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 2026

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2026	2025	Change
	RMB'000	RMB'000	%
	(Unaudited)	(Unaudited)	
Revenue	**1,121,955**	6,467,765	− 83
Gross profit	**399,343**	931,231	− 57
Other income and gains	**215,459**	195,699	+ 10
Share of results of joint ventures and associates	**(548,179)**	(128,188)	+328
Loss after tax	**(1,258,386)**	(867,090)	+ 45
Loss attributable to owners of the Company	**(1,116,328)**	(1,008,189)	+ 11
Loss per share attributable to owners of the Company:			
- Basic (RMB)	**(0.0672)**	(0.0607)	+ 11

	30 June 2026	31 December 2025	Change
	RMB'000	RMB'000	%
	(Unaudited)	(Audited)	
Cash and bank balances (including restricted cash)	**1,813,650**	2,247,508	− 19
Total assets	**62,520,174**	62,687,180	− 0
Net assets	**16,277,209**	17,708,789	− 8

2026 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 2026 together with the relevant comparative figures.

* *For identification purpose only*

Condensed Consolidated Statement of Profit or Loss
For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		RMB'000	RMB'000
	Notes	**(Unaudited)**	(Unaudited)
Revenue	*3*	**1,121,955**	6,467,765
Cost		**(722,612)**	(5,536,534)
Gross profit		**399,343**	931,231
Direct operating expenses		**(487,749)**	(608,481)
Other income and gains	*3*	**215,459**	195,699
Changes in fair values of financial assets at fair value through profit or loss		**141,502**	(23,746)
Administrative expenses		**(37,216)**	(37,144)
Other losses		**(34,537)**	(29,161)
Impairment losses of receivables	*5*	**(357,787)**	(773,938)
Finance costs	*4*	**(439,061)**	(493,843)
Share of profits and losses of:			
Joint ventures		**(419,802)**	(149,847)
Associates		**(128,377)**	21,659
Loss before tax	*6*	**(1,148,225)**	(967,571)
Tax	*7*	**(110,161)**	100,481
Loss for the period		**(1,258,386)**	(867,090)
Attributable to:			
Owners of the Company		**(1,116,328)**	(1,008,189)
Non-controlling interests		**(142,058)**	141,099
		(1,258,386)	(867,090)
Loss per share attributable to owners of the Company:			
- Basic and diluted (RMB)	*8*	**(0.0672)**	(0.0607)

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss for the period	**(1,258,386)**	(867,090)
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	**631,367**	219,215
Share of exchange differences on translation of foreign operations of joint ventures and associates	**(60,093)**	(6,126)
Release upon liquidation of subsidiaries	**(4,030)**	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**567,244**	213,089
- Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:		
Exchange fluctuation reserves:		
Exchange differences on translation of financial statements	**(221,648)**	(90,148)
Other comprehensive income for the period, net of tax	**345,596**	122,941
Total comprehensive loss for the period	**(912,790)**	(744,149)
Attributable to:		
Owners of the Company	**(773,212)**	(885,989)
Non-controlling interests	**(139,578)**	141,840
	(912,790)	(744,149)

Condensed Consolidated Statement of Financial Position
30 June 2026

	Note	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**72,640**	88,214
Investment properties		**18,861,404**	19,220,576
Right-of-use assets		**10,883**	12,121
Prepayments, deposits and other receivables		**18,498**	20,668
Investments in joint ventures		**10,540,742**	11,275,090
Investments in associates		**5,453,490**	5,393,785
Financial assets at fair value		**631,347**	512,395
Deferred tax assets		**1,577,951**	1,590,946
Total non-current assets		**37,166,955**	38,113,795
CURRENT ASSETS			
Properties held for sale		**8,029,492**	7,709,423
Properties under development		**3,273,323**	3,698,230
Trade receivables	*9*	**76,933**	65,485
Prepayments, deposits and other receivables		**3,253,249**	3,754,538
Amounts due from group companies		**36,962**	37,718
Amounts due from joint ventures and associates		**4,950,858**	3,405,276
Amounts due from non-controlling shareholders		**2,282,965**	2,041,400
Amount due from a related company		**1,169,519**	1,170,789
Prepaid tax		**466,268**	443,018
Restricted cash		**792,356**	1,037,789
Bank deposits, bank and cash balances		**1,021,294**	1,209,719
Total current assets		**25,353,219**	24,573,385

Condensed Consolidated Statement of Financial Position (continued)
30 June 2026

	Note	**30 June 2026 RMB'000 (Unaudited)**	31 December 2025 RMB'000 (Audited)
CURRENT LIABILITIES			
Trade payables	*10*	**3,610,219**	3,647,094
Advanced receipts, accruals and other payables		**3,487,707**	3,561,250
Interest-bearing bank borrowings		**1,359,954**	1,379,602
Lease liabilities		**95,653**	93,623
Amounts due to group companies		**3,945,049**	2,869,463
Amounts due to joint ventures and associates		**7,201,434**	7,008,204
Amounts due to non-controlling shareholders		**1,790,803**	1,574,086
Tax payable		**1,643,778**	1,777,999
Total current liabilities		**23,134,597**	21,911,321
NET CURRENT ASSETS		**2,218,622**	2,662,064
TOTAL ASSETS LESS CURRENT LIABILITIES		**39,385,577**	40,775,859
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings		**8,848,078**	9,600,362
Lease liabilities		**451,536**	504,573
Amounts due to group companies		**11,394,618**	10,539,230
Deferred tax liabilities		**2,414,136**	2,422,905
Total non-current liabilities		**23,108,368**	23,067,070
NET ASSETS		**16,277,209**	17,708,789
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**1,505,164**	1,505,164
Reserves		**12,139,220**	12,905,225
		13,644,384	14,410,389
Non-controlling interests		**2,632,825**	3,298,400
TOTAL EQUITY		**16,277,209**	17,708,789

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 2026 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 2025.

Change in accounting policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial information are consistent with those in the annual financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Lack of Exchangeability*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards - Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 71

None of the amended HKFRS Accounting Standards have had a material effect on the Group's unaudited interim condensed consolidated financial statements. The Group has not applied any new/amended HKFRS Accounting Standards that are not yet effective for the current accounting period.

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/(loss) 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% (2025: over 90%) of the Group's revenue is derived from customers based in Chinese Mainland, and over 90% (2025: 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 2026 (Unaudited)				
Segment revenue	**570,896**	**551,059**	**-**	**1,121,955**
Segment results	**(1,114,199)**	**354,819**	**(103,871)**	**(863,251)**
Reconciliation				
Bank interest income				**3,477**
Finance costs (other than interest on lease liabilities)				**(424,990)**
Changes in fair values of financial assets at fair value				**141,502**
Other loss from financial assets at fair value				**(4,963)**
Loss before tax				**(1,148,225)**
Other segment information:				
Share of profits and losses of joint ventures	**484,207**	**(64,405)**	**-**	**419,802**
Share of profits and losses of associates	**128,377**	**-**	**-**	**128,377**
Changes in fair values of investment properties – right-of-use assets	**-**	**62,589**	**-**	**62,589**
Depreciation of property, plant and equipment	**1,430**	**9,011**	**379**	**10,820**
Depreciation of right-of-use assets	**280**	**432**	**420**	**1,132**
Impairment of receivables, net	**242,572**	**58,593**	**56,622**	**357,787**
Capital expenditure*	**141**	**81,306**	**6**	**81,453**
As at 30 June 2026 (Unaudited)				
Segment assets	**32,217,199**	**26,259,739**	**1,361,036**	**59,837,974**
Reconciliation				
Other unallocated assets				**2,682,200**
Total assets				**62,520,174**
Segment liabilities	**24,671,053**	**11,548,993**	**15,744**	**36,235,790**
Reconciliation				
Other unallocated liabilities				**10,007,175**
Total liabilities				**46,242,965**
Other segment information:				
Investments in joint ventures	**7,581,561**	**2,959,181**	**-**	**10,540,742**
Investments in associates	**5,225,851**	**227,639**	**-**	**5,453,490**

	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)
Reconciliation				
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)
Other segment information:				
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 31 December 2025 (Audited)				
Segment assets	32,792,763	25,905,683	1,432,093	60,130,539
Reconciliation				
Other unallocated assets				2,556,641
Total assets				62,687,180
Segment liabilities	24,730,964	11,247,810	42,818	36,021,592
Reconciliation				
Other unallocated liabilities				8,956,799
Total liabilities				44,978,391
Other segment information:				
Investments in joint ventures	8,186,240	3,088,850	-	11,275,090
Investments in associates	5,345,146	48,639	-	5,393,785

* *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	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sales of properties	**569,991**	5,590,773
Fitting-out works income	**905**	246,574
Property management fee income from:		
- fellow subsidiaries	**1,615**	1,267
- third parties	**146,190**	141,169
Entrusted management fee income from a fellow subsidiary	**12,453**	12,453
Revenue from other sources		
Gross rental income from:		
- fellow subsidiaries	**6,993**	8,590
- third parties	**383,808**	466,939
	1,121,955	6,467,765
Other income and gains		
Bank interest income	**3,477**	8,350
Interest income on loans receivable	**422**	11,680
Interest income from related parties	**-**	1,957
Interest income from financial assets at fair value	**7,589**	5,394
Interest income from third parties	**7,331**	3,434
Net gain on disposal of financial assets at fair value	**-**	13,029
Consulting services income from:		
- joint ventures and associates	**68,396**	70,717
- third parties	**65,254**	48,845
Government subsidies	**449**	5,627
Gain on lease termination	**3,265**	-
Gain on disposal of a subsidiary *(Note 11)*	**19,198**	-
Release of exchange fluctuation reserves on deregistration of subsidiaries	**4,030**	-
Others	**36,048**	26,666
	215,459	195,699

4. FINANCE COSTS

An analysis of finance costs is as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank borrowings	**196,177**	241,263
Interest on loans from related parties	**292,751**	394,208
Interest on other borrowings	**566**	265
	489,494	635,736
Interest on lease liabilities	**14,071**	16,233
Other finance costs	**522**	440
Total finance costs incurred	**504,087**	652,409
Less: Interest capitalised in		
- investment properties	**(18,590)**	(16,891)
- properties under development	**(46,436)**	(141,675)
	439,061	493,843

5. IMPAIRMENT LOSSES OF RECEIVABLES

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

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loans and others receivables, net	**106,315**	40,718
Amounts due from joint ventures and associates *(Note)*	**251,472**	733,220
	357,787	773,938

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	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Cost of properties sold	**557,422**	5,189,186
Depreciation of property, plant and equipment	**10,963**	16,204
Less: Amounts capitalised in property development projects	**(143)**	(92)
	10,820	16,112
Outgoings (including repairs and maintenance) arising on rental-earning investment properties	**53,888**	55,454
Changes in fair values of investment properties - right-of-use assets	**62,589**	101,947
Impairment of receivables, net *(Note 5)*	**357,787**	773,938
Gain on disposal of a subsidiary *(Note 11)*	**(19,198)**	-
Net loss on disposal of joint ventures and associates*	**21,985**	29,161
Changes in fair values of financial assets at fair value	**(141,502)**	23,746
Lease payment not included in the measurement of lease liabilities	**1,592**	2,951
Net loss/(gain) on disposal of financial assets at fair value**	**12,552**	(13,029)
Gain on lease termination	**(3,265)**	-
Depreciation of right-of-use assets	**52,204**	55,876
Less: Amounts capitalised in property development projects	**(51,072)**	(55,333)
	1,132	543
Employees benefits expenses (including directors' emoluments):		
Wages and salaries	**161,180**	259,540
Pension schemes contributions	**26,353**	30,568
Total employees benefits expenses	**187,533**	290,108
Auditor's remuneration	**2,082**	2,226
Release of exchange fluctuation reserves on deregistration of subsidiaries	**(4,030)**	-
Foreign exchange loss, net	**95,599**	94,594

* *Amounts are included in "Other losses" in the condensed consolidated statement of profit or loss for the six months ended 30 June 2026*

** *Amounts are included in "Other losses" in the condensed consolidated statement of profit or loss for the six months ended 30 June 2026 (2025: included in "other income and gains" in the condensed consolidated 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 period (2025: 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	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Income tax in Hong Kong	**-**	-
Corporate income tax in Mainland China		
- Charge for the period	**21,308**	190,639
- Under provision in prior periods	**14,180**	6,798
LAT in Mainland China	**61,510**	15,351
Deferred	**13,163**	(313,269)
Total	**110,161**	(100,481)

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 (2025: 16,613,686,827) in issue during the period.

(b) Diluted loss per share

No adjustment has been made to the basic loss per share presented for the six months ended 30 June 2026 (2025: No) as the Company had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2026 and 2025.

The calculation of basic loss per share is based on:

	Six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Loss		
Loss attributable to owners of the Company	**(1,116,328)**	(1,008,189)

	No. of shares	
	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period	**16,613,686,827**	16,613,686,827

9. TRADE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**76,933**	65,485

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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 month	**50,488**	22,674
1 to 3 months	**6,902**	5,195
Over 3 months	**19,543**	37,616
	76,933	65,485

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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 month	**2,271,940**	2,233,617
1 to 3 months	**257,406**	250,823
Over 3 months	**1,080,873**	1,162,654
	3,610,219	3,647,094

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

11. DISPOSAL OF A SUBSIDIARY

During the period, the Group entered into an agreement with an independent third party. Pursuant to the agreement, the Group disposed of 100% equity interest in a subsidiary of the Company, 深圳市威陸科技有限公司(Shenzhen Weilu Technology Co., Ltd.*) ("Weilu") to the independent third party, at a consideration of RMB135,748,000. Weilu is engaged in property investment in Mainland China.

** For identification purpose only*

Details of the net assets disposed of are as follows:

	2026 **Weilu** **RMB'000**
Investment properties	**362,500**
Property, plant and equipment	**5,647**
Trade receivables	**1,941**
Prepayments, deposits and other receivables	**63**
Bank balances	**20,480**
Trade payables	**(71)**
Advanced receipts, accruals and other payables	**(11,015)**
Interest-bearing bank borrowings	**(186,000)**
Amount due to group companies	**(54,736)**
Deferred tax liabilities	**(22,259)**
Net assets	**116,550**
Loss on disposal	**19,198**
Total consideration	**135,748**
Satisfied by:	
Cash	**135,748**

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

	2026 **Weilu** **RMB'000**
Total cash consideration	**135,748**
Less: Consideration receivables	**(9,788)**
Bank balances disposed of	**(20,480)**
Net inflow of cash and cash equivalents in respect of the disposal of subsidiary	**105,480**

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2026 (2025: Nil).

FINANCIAL REVIEW

The accounting policies adopted in the preparation of the financial statements for the six months ended 30 June 2026 are consistent with those used in the last financial year ended 31 December 2025, 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 2026.

RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

The revenue of the Group decreased from RMB6,467.8 million for the corresponding six months ended 30 June 2025 to RMB1,122.0 million for the six months ended 30 June 2026, decreased by RMB5,345.8 million. Due to prolonged property slump in the Mainland China and insufficient property purchasing power, sales revenue from property delivery for the current period has a significant drop.

Other income and gains increased from RMB195.7 million for the corresponding six months ended 30 June 2025 to RMB215.5 million for the current period. The increase was mainly due to a gain on disposal of a subsidiary of RMB19.2 million included in the current period.

The Group's direct operating expenses for the six months ended 30 June 2026 decreased to RMB487.7 million from RMB608.5 million for the corresponding period ended 30 June 2025. The decrease in direct operating expenses was mainly due to reduction in staff cost by cutting down the manpower and salaries, and decrease in selling and marketing expenses

The finance cost went down from RMB493.8 million for the corresponding period ended 30 June 2025 to RMB439.1 million for the current period. Due to reduction in loan interest rates, the interest expenses on borrowings for the current period decreased by RMB52.7 million (net of capitalised interest).

Impairment losses of receivables for the current period was RMB357.8 million, of which RMB251.5 million was made for the receivables from joint ventures where large impairment made for the inventory of properties held by those joint ventures. For the corresponding period ended 30 June 2025, RMB773.9 million of impairment losses of receivables was reported, of which RMB733.2 million was made for the receivables from joint ventures and associates where their inventory of properties was impaired.

Other losses for the six months ended 30 June 2026 recorded RMB34.5 million which represented a loss of RMB22.0 million on disposal of certain joint ventures and associates of the Group and a loss of RMB12.5 million on disposal of financial assets at fair value. For the corresponding period ended 30 June 2025, other loss represented a net loss on disposal of certain joint ventures and associates of the Group.

Share of results of joint ventures and associates of the Group reported an aggregate loss of RMB548.2 million for the six months ended 30 June 2026, against an aggregate loss of RMB128.2 million for the corresponding period ended 30 June 2025. The loss reported for the current period was mainly 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 2026 was RMB1,116.3 million, against loss of RMB1,008.2 million for the corresponding period ended 30 June 2025, an increase in loss of RMB108.1 million.

For the six months ended 30 June 2026, the Group recorded basic loss per share of RMB0.0672, against basic loss per share of RMB0.0607 for the corresponding period ended 30 June 2025.

BUSINESS SEGMENTS

Property development

Due to prolonged property slump in the Mainland China and insufficient property purchasing power, sales revenue from property delivery for the current period has a significant drop. The revenue of property development segment for the six months ended 30 June 2026 was RMB570.9 million, representing 51% of the total revenue, compared to RMB5,837.3 million, representing 90% of the total revenue for the corresponding period ended 30 June 2025. The segment results for the current period recorded a loss of RMB1,114.2 million, against a loss of RMB686.2 million for the corresponding period of last year, an increase in segment loss of RMB428.0 million. The increased segment loss was mainly due to the decline in gross profit margin and the decrease in gross profit resulting from significant reduction in sales of properties.

Property investment and management

The revenue recognised by the property investment and management segment for the six months ended 30 June 2026 was RMB551.1 million, representing 49% of the total revenue, compared to RMB630.4 million, representing 10% of the total revenue for the six months ended 30 June 2025, decreased by RMB79.3 million or 13%. The decrease in segment revenue was mainly due to certain subsidiaries which engaged in property investment business disposed by the Group during the second half of 2025 and the first half of 2026, as well as the early termination of certain property lease contracts under the sub-leasing business. The segment results for the current period reported a profit of RMB354.8 million, against RMB253.3 million for the six months ended 30 June 2025, increased by RMB101.5 million. The increase in segment profit was mainly due to increase in share of profit of joint ventures of RMB60.7 million and reduction in fair value loss of investment properties - right-of-use assets of RMB39.4 million.

SHAREHOLDERS' EQUITY

The Group's total shareholders' equity decreased from RMB14,410.4 million as at 31 December 2025 to RMB13,644.4 million as at 30 June 2026, decreased by RMB766.0 million. The decrease was mainly due to loss attributable to owners of the Company of RMB1,116.3 million reported for the six months ended 30 June 2026.

FINANCIAL RESOURCES, LIQUIDITY AND CAPITAL STRUCTURE

Liquidity and capital resources

The Group’s cash and bank balances decreased by RMB188.4 million or 16% to RMB1,021.3 million as at 30 June 2026 from RMB1,209.7 million as at 31 December 2025. 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 new bank borrowings totalling RMB235.4 million of which RMB186.5 million were secured bank borrowings. The loan proceeds were mainly utilised in repayment of the existing bank borrowings. As at 30 June 2026, total bank borrowings of the Group amounted to RMB10,208.0 million with interest rates ranging from 2.65% to 4.80% per annum.

The total borrowings increased by RMB116.4 million to RMB21,635.6 million as at 30 June 2026 from RMB21,519.2 million as at 31 December 2025. The Group’s gearing ratio (defined as total borrowings over total equity, including non-controlling interests) increased by 133% as at 30 June 2026, from 122% as at 31 December 2025. The increase in the gearing ratio was due to the decline in equity caused by large loss incurred in the current period.

The maturity profiles of the Group's outstanding borrowings as at 30 June 2026 and 31 December 2025 are summarised as below:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within the first year or on demand	**1,392,892**	1,379,602
In the second year	**1,565,298**	1,297,111
In the third to fifth years, inclusive	**12,743,427**	13,160,094
Over five years	**5,933,970**	5,682,387
Total	**21,635,587**	21,519,194

FINANCIAL MANAGEMENT

Foreign exchange risk

As at 30 June 2026, 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 US$ and HK$ 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 2026 and 31 December 2025 are summarised below:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
HK$	**6,203,176**	6,915,861
RMB	**14,731,229**	13,879,718
US$	**701,182**	723,615
Total	**21,635,587**	21,519,194

Interest rate risk

As at 30 June 2026, 96% (31 December 2025: 96%) of borrowings of the Group were on floating interest rates, where 70% (31 December 2025: 65%) 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 2026 and 31 December 2025:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Investment properties	**14,975,915**	15,285,969
Properties under development	**448,700**	1,005,429
Properties held for sale	**1,192,500**	1,192,500
Restricted cash	**82,058**	102,122
Total	**16,699,173**	17,586,020

CONTINGENT LIABILITIES

(a) As at 30 June 2026, 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 real estate ownership certificates. As at 30 June 2026, the Group's outstanding guarantees amounted to RMB 2,059,166,000 (31 December 2025: RMB2,326,527,000).

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 2026 (2025: Nil) for these guarantees.

(b) As at 30 June 2026, the Group provided an aggregate maximum credit enhancement (including guarantees) of RMB2,108,071,000 (31 December 2025: RMB2,174,265,000) to financial institutions for facilities granted to joint ventures of the Group. As at 30 June 2026, the facilities with such credit enhancement were utilised to the extent of approximately RMB2,041,880,000 (31 December 2025: RMB2,114,921,000).

The Directors consider that the fair value of the credit enhancement is not significant and in case of defaulting payments, the net realisable value of pledged properties provided by those joint ventures of the Group 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 2026 (2025: Nil) for the credit enhancement.

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 2026, the Group's land bank (including those under associates and joint ventures) in the PRC totaled 10.42 million square meters, representing a decrease of approximately 3.8% in GFA as compared to end of December 2025.

Property investment and management

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

As at 30 June 2026, the Group held investment properties in operation (excluding sub-leasing properties) in the Mainland China with a total GFA of approximately 2.869 million square meters, representing a year-on-year decrease of 0.4%, primarily due to the disposal of the Gemdale Weixin Shenzhen Longgang Smart Manufacturing Park. Total rental and related service revenue generated from these properties was approximately RMB950 million during the period under review, representing a year-on-year increase of 1.4%.

The Group held commercial and office projects in operation with a total GFA of approximately 1.08 million square meters, generating total revenue from rental and related services of approximately RMB613 million during the period, representing a year-on-year decrease of 1.2%. The occupancy rate for Phases 1 and 2 of Vision Shenzhen Business Park was approximately 96% in the first half of the year, whilst that for Phase 3 was approximately 91%. Tenants at Phases 1, 2 and 3 of Vision Shenzhen Business Park include major companies such as Intel, NVIDIA, Tencent, Flextronics, Huawei, Xiaohongshu and Jinjiang International. With its outstanding operational capabilities, the Group was awarded CVU China Awards – Grand Award in Operations presented by the Council on Vertical Urbanism (CVU), as well as the "Outstanding Partner Award" presented by the International WELL Building Institute.

Meanwhile, the Group held operating business parks with a total GFA of approximately 1.65 million square meters, generating total revenue from rental and related services of approximately RMB286 million during the period, representing a year-on-year decrease of 2%. The occupancy rate for business park projects in their stable operational stage was approximately 92%. Gemdale Weixin Business Park has been recognised as "Top 3 Industrial Park & City Developers in China by Comprehensive Strength" by CRIC for five consecutive years. Furthermore, with its outstanding light-asset service capabilities, it has been recognised for the fourth time by CRIC as one of the "Top 3 Light Asset Service Capability of National Industrial Parks".

Our affordable apartment rental business, "Gemdale Strongberry Community", aims to provide high-quality and affordable rental apartments for youths. As at 30 June 2026, the rental housing business operated approximately 11,000 units, with an occupancy rate of the affordable housing projects in their stable operation stage was approximately 94%. Gemdale Strongberry Community has retained its position in CRIC's "Top 10 Outstanding Brands of China Housing Rental Enterprises" for consecutive years. The Shanghai Baoshan Nanda's rental housing project has delivered an outstanding overall rental performance. It has become one of the key drivers of revenue growth for the Group's investment properties, setting a benchmark for heavy-asset investment in the rental housing sector and promoting long-term development of the rental housing business.

The Group's investment properties, both planned and under construction, will also be brought into operation in due course and will continue to generate stable rental income and cashflow for the Group.

PROSPECTS

In the first half of 2026, the Chinese government implemented proactive supply-side and demand-side policies to reduce risks in the real estate sector, reduce existing inventory, and establish a "new real estate development model". To boost sluggish homebuyer confidence and shorten the market adjustment period, local governments implemented city-specific relief measures with greater flexibility, such as targeted home purchase subsidies and tax breaks to alleviate transaction costs. Financial regulators have also lowered mortgage rates and down payment requirements in several markets to ease borrowing costs. Local governments, with central government policy support, directly purchased existing unsold real estate projects from the market. These repurchased properties are then transformed as affordable public housing, talent dormitories, and resettlement housing. The real estate industry is shifting from a "high-leverage, high-turnover" model to a "refined, sustainable" model, with development projects primarily located in core first- and second-tier cities. Real estate companies are adopting more cautious and low-risk investments. First- and second-tier cities, due to their population and industrial advantages, have stronger market resilience and faster destocking, while third- and fourth-tier cities have larger inventories, slower inventory turnover and therefore a slower recovery pace. The speed of market recovery depends largely on the pace of economic recovery, residents' income expectations as well as new real estate policy stimulus.

In the second half of 2026, the PRC real estate industry is expected to gradually and show signs of recovery, driven by continued government stimulus measures, maintenance of low interest rates, and a rebound in consumer confidence. This is evidenced by the significant increase in secondary market transactions in first-tier cities. The Group keeps financial stability and liquidity as its primary operational focus. It is achieved through flexible quantity and price management strategies, providing high-quality products to enhance brand image, and utilizing various tools to accelerate sales revenue collection and ensure cash flow. Furthermore, the Group will increase brand output and expand its construction management business so as to maintain its leading position in the industry and remain one of the most well-managed real estate companies.

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 2026 with the exception of code provisions mentioned below:

Under the code provision C.1.5, 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 29 June 2026.

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 then chairman of the board, was not able to attend the annual general meeting of the Company held on 29 June 2026.

Under the code provision B.3.5, the company should appoint at least one director of a different gender to the nomination committee. Currently, all members in the Nomination Committee of the Company are male. The Board believes that the current members of the Nomination Committee possess the necessary expertise. The Board will endeavour to take opportunity to gradually increase the proportion of female member(s) over time as and when suitable candidate(s) is/are identified, without affecting the current effective operation of the Nomination Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS

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 during the six months ended 30 June 2026. 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 2026. During the six months ended 30 June 2026 and as of 30 June 2026, the Company did not have any treasury shares (as defined under the Listing Rules).

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had approximately 1,800 (31 December 2025: approximately 2,000) employees. Salaries of employees are maintained at industry 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. Mr. Xia Xinping possesses the appropriate professional qualifications and accounting-related financial management expertise required under Rule 3.10(2) of the Listing Rules.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed 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 2026. The unaudited interim results of the Group for the six months ended 30 June 2026 have not yet been reviewed by Crowe (HK) CPA Limited, 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 (including ESG risks and climate-related risks) 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, along with ESG performance and reporting, 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") are 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 enquiries 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 2026 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
Chairman and Executive Director

Hong Kong, 25 August 2026

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