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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)

DISCLOSEABLE TRANSACTION
IN RELATION TO
THE DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

THE DISPOSAL

The Board announces that, on 17 March 2026 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement in relation to the Disposal, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, 100% of the equity interest in the Target Company.

Upon the Completion, the Target Company will cease be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

Since the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that, on 17 March 2026 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement in relation to the Disposal, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, 100% of the equity interest in the Target Company.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date

17 March 2026 (after trading hours)

Parties

(1) Vision Shenzhen , an indirect wholly-owned subsidiary of the Company (as the Vendor); and

(2) Yajingyuan (as the Purchaser).

For further details of the parties, please refer to the paragraphs headed "**INFORMATION ON PARTIES TO THE AGREEMENT**" below.

Subject matter

Pursuant to the Agreement, the Vendor agreed to sell, and the Purchaser agreed to purchase 100% of the equity interest in the Target Company. As at the date of the Agreement and prior to the Completion, the Target Company is an indirect wholly-owned subsidiary of the Company. The Target Company holds 100% interest in the Target Project which is located at Baolong 1st Road, Longgang District, Shenzhen, the PRC. The Target Project has a total GFA of approximately 86,200 square meters and is leased out to various tenants for research and development, trial production and back offices.

Consideration

Pursuant to the Agreement, the total consideration for the transfer of the entire share capital of the Target Company is approximately RMB135.7 million. In addition, as part of the Agreement, the Purchaser will provide funding to the Target Company to enable and procure the Target Company to repay the Shareholder's Loan amounting to approximately RMB54.7 million as will be owed by the Target Company to the Vendor prior to the Completion.

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser based on normal commercial terms, with reference to, among others, (i) the assessed value of the entire shareholders' equity of the Target Company of approximately RMB137.1 million, which is determined using the asset-based approach as of 30 September 2025 ("**Valuation Date**") as stated in the Valuation Report of the Target Company; (ii) the current financial position and future operating prospects of the Target Company; (iii) the business nature of the Target Company, and (iv) the macro-economic environment of the PRC.

Payment of Consideration and Shareholder's Loan

According to the terms of the Agreement, the Consideration of approximately RMB135.7 million will be paid by the Purchaser to the Vendor in cash, and the Shareholder's Loan of approximately RMB54.7 million will be repaid by the Target Company to the Group in cash, under which:

(1) approximately RMB125.9 million of the Consideration will be paid by the Purchaser to the Vendor;
(2) approximately RMB39.7 million of the Shareholder's Loan will be paid by the Purchaser to the escrow account of the Target Company;
(3) within 3 business days after the Consideration of approximately RMB125.9 million is received by the Vendor and the Shareholder's Loan of approximately RMB39.7 million is deposited into the escrow account of the Target Company, the registration of change of shareholdings and other relevant changes of the Target Company will be submitted by both the Purchaser and the Vendor to the Department of the Industry and Commerce Administration of the PRC;
(4) within 11 business days after completion of the registration of change of shareholdings and other relevant changes of the Target Company, the abovementioned Shareholder's Loan of approximately RMB39.7 million will be transferred from the escrow account to the Vendor, and the remaining balance of Shareholder's Loan of approximately RMB15 million will be repaid to the Vendor by the Target Company; and
(5) the remaining Consideration of approximately RMB9.8 million will be paid by the Purchaser to the Vendor within 90 days after the Completion.

Completion

Completion is expected to take place within 5 business days after the Vendor receives the first tranche of the Consideration of RMB125.9 million and the full repayment of the Shareholder's Loan of RMB54.7 million.

Immediately after the Completion, the Target Company will be wholly-owned by the Purchaser.

THE VALUATION FOR DISPOSAL

As disclosed above, the Consideration payable for the Disposal was determined based on, amongst others, the appraised value of the shareholders' equity of the Target Company according to the Target Company's Valuation Report.

The valuer adopted the asset-based approach for the purpose of determining the net asset value of the Target Company. In selecting the appropriate valuation approach, the valuer considered the appropriateness of market approach, income approach and asset-based approach.

- The major assets of the Target Company are investment properties, primarily used for rental income. It is difficult to find more than three comparable companies in the market with similar business structure, operating model, company size, asset allocation and usage, stage of operation, growth potential, operational risk, and financial risk, etc. Therefore, the market approach was not adopted.

- According to the audited accounts provided by the Target Company, it has recorded losses for two consecutive years and is not expected to be able to record a profit in near future. Furthermore, due to intense market competition, the volatility and uncertainty of its future earnings are very high. Therefore, the income approach was not adopted.

- The Target Company has complete financial accounting data, and its book value records are accurate. Therefore, the asset-based approach was considered appropriate and thus was adopted.

The Target Company's Valuation Report was issued by Shenzhen Touchstone Deming Asset Appraisal Co., Ltd.* (深圳市同致誠德明資產評估有限公司), an independent valuer, a national first-class real estate appraisal institution and a nationwide practicing (formerly Class A) land appraisal institution, on 31 December 2025 using the asset-based approach. According to the Target Company's Valuation Report, the appraised value of the entire shareholders' equity of the Target Company was approximately RMB137.1 million as at 30 September 2025.

Nature and Source of Information Relied Upon

The valuer obtained the unaudited financial statement of the Target Company as of 30 September 2025. Under the asset-based approach, the value of the equity of the Target Company is represented by the value of the sum of each of the components of its assets and liabilities, which are individually assessed and valued.

Using the asset-based approach, as of the Valuation Date, the book value of the assets under assessment for the Target Company was approximately RMB501 million, and the appraised value was approximately RMB438.5 million, representing an impairment loss of approximately RMB62.5 million and the impairment rate was 12.5%. The book value of the liabilities was approximately RMB314.4 million and the appraised value was approximately RMB301.3 million, representing an impairment loss of approximately RMB13.1 million and the impairment rate was 4.2%. The book value of the total shareholders' equity was approximately RMB186.6 million and the appraised value was approximately RMB137.1 million, representing an impairment loss of approximately RMB49.5 million and the impairment rate was 26.5%.

The impairment of the Target Company's valuation in the Valuation Report is due to the following reasons:

(1) The impairment of the investment property (Target Project) was approximately RMB51.9 million, representing an impairment rate of 11.2%. The main reason for the impairment was the sluggish real estate market and continual falling housing prices in recent years.
(2) The impairment of long-term deferred expenses in long-term assets was approximately RMB6.5 million, representing an impairment rate of 100%. The reason for the impairment was that the value of the related park renovation expenses was already reflected in the investment property's valuation. Therefore its assessment value was zero and the entire amount was impaired.
(3) The impairment of deferred tax assets was approximately RMB4.1 million, representing an impairment rate of 43%. The reason for the impairment was that the assessment considered certain portion of deferred tax assets were not recoverable.
(4) The impairment of deferred tax liabilities was approximately RMB13 million, representing an impairment rate of 23.5%. The reason for the impairment was that the assessment considered certain portion of deferred tax liabilities were impaired and the liability for such payment obligations should not be valid.

Key assumptions

The valuation was conducted based on a number of general and specific assumptions, including but are not limited to:

(1) The assumption that all documents and materials provided by the Target Company are true, valid, and accurate.
(2) The assumption that there have been no significant changes in national macroeconomic policies and the socioeconomic environment of the region.
(3) The assumption that the accounting policies adopted by the Target Company after the Valuation Date are consistent in material respects with those adopted on the Valuation Date.
(4) The assumption that there have been no significant changes in tax policies, credit interest rates, exchange rates, etc., on which the valuation is based, that would significantly affect the valuation conclusion.
(5) The assumption that the impact of natural disasters and other force majeure events, as well as the potential impact of special transaction methods on the valuation conclusion, have not been considered.
(6) Except for matters known and disclosed, this valuation assumes that there are no other undiscovered off-balance-sheet assets and liabilities, mortgages or guarantees, or significant subsequent events, and that the Target Company has legal rights to the assets included in the valuation scope.
(7) The valuation conclusion is based on the assumption that the assets included in the valuation scope will remain at their current size and use as of the Valuation Date of 30 September 2025.

INFORMATION OF THE TARGET COMPANY

As at the date of the Agreement and prior to the Completion, the Target Company is an indirect wholly-owned subsidiary of the Company, which is a company incorporated in the PRC with limited liability and is principally engaged in development and operation of business parks in the PRC, and holds the Target Project.

The principal assets of the Target Company is the Target Project, a business park located at Baolong 1st Road, Longgang District, Shenzhen, the PRC* (中國深圳市龍崗區寶龍一路), with a total GFA of approximately 86,200 square meters. The Purchaser is currently the largest tenant of the Target Project.

The financial results of the Target Company are set out as follows:

	For the nine months ended 30 September 2025 (Unaudited) (RMB'000)	For the year ended 31 December 2024 (Audited) (RMB'000)	For the year ended 31 December 2023 (Audited) (RMB'000)
Revenue	25,818	35,084	30,235
Profits/(loss) before taxation	(17,303)	(19,654)	(3,572)
Profits/(loss) after taxation	(12,977)	(14,738)	(2,679)

As at 30 September 2025, the unaudited total assets of the Target Company were approximately RMB 500.9 million, under which its current assets amounted to approximately RMB 23 million. Current assets included cash and bank balances of approximately RMB 22.8 million, other receivables of approximately RMB 0.2 million. Its long-term assets amounted to approximately RMB 477.9 million which included investment properties (Target Project) amounting to approximately RMB 462 million, deferred tax asset and other deferred expenses of approximately RMB 9.4 million and approximately RMB 6.5 million. Its unaudited total liabilities was approximately RMB 314.3 million, under which RMB 80.2 million were current liabilities which included: i) Accounts payables, tax payables, advanced receipts and other payables totalling approximately RMB 12.5 million; ii) Shareholders' loan amounting to approximately RMB 54.7 million; and iii) bank loans – due within one year amounting to approximately RMB 13 million. Its non-current liabilities included bank loans amounting to approximately RMB 179 million and deferred tax liabilities of approximately RMB55.1 million. The unaudited net assets of the Target Company were approximately RMB 186.6 million.

THE BOARD'S VIEW ON THE FAIRNESS AND REASONABLENESS OVER THE VALUATION REPORT AND THE CONSIDERATION

The Board has reviewed the Valuation Report of the Target Company, focusing on the methodology adopted, key assumptions and the financial information of the Target Company. After consideration that: (i) the scope of work performed by the valuer was appropriate for the relevant valuation; (ii) the valuation assumptions and methods used by the valuer in the relevant valuation were fair and reasonable; and (iii) the valuer possessed the required professional qualifications and relevant experience to conduct a professional valuation, the Board is of the view that the Valuation Report is fair and reasonable and that its valuation over the shareholders' equity over the Target Company is a reliable source of reference information to be relied on when determining the Consideration of the Disposal.

Considering that the professional valuation over the shareholders' equity of the Target Company was assessed at approximately RMB137.1 million, which has small differences from the Consideration of RMB135.7 million, the Board is of the view that the basis of the Consideration is fair and reasonable.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon the Completion, the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Company will no longer be consolidated into the financial statements of the Group.

Based on the financial position of the Target Company as mentioned above, the Group currently expects to record an unaudited loss before taxation of approximately RMB50.9 million on the Disposal upon Completion, which is calculated with reference to the difference between the Consideration and the net assets value of the Target Company as of 30 September 2025. The actual amount of loss resulting from the Disposal is subject to review and audit by the auditors of the Company. The Group expected that a net cash of approximately RMB190.4 million will be received upon the Disposal of the Target Company, including Consideration of RMB 135.7 million and repayment of Shareholder's Loan of RMB 54.7 million. The proceeds from the Disposal (including the Shareholders' Loan repayment) are intended to be used as general working capital and funding towards other principal businesses. Also, the Group's consolidated interest-bearing debts of approximately RMB 192 million were reduced as the Target Company's bank loans would not be included in the Group's consolidated financial statements.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board are of the view that the Disposal could integrate resources and cease a loss-making operation to enhance financial performance. Also, the cash collected from Disposal and repayment of Shareholder's Loan could enable the Group to persuade in other core business developments and enhance its financial flexibility.

In the light of the above reasons, the Directors, including the independent non-executive Directors, are of the view that the terms of the Agreement and the transactions contemplated thereunder (including, among others, the Consideration, the repayment of Shareholder's Loan and other arrangements under the Agreement) are on normal commercial terms which are fair and reasonable and the Disposal is in the interests of the Company and its shareholders as a whole.

INFORMATION ON PARTIES TO THE AGREEMENT

The Group and the Vendor

The Group is principally engaged in property development, property investment and property management.

The Vendor is an indirect wholly-owned subsidiary of the Company and is principally engaged in development and operation of business parks in the PRC.

The Purchaser

Yajingyuan is a limited company established under the law of the PRC and is principally engaged in research and development and production of power supply products in the PRC. Yajingyuan is 100% held by Yajingyuan Technology Co., Ltd.* (雅晶源科技有限公司), which is ultimately 100% beneficially owned by Mr. Zheng Zilong. Yajingyuan is also currently the largest tenant of the Target Project.

To the best knowledge, information and belief of the Board and after making all reasonable enquiries, as of the date of this announcement, the Purchaser and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

LISTING RULES IMPLICATIONS

Since the highest applicable percentage ratio in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempt from the circular (including independent financial advice) and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

"Agreement"	the share transfer agreement dated 17 March 2026 entered into between the Vendor and the Purchaser in relation to the Disposal, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase 100% of the equity interest in the Target Company
"Board"	the board of Director(s) of the Company
"Company"	Gemdale Properties and Investment Corporation Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
"Completion"	the completion of the Disposal under the Agreement
"Consideration"	approximately RMB135.7 million, being the amount for the disposal of 100% of the equity interest in the Target Company
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of 100% of the equity interest in the Target Company
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	an independent third party who is not connected with the Company and its connected persons (as defined under the Listing Rules)

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, which for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Purchaser" or "Yajingyuan"	Yajingyuan Holdings (Shenzhen) Co., Ltd.*（雅晶源控股（深圳）有限公司）, a company established in the PRC with limited liability
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder's Loan"	the aggregate amount owing from the Target Company to the Vendor immediately prior to Completion, which amounted to approximately RMB54.7 million
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	has the meaning ascribed to it under the Listing Rules
"Target Company"	Shenzhen Weilu Technology Co., Ltd.* (深圳市威陸科技有限公司), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Group as at the date of this announcement. It holds 100% interest in the Target Project
"Target Project"	Shenzhen Kelu project, which is held by the Target Company and located at Baolong 1st Road, Longgang District, Shenzhen, the PRC* (中國深圳市龍崗區寶龍一路), with a total GFA of approximately 86,200 square meters
"Valuation Report"	the valuation report dated 31 December 2025 issued by Shenzhen Touchstone Deming Asset Appraisal Co., Ltd.* (深圳市同致誠德明資產評估有限公司), an independent valuer, a national first-class real estate appraisal institution and a nationwide practicing (formerly Class A) land appraisal institution, in relation to the appraised value of the entire shareholders' equity of the Target Company determined according to the asset-based approach with reference to the asset value of the Target Company as at 30 September 2025

"Vendor" or "Vision Shenzhen"	Vision (Shenzhen) Software Technology Co., Ltd.* (深圳威新軟件科技有限公司), a company established in the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company
"%"	per cent.

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

Hong Kong, 17 March 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*