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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)**

## SUPPLEMENTAL ANNOUNCEMENT – DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

Reference is made to the announcement of Gemdale Properties and Investment Corporation Limited (the "**Company**") dated 17 March 2026 (the "**Announcement**") in relation to the disposal of equity interest in a subsidiary. Unless otherwise defined, capitalized terms used in this announcement have the same meanings as those defined in the Announcement.

In addition to the information disclosed in the Announcement, the Company would like to provide the Shareholders and the potential investors with the following information in relation to the Disposal.

## THE VALUATION FOR DISPOSAL

Computation of the appraised value for investment property (Target Project):

The Target Project consists of factory buildings and staff dormitory. Sales price (tax-excluded) for the Target Project was appraised using DCF model, summating net rental income for each year divided by rate of return for the remaining leasing period. Net rental income for various periods during the forecast period was computed using current net rental income and the growth rate below.

The appraised value of the investment property was based on the following assumptions:

- Vacancy rate – 5% (the Target Project is 95-100% occupied and nearby similar property is 90-100% occupied)
- Remaining leasing period – 31.6 years (remaining lease term of the landuse rights of Target Project)
- Rental growth rate – 3% per annum (long-term rental growth rate based on historical data)
- Other taxes / levies rate / operating expenses rate increased at 3% per annum (same growth rate as rental growth rate)

- Rate of return = 4.95% (0.95% being one-year fixed deposits rate + 4% being industry required rate of return for factory and dormitory)

Factory buildings valuation (tax-excluded) = RMB 5,110/ sq m * 73,149.89 sq m = RMB 373,795,938

Staff dormitory valuation (tax-excluded) = RMB 4,140 / sq m * 12,537.37 sq m = RMB 51,904,712

Total sales price (tax-excluded) = RMB 373,795,938 + RMB 51,904,712 = RMB 425,700,650

Tax rate = 5% (PRC tax rate)

Total sales price (tax-included) = RMB 425,700,650 * (1+5%) = RMB 446,985,683

Investment property appraised value = Sales price (tax-included) - Sales expenses - Value-added tax - Land value-added tax – Other taxes and surcharges

Sales expenses rate = 3% (historical rate)

Sales expenses = RMB 446,985,683 * 3% = RMB 13,409,570

Value-added tax = Output tax – Input tax = RMB 6,006,462

Land value-added tax = RMB 16,787,767

Other taxes and surcharges = RMB 720,775

Therefore, the appraised value of the Target Project =
RMB 446,985,683 – RMB 13,409,570 – RMB6,006,462 – RMB16,787,767 – RMB720,775
= RMB 410,061,109

The book value of the Target Project was RMB 461,961,000. Hence, the appraised value of the Target Project (Investment property) recorded an impairment of approximately RMB 51.9 million.

**REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Board has been assessing the development of the business environment, property market and the financial position of the Company. The Board is of the view that the Disposal would benefit the Group by realising its investment in the Target Company and collection of Shareholders' Loan totaling RMB 190.4 million to lower its debt level and financing costs, improve liquidity and overall financial position of the Group.

The Board is of the opinion that the Disposal could relieve the Group from the financial burden of the Target Company. Given the Target Company's consecutive years of loss-making status, the Board considers that the Disposal will release the Group's liquidity and enable more efficient resource allocation towards the Group's existing businesses including property development, property investment and property management.

Considering the factors above, the Directors, including the independent non-executive Directors, are of the view that the Disposal is in the interests of the Company and its shareholders as a whole.

This announcement is supplemental and should be read in conjunction with the Announcement. Save as disclosed in this announcement, all information and contents of the Announcement remain unchanged.

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

Hong Kong, 9 April 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*