, generally speaking, 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 25 June 2025.

Under the code provision F.1.3, 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 held on 25 June 2025.

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”) 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 during the six months ended 30 June 2025. The Model Code also applies to other specified senior management of the Company.

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 during the six months ended 30 June 2025.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2025, the Group had approximately 2,100 (30 June 2024: approximately 2,600) 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, among others, mandatory provident fund, housing provident fund, insurance and medical insurance, subsidised educational and training programmes.

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

AUDIT COMMITTEE

The audit committee of the Board (the “Audit Committee”) currently comprises Mr. Xia Xinping (Chairman of the committee), Mr. Hui Chiu Chung and Mr. Chiang Sheung Yee, Anthony. All Audit Committee members are independent non-executive Directors.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited condensed consolidated interim report and its financial information as of and for the six months ended 30 June 2025. The unaudited interim results of the Group for the six months ended 30 June 2025 have not yet been reviewed by Messrs. Ernst & Young, external auditor of the Company.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for continuous overseeing and improving the Group’s risk management and internal control systems so as to safeguard the Group’s assets and shareholders’ interests. These systems are closely and periodically reviewed for their effectiveness by the Audit Committee. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group’s financial, operational, compliance, risk management and internal control, and the resourcing of the finance and internal audit functions. The legal department of the Group together with the internal audit department of the holding company of the Company (“Internal Audit Departments”) is delegated to assist the Board and/or the Audit Committee in the review of the effectiveness of the Group’s risk management and internal control systems on an ongoing basis. The Directors are kept regularly apprised of significant risks that may impact on the Group’s performance through the Internal Audit Departments. The internal audit function is independent of the operating businesses of the Group.

The Internal Audit Departments would review the effectiveness and adequacy of the risk management and internal control procedures at least once a year, and would report the results to the Audit Committee to assist them in performing their periodic reviews. The Audit Committee enquires with the management from time to time to ensure that they are well informed for reviewing the internal control procedures.

The Group considered that risk management and internal control should be adopted according to the size, scope of business, competitiveness and risk level of the Group and be adjusted in a timely manner when environment changes. The Group will continue to improve the risk management and internal control systems, standardise its implementation, and strengthen internal supervision and inspection so as to promote the sustainable development of the Group.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement has been published on the website of The Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company's website (www.gemdalepi.com). The 2025 Interim Report 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, 22 August 2025

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Huang Juncan, Mr. Xu Jiajun, Mr. Li Ronghui 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.