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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)

PROPOSED CHANGE OF AUDITOR

This announcement is made by Gemdale Properties and Investment Corporation Limited (the “**Company**”) pursuant to Rule 13.51(4) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of the Company announces that the current auditor of the Company, Ernst & Young (“**EY**”) will retire as auditor of the Company upon expiration of its current term of office at the conclusion of the forthcoming annual general meeting of the Company to be held on 29 June 2026 (the “**AGM**”).

Taking into account that EY has served as auditor of the Company for 20 consecutive years, the audit committee of the Company (the “**Audit Committee**”) and the Board are of the view that a change of auditor after an appropriate period of time is a good corporate governance measure to ensure the independence and objectivity of external audit services and is in the best interests of the Company and its shareholders (the “**Shareholders**”) as a whole. As at the date of this announcement, EY has not commenced any audit work on the consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the financial year ending 31 December 2026.

The Company has received a retirement letter from EY confirming that there are no matters in respect of its retirement as auditor of the Company that need to be brought to the attention of the Shareholders. The Board and the Audit Committee also confirmed that there is no disagreement between EY and the Company, and there are no other matters in respect of the retirement of EY that need to be brought to the attention of the Shareholders.

With the recommendation of the Audit Committee, the Board has resolved to propose at the AGM a resolution to approve the appointment of Crowe (HK) CPA Limited (“**Crowe**”) as the new auditor of the Company with effect from the conclusion of the AGM and to hold office until the conclusion of the next annual general meeting of the Company. Such proposed appointment is subject to the approval of the Shareholders at the AGM.

The Audit Committee has considered a number of factors when recommending Crowe as the new auditor of the Company to the Board, including but not limited to: (i) their experience in handling audit work for companies listed on the Stock Exchange, their industry knowledge and their familiarity with the requirements under the Listing Rules and the Hong Kong Financial Reporting Standards; (ii) their resources allocation, quality and capability including but not limited to manpower, time and other resources allocation; (iii) their independence and objectivity; (iv) their audit fee; (v) their market reputation; (vi) the “Guidelines for Effective Audit Committees – Selection, Appointment and Reappointment of Auditors” issued by the Accounting and Financial Reporting Council (“AFRC”) in December 2021 (the “Guide”), including section 2 “Selection and Appointment of Auditors” of the Guide; and (vii) the “Guidance Notes on Change of Auditors” published by AFRC in September 2023. Based on the above, the Audit Committee has assessed and considered that Crowe is independent, competent and capable (including manpower, expertise, time and other resources) to perform a high-quality audit and is suitable to act as the new auditor of the Company.

The estimated audit fee payable to Crowe for the audit of the consolidated financial statements of the Group for the financial year ending 31 December 2026 is expected to be approximately RMB 2.6 million (exclusive of out-of-pocket expenses). Such fee has been determined after due consideration and arm’s length negotiations between the Company and Crowe, taking into account, among other things, prevailing market rates, the complexity and business plans of the Group, the expected scope of the audit, the audit timetable, and the auditor’s resources required. The estimated audit fee has been determined on the basis that no material changes are expected in the Group’s operations, accounting policies or regulatory environment during the financial year, and that the Company will provide timely and adequate assistance and information as reasonably required for the audit.

The Board considers that the estimated audit fee agreed with Crowe is fair and reasonable, taking into account the facts and circumstances known as at the date of this announcement, and is in the best interests of the Company and the Shareholders as a whole.

Unless there is a material change in the basis and assumptions set out above, the final audit fee should not deviate materially from the estimated amount initially disclosed. In the event of any material change, the Company will make further disclosure as appropriate.

The Board would like to take this opportunity to express its sincere gratitude to EY for its professional and quality services rendered to the Company during the past years.

A circular containing, among other things, further details of the proposed change of auditor, together with the notice to convene the AGM, will be despatched to the Shareholders in due course.

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

Hong Kong, 29 May 2026

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 Xinping.

** For identification purpose only*