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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)

CONTINUING CONNECTED TRANSACTIONS

The Group has been carrying on transactions pursuant to the CCT Agreements which constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Group intends to continue the existing transactions contemplated under the CCT Agreements and it entered into the Renewed CCT Agreements on 29 March 2017.

Apart from the Renewed CCT Agreements, on 29 March 2017, the Group and the Gemdale Group entered into the Entrusted Project Management Agreement in relation to the management of the Project.

Glassy An is the controlling shareholder of the Company and hence a connected person of the Company. Gemdale Corporation is the ultimate holding company of Glassy An. Beijing Gemdale, Shenzhen Gemdale, Gemdale Building and Wuhan Dian Juntai are all subsidiaries of Gemdale Corporation. Therefore, each of Gemdale Corporation, Beijing Gemdale, Shenzhen Gemdale, Gemdale Building and Wuhan Dian Juntai is a connected person of the Company. Accordingly, each of the 2017 CCT Agreements constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual cap under each of the 2017 Continuing Connected Transactions is higher than 0.1% but less than 5% on an annual basis, the 2017 Continuing Connected Transactions are subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Introduction

Reference is made to the Announcement in respect of, amongst other things, the CCT Agreements. Unless the context requires otherwise, terms defined in the Announcement shall have the same meanings when used herein.

The Group has been carrying on transactions pursuant to the CCT Agreements which constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Group intends to continue the existing transactions contemplated under the CCT Agreements and it entered into the Renewed CCT Agreements on 29 March 2017.

Apart from the Renewed CCT Agreements, on 29 March 2017, the Group and the Gemdale Group entered into the Entrusted Project Management Agreement in relation to the management of the Project.

Details of the 2017 Continuing Connected Transactions, which are subject to the reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirement under Chapter 14A.76(2) of the Listing Rules, are set out below:

(A) The 2017 Property Development and Technical Services Agreement

As the Group will continue to engage Gemdale Corporation to provide property development and technical services, the 2017 Property Development and Technical Services Agreement was entered into between the Company and Gemdale Corporation on 29 March 2017.

Principal terms of the 2017 Property Development and Technical Services Agreement are set out as follows:

Date: 29 March 2017

Parties: (a) the Company (as principal); and
(b) Gemdale Corporation (as trustee)

Duration: For the year ending 31 December 2017.

Property Development and Technical service: Gemdale Corporation agreed to provide property development and technical services to the Company (or its subsidiary(ies)) in relation to certain property projects of the Company (or its subsidiary(ies)), the scope of which includes the strategic positioning, project design management, construction management, cost control and sales management in respect of such property projects.

Service fee payable: The Group shall pay the service fee calculated based on 0.6% of the contracted sales of the Group's properties receiving such services catered by Gemdale Corporation, but in any event shall not exceed the proposed annual cap of RMB65 million for the year ending 31 December 2017. The service fee will be calculated on a quarterly basis, and payment shall be made on or before the 5th business day of the following quarter.

Payment of the service fee is expected to be satisfied by internal resources of the Group.

Pricing principle for the service fee payable: The service fee with respect to the above property development and technical service payable by the Group has been determined after arm's length negotiations between Gemdale Corporation and the Company with reference to the service fees charged by other companies for similar transactions, the current projects of the Group using the relevant services, the Group's future growth in contracted sales and expansion in terms of projects to be developed over the term of the 2017 Property Development and Technical Services Agreement as well as the prevailing market conditions.

Historical amounts

The aggregate amount paid by the Group for the transactions contemplated under each of the 2015 Property Development and Technical Services Agreement and the Property Development and Technical Services Agreement was approximately RMB32.717 million and approximately RMB29.845 million, respectively.

The proposed annual cap and the basis of determination

The maximum service fee payable by the Group under the 2017 Property Development and Technical Services Agreement shall not exceed RMB65 million, which shall be the proposed annual cap for the year ending 31 December 2017.

The proposed annual cap was determined with reference to the historical transaction figures as listed above, the estimated construction and sale schedules of the relevant property projects in progress and the projected increase in the number of projects to be launched in 2017.

Reasons for and benefits of entering into the 2017 Property Development and Technical Services Agreement

Gemdale Corporation is renowned in the PRC property development industry. The Board believes that it is in the interest of the Company to enter into the 2017 Property Development and Technical Services Agreement to continue the engagement of Gemdale Corporation in providing the property development and technical service for the Group's property projects so as to maintain the sales volume and pricing competitiveness.

Each of the Directors (including the independent non-executive Directors) are of the view that the terms of the 2017 Property Development and Technical Services Agreement are fair and reasonable, and the transactions contemplated thereunder (and the proposed annual cap) are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(B) The 2017 Entrusted Operation Agreement

As Beijing Gemdale, a subsidiary of Gemdale Corporation, will continue to engage the Company (or its subsidiary(ies)) to manage the daily operation of Beijing Gemdale Plaza for and on its behalf, the 2017 Entrusted Operation Agreement was entered into between Beijing Gemdale and the Company on 29 March 2017.

Principal terms of the 2017 Entrusted Operation Agreement are set out as follows:

- Date:** 29 March 2017
- Parties:**
- (a) Beijing Gemdale;
 - (b) Beijing Gemdale, Chaoyang Branch (together with Beijing Gemdale, as principal);
 - (c) the Company; and
 - (d) Beijing Ganglu (as trustee)
- Duration:** For the year ending 31 December 2017.
- Property to be managed:** Beijing Gemdale Plaza* (北京金地廣場) located in No.91, Jian Guo Road, Chao Yang District, Beijing, the PRC (中國北京市朝陽區建國路 91 號) consisting of a gross floor area of 151,351 square meters
- Engagement:** The principal agreed to engage Beijing Ganglu to manage the operations of the Beijing Gemdale Plaza, the scope of which includes the leasing, promotion and operation of the offices, the business solicitation, promotion and operation of the shopping mall as well as handling receipts and payments and financial accounting in the name of Beijing Gemdale.
- Management fee receivable:** The aggregate amount of management fee receivable for the year ending 31 December 2017 shall not exceed RMB26.4 million. Payment of management fee shall be made by the principal to Beijing Ganglu on or before the 5th day of the following quarter.
- Pricing principle for the management fee receivable:** The management fee receivable has been determined after arm's length negotiations between Beijing Gemdale and Beijing Ganglu with reference to the existing costs for operating the Beijing Gemdale Plaza with a margin of 20%, taking into account of a reasonable profit to the Group and the expected tax liabilities of the Group on the management fee received and the prevailing market conditions.

Historical amounts

The amount received by the Group for the transactions contemplated under each of the 2015 Entrusted Operation Agreement and the Entrusted Operation Agreement was approximately RMB19.2 million and approximately RMB25.404 million, respectively.

The proposed annual cap and the basis of determination

The proposed annual cap for the 2017 Entrusted Operation Agreement for the year ending 31 December 2017 is RMB26.4 million.

The proposed annual cap under the 2017 Entrusted Operation Agreement was determined with reference to the historical transaction figures and after considering the property management and lease negotiation work for Beijing Gemdale Plaza in 2017.

Reasons for and benefits of entering into the 2017 Entrusted Operation Agreement

Commercial property operation, which includes strategic positioning, property management, project design management, construction management and business solicitation of shopping malls, offices and hotels, is a business requiring high level of professional knowledge and expertise whereas carrying out property management is only part of the commercial property operation. The Board considers that entering into the 2017 Entrusted Operation Agreement would enable the Group to continue strengthening its experience in commercial property operation and developing its talent pool in this aspect.

Each of the Directors (including the independent non-executive Directors) are of the view that the terms of the 2017 Entrusted Operation Agreement are fair and reasonable, and the transactions contemplated thereunder (and the proposed annual cap) are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(C) The 2017 Property Management Service Agreement

As Shenzhen Vision will continue to engage Shenzhen Gemdale to provide property management services for Phase 1 and Phase 2 of Vision Shenzhen Business Park, the 2017 Property Management Service Agreement was entered into between Shenzhen Gemdale and Shenzhen Vision on 29 March 2017.

Principal terms of the 2017 Property Management Service Agreement are set out as follows:

Date:	29 March 2017
Parties:	(a) Shenzhen Vision; and (b) Shenzhen Gemdale (as the management service provider)
Duration:	For the year ending 31 December 2017.
Property to be managed (the “Property”):	Phase 1 and Phase 2 of Vision Shenzhen Business Park (威新軟件科技園第一及第二期) which is located in 中國深圳市南山區深圳市高新技術產業園高新南九道9號 (No. 9 Gaoxin South 9th Road, Shenzhen Hi-tech Industrial Park, Nanshan District, Shenzhen, the PRC*), with a gross floor area of 143,077 square meters.

Commissioned services: Shenzhen Gemdale is commissioned to provide the property management services in respect of the Property. The management services includes security management, building and communal facilities management, environmental management and operation management.

Management fee payable: The aggregate amount of management fee payable to Shenzhen Gemdale for the year ending 31 December 2017 shall not exceed RMB13 million, which will be evaluated with reference to certain criteria set out in the 2017 Property Management Service Agreement. Payment of management fee for each quarter shall be made on or before the 20th day of the following quarter.

The payment of the management fee is expected to be satisfied by the internal resources of the Group.

Pricing principle for the management fee payable: The management fee payable has been determined after arm's length negotiations between Shenzhen Vision and Shenzhen Gemdale with reference to the anticipated costs for the property management services taking into account of the historical property management cost incurred for the Property, allowance for increases in property management costs (including but not limited to the increase in staff costs and the relevant taxation on the management fee) as well as the prevailing market conditions.

Historical amounts

The aggregate amount paid by the Group for the transactions contemplated under each of the 2015 Property Management Service Agreement and the Property Management Service Agreement was approximately RMB9.459 million and approximately RMB9.113 million, respectively.

The proposed annual cap and the basis of determination

The maximum management fee payable by the Group under the 2017 Property Management Service Agreement shall not exceed RMB13 million, which shall be the proposed annual cap for the year ending 31 December 2017.

The proposed annual cap under the 2017 Property Management Service Agreement was determined after considering the historical figures as listed above and the anticipated increase in the management cost (in particular, the staff cost) in the year of 2017.

Reasons for and benefits of entering into the 2017 Property Management Service Agreement

Shenzhen Gemdale is a top-tier property management company in the PRC. With its extensive experience and good brand name, it would help attract and retain good tenants to continue leasing the properties in the Vision Shenzhen Business Park.

Each of the Directors (including the independent non-executive Directors) are of the view that the terms of the 2017 Property Management Service Agreement are fair and reasonable, and the transactions contemplated thereunder (and the proposed annual cap) are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(D) The 2017 Framework Agreement

As the Company will continue to engage Shenzhen Gemdale to provide property management services on security control, cleaning, liaison, material procurement during the development stage of the property projects of the Group, the 2017 Framework Agreement was entered into between Shenzhen Gemdale and the Company on 29 March 2017.

Principal terms of the 2017 Framework Agreement are set out as follows:

- Date:** 29 March 2017
- Parties:** (a) Shenzhen Gemdale (as the property management services provider); and
(b) the Company
- Duration:** For the year ending 31 December 2017.
- Commissioned services:** Shenzhen Gemdale is commissioned to provide property management services on security control, cleaning, liaison, material procurement relating to property management during the development stage of the property projects of the Group, the scope of which includes but not limited to image showcasing for property management services; providing parking guidance services, transportation services, customer reception services, beverage services; patrolling the sales office; providing cleaning services for showcase units, indoor areas and outdoor areas of the sales office; providing consultancy services in relation to property management; organizing sale supporting functions; providing management and operation services in relation to the lighting, audio system and air-conditioning of the showcase units and the sales office.

Subsidiary agreement(s):

In relation to any property project of the Group which requires the services under the 2017 Framework Agreement, the relevant member of the Group will enter into a separate subsidiary agreement with Shenzhen Gemdale and/or its subsidiary and/or its designated affiliated companies under the same control setting out the specific scope of services required and amount of fees payable in conformity with the principles (including the pricing principle mentioned below) set out in the 2017 Framework Agreement.

All transactions contemplated under the 2017 Framework Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis.

Pricing principle for the service fees payable:

The amount of service fees payable by the Company under the 2017 Framework Agreement shall be based on the costs of provision of the relevant services incurred by Shenzhen Gemdale or its subsidiary (including relevant costs of manpower, equipment and tools, costume, materials, etc.) (the "**Relevant Costs**") plus a management fee equivalent to 10% margin on the Relevant Costs plus tax.

The above pricing principle has been determined after arm's length negotiations between the Company and Shenzhen Gemdale with reference to the actual cost of providing such services and prevailing market conditions. The 10% margin on the Relevant Costs serves as a reimbursement cover of the general and administrative expenses of Shenzhen Gemdale or its relevant subsidiary incurred in providing the services. Such 10% margin is at the lower end of the normal fee range charged by similar service providers in the PRC.

The aggregate amount of service fees payable for the year ending 31 December 2017 shall not exceed RMB50 million.

The payment of the service fees is expected to be satisfied by the internal resources of the Group.

Historical amounts

The aggregate amount paid by the Group for the transactions contemplated under each of the 2015 Framework Agreement and the Framework Agreement was approximately RMB24.833 million and approximately RMB32.099 million, respectively.

The proposed annual cap and the basis of determination

The maximum service fees payable by the Group under the 2017 Framework Agreement shall not exceed RMB50 million, which shall be the proposed annual cap for the year ending 31 December 2017.

This proposed annual cap was determined with reference to the historical figures as listed above and based on the expected service costs to be incurred for the various property projects of the Group to be launched in 2017 plus the aforesaid 10% margin and the tax mark-up over such costs. The substantial increase in the proposed cap in 2017 was mainly resulted from the substantial increase in the Group's projects launch in 2017.

Reasons for and benefits of entering into the 2017 Framework Agreement

Shenzhen Gemdale is a top-tier property management company in the PRC. With its extensive experience and good brand name, the Board believes it would continue providing quality property management services of property projects developed by the Group.

Each of the Directors (including the independent non-executive Directors) are of the view that the terms of the 2017 Framework Agreement are fair and reasonable, and the transactions contemplated thereunder (and the proposed annual cap) are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(E) The 2017 Framework System Installation Agreement

As the Company continues to engage Gemdale Building to provide certain intelligent system project services for its projects, the 2017 Framework System Installation Agreement was entered into between Gemdale Building and the Company on 29 March 2017.

Principal terms of the 2017 Framework System Installation Agreement are set out as follows:

- Date:** 29 March 2017
- Parties:** (a) Gemdale Building (as the contractor); and
(b) the Company (as the employer)
- Duration:** For the year ending 31 December 2017.
- Commissioned services:** Gemdale Building is commissioned to provide certain intelligent system project services for the various property projects of the Group, the scope of which includes but not limited to the installation of parking management system, access control system, video security monitoring system, building visible intercom networking system, indoor alarm system, home cabling system, five-party intercom system, and intelligent integrated network and electric power distribution system, etc.

The project services provided by Gemdale Building shall meet the technical requirements and quality standards as set out in the 2017 Framework System Installation Agreement.

Subsidiary agreement(s):

In relation to any property project of the Group which requires the services under the 2017 Framework System Installation Agreement, the relevant member of the Group will enter into a separate subsidiary agreement with Gemdale Building or its subsidiary setting out the specific scope of services required and amount of fees payable in conformity with the principles (including the pricing principle mentioned below) set out in the 2017 Framework System Installation Agreement.

All transactions contemplated under the 2017 Framework System Installation Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis.

Pricing principle for the service fees payable:

The pricing principle for the services fees payable by the Company under the 2017 Framework System Installation Agreement has been determined by the Company and Gemdale Building with reference to the actual cost of providing relevant services, including manpower, equipment and tools, procurement cost on the construction materials and equipment, and the construction costs (the "**Installation Relevant Costs**") plus a service fee equivalent to 1.25% margin on the Installation Relevant Costs plus tax. Such percentage margin on the Installation Relevant Costs serves as a reimbursement cover of the general administrative expenses of Gemdale Building or its relevant subsidiaries incurred in providing the services and will take into account at the lower end of the normal fee range charged by similar service providers in the PRC.

The aggregate amount of service fees payable for the year ending 31 December 2017 shall not exceed RMB30 million.

The payment of the service fees is expected to be satisfied by the internal resources of the Group.

Historical amounts

The aggregate amount paid by the Group for the aggregate transactions contemplated under each of the 2015 Framework System Installation Agreement and the Framework System Installation Agreement was approximately RMB12.126 million and approximately RMB16.642 million, respectively.

The proposed annual cap and the basis of determination

The maximum service fees payable by the Group under the 2017 Framework System Installation Agreement shall not exceed RMB30 million, which shall be the proposed annual cap for the year ending 31 December 2017.

This proposed annual cap for the year ending 31 December 2017 was determined based on the respective contract sum and the estimated costs in the event of design variations, site inspections as well as other variations which are accepted by the Group in accordance with the respective agreement and after considering the substantial increase in the Group's construction work of various development projects in 2017.

Reasons for and benefits of entering into the 2017 Framework System Installation Agreement

Having considered the cost quotations provided by Gemdale Building to the Group for the provision of intelligent systems which is lower than that obtained by the Group from various independent services providers for provision of similar services, as well as the experience and quality service of Gemdale Building, the Board believes that the continuous engagement of Gemdale Building to provide intelligent system project services to the property projects would help shorten the development time for the property projects, improve the design and quality of the property projects without incurring substantial costs, and strengthen the Group's competitiveness and image in property project development.

Each of the Directors (including the independent non-executive Directors) are of the view that the terms of the 2017 Framework System Installation Agreement are fair and reasonable, and the transactions contemplated thereunder (and the proposed annual cap) are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(F) The Entrusted Project Management Agreement

As Wuhan Dian Juntai, a subsidiary of Gemdale Corporation, will engage Shenzhen Xinwei Investment to manage the Project for and on its behalf, the Entrusted Property Management Agreement was entered into between Wuhan Dian Juntai and Shenzhen Xinwei Investment on 29 March 2017.

Principal terms of the Entrusted Property Management Agreement are set out as follows:

Date:	29 March 2017
Parties:	(a) Shenzhen Xinwei Investment (as trustee); and (b) Wuhan Dian Juntai (as principal)
Duration:	For the year ending 31 December 2017.
Engagement:	Wuhan Dian Juntai agreed to engage Shenzhen Xinwei Investment to manage the marketing, design and liaison work with subcontractors in relation to the pre-launch stage of the Project.
Annual management fee receivable:	The aggregate amount of management fee receivable for the year ending 31 December 2017 shall be RMB17.85 million. Payment of management fee shall be made by Wuhan Dian Juntai to Shenzhen Xinwei Investment no later than 31 December 2017, or at such other time as agreed between Wuhan Dian Juntai and Shenzhen Xinwei Investment.

Pricing principle for the management fee receivable: The management fee receivable has been determined after arm's length negotiations between Shenzhen Xinwei Investment and Wuhan Dian Juntai with reference to the projected costs for operating and managing the Project with a margin of 15-20%, taking into account of a reasonable profit to the Group and the expected tax liabilities of the Company on the management fee received as well as the market conditions.

Historical amounts

Given it is a new service to be provided by Shenzhen Xinwei Investment to Wuhan Dian Juntai, there was no historical transaction.

The proposed annual cap and the basis of determination

The proposed annual cap for the Entrusted Project Management Agreement for the year ending 31 December 2017 is RMB17.85 million.

The proposed annual cap under the Entrusted Project Management Agreement was determined with reference to the cost and a reasonable margin of 15-20%, charged on the expected volume of work to be provided by Shenzhen Xinwei Investment in 2017.

Reasons for and benefits of entering into the Entrusted Project Management Agreement

The Project is the first property development project for Wuhan Dian Juntai at Wuhan, the PRC. Given Shenzhen Xinwei Investment has a long history and a team of experts specializing in relevant experience in commercial property project management, Wuhan Dian Juntai can entrust Shenzhen Xinwei Investment to provide such services professionally and can gain more experience in providing such services in Wuhan in the future.

Each of the Directors (including the independent non-executive Directors) are of the view that the terms of the Entrusted Project Management Agreement are fair and reasonable, and the transactions contemplated thereunder (and the proposed annual cap) are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

GENERAL PRICING MECHANISM FOR THE 2017 CCT AGREEMENTS

The sales and marketing team of the Company having market intelligence regarding pricing of different types of services in the market, is responsible for reviewing and determining the pricing of service or management fees prior to entering into any agreement and submitting a proposal to the management of the Company for approval and assessment on the reasonableness of the pricing.

In respect of the services provided by the Gemdale Group to the Group, as there are alternative sources of service providers with comparable pricing and scope of services, the Group will also reference to the fee quotes of similar services offered by at least two Independent Third Parties for comparison purpose prior to the entering into any agreement. The sales and marketing team will then assess the reasonableness of the pricing for the terms of services offered by the Gemdale Group to the Group to ensure that they are no less favourable to the Group than those offered by the Independent Third Parties, and submit to the Board for approval.

In respect of the services provided by the Group to the Gemdale Group, the Group will obtain at least two quotations from Independent Third Parties providing similar services in the market for comparison purpose. After determining the services or management fees to be charged to the Gemdale Group, the sales and marketing team of the Group will then assess the reasonableness of the pricing of the terms of services offered by the Group to the Gemdale Group to ensure that they are no more favourable than those offered to the Independent Third Parties, and submit to the Board for approval. After the aforesaid procedures, the Group will proceed to negotiate and agree on an arm's length basis with the Gemdale Group.

The Board considers that with the foregoing procedure in place, the transactions contemplated under the 2017 CCT Agreements will be conducted on normal commercial terms and in a manner not prejudicial to the interests of the Company and its minority shareholders.

INTERNAL CONTROL

Appropriate internal control measures are in place to monitor the continuing connected transactions contemplated under the 2017 CCT Agreements to ensure that such transactions are conducted on normal commercial terms. The Audit Committee, which comprises all the independent non-executive Directors, reviews the continuing connected transactions of the Group on an annual basis pursuant to the Listing Rules to confirm if such continuing connected transactions have been entered into according to the relevant contracts on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The external auditors of the Company also conduct an annual review on the pricing and annual caps of the Group's continuing connected transactions for each financial year. It also assists the Audit Committee to consider whether the continuing connected transactions are entered into under ordinary and usual course of the Group's business, on normal commercial terms or, if applicable, on terms no less favorable to the Group than those available from Independent Third Parties. The Group conducts periodic monitoring and evaluation on whether the procedures of the continuing connected transactions are conformed with the internal control requirements of the Company.

INFORMATION ON THE GROUP AND THE CONNECTED PERSONS

The Group is principally engaged in property investment, development and management of residential, commercial and business park projects. Beijing Ganglu, Shenzhen Vision and Shenzhen Xinwei Investment are wholly-owned subsidiaries of the Company. Beijing Ganglu is principally engaged in property development and management. Shenzhen Vision is principally engaged in property investment, development and management of business park projects. Shenzhen Xinwei Investment is principally engaged in investment and property project management.

Gemdale Corporation is primarily focused on the development of residential property (its traditional business segment) and the development of, and investment in, commercial real estate, either on a stand-alone basis or in conjunction with its residential property projects. Beijing Gemdale, Shenzhen Gemdale, Gemdale Building and Wuhan Dian Juntai are all subsidiaries of Gemdale Corporation. Beijing Gemdale is principally engaged in property investment, development and management of commercial properties. Shenzhen Gemdale is principally engaged in property management. Gemdale Building is principally engaged in intelligent building design, construction, technical consulting and management of building equipment maintenance. Wuhan Dian Juntai is principally engaged in property development and real estate agency services.

LISTING RULES IMPLICATIONS

Glassy An is the controlling shareholder of the Company and hence a connected person of the Company. Gemdale Corporation is the ultimate holding company of Glassy An. Beijing Gemdale, Shenzhen Gemdale, Gemdale Building and Wuhan Dian Juntai are all subsidiaries of Gemdale Corporation. Therefore, each of Gemdale Corporation, Beijing Gemdale, Shenzhen Gemdale, Gemdale Building and Wuhan Dian Juntai is a connected person of the Company. Accordingly, each of the 2017 CCT Agreements constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the proposed annual cap under each of the 2017 Continuing Connected Transactions is higher than 0.1% but less than 5% on an annual basis, the 2017 Continuing Connected Transactions are subject to reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

Each of the executive Directors is also a director and/or top management of Gemdale Corporation. Pursuant to the bye-laws of the Company, each of the executive Directors is materially interested in the 2017 Continuing Connected Transactions and has abstained from voting on the relevant board resolutions approving the 2017 CCT Agreements. Save as disclosed above, none of the Directors has a material interest in the 2017 Continuing Connected Transactions.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“Announcement”	the announcement of the Company dated 15 March 2016
“Beijing Ganglu”	北京港旅房地產開發有限公司 (Beijing Ganglu Real Estate Development Company Limited*), a company with limited liability established under the laws of the PRC and a wholly-owned subsidiary of the Company
“CCT Agreements”	collectively, the Property Development and Technical Services Agreement, the Entrusted Operation Agreement, the Property Management Service Agreement, the Framework Agreement and the Framework System Installation Agreement
“2017 CCT Agreements”	collectively, the Renewed CCT Agreements and the Entrusted Project Management Agreement
“2017 Continuing Connected Transactions”	the transactions contemplated under the 2017 CCT Agreements

“2017 Entrusted Operation Agreement”	the renewed entrusted operation agreement dated 29 March 2017 entered into between Beijing Gemdale and the Company in relation to the operation of the Beijing property as set out therein, particulars of which are set out in the sub-section headed “The 2017 Entrusted Operation Agreement” in the section headed “CONTINUING CONNECTED TRANSACTIONS” in this announcement
“2017 Framework Agreement”	the renewed framework agreement dated 29 March 2017 entered into between Shenzhen Gemdale and the Company in relation to the provision of property management service for the development stage of the property projects of the Group as set out therein, particulars of which are set out in the sub-section headed “The 2017 Framework Agreement” in the section headed “CONTINUING CONNECTED TRANSACTIONS” in this announcement
“2017 Framework System Installation Agreement”	the renewed framework agreement dated 29 March 2017 entered into between Gemdale Building and the Company in relation to the provision of certain intelligent system project services for the various property projects of the Group as set out therein, particulars of which are set out in the subsection headed “The 2017 Framework System Installation Agreement” in the section headed “CONTINUING CONNECTED TRANSACTIONS” in this announcement
“2017 Property Development and Technical Services Agreement”	the renewed property development and technical services agreement dated 29 March 2017 entered into between Gemdale Corporation and the Company in relation to the provision of property development and technical services for the property projects of the Group as set out therein, particulars of which are set out in the sub-section headed “The 2017 Property Development and Technical Services Agreement” in the section headed “CONTINUING CONNECTED TRANSACTIONS” in this announcement
“2017 Property Management Service Agreement”	the renewed property management service agreement dated 29 March 2017 entered into between Shenzhen Vision and Shenzhen Gemdale in relation to the provision of property management service for the property as set out therein, particulars of which are set out in the sub-section headed “The 2017 Property Management Service Agreement” in the section headed “CONTINUING CONNECTED TRANSACTIONS” in this announcement
“Entrusted Project Management Agreement”	the entrusted project management agreement dated 29 March 2017 entered into between Wuhan Dian Juntai and Shenzhen Xinwei Investment in relation to the management of the Project as set out therein, particulars of which are set out in the sub-section headed “The Entrusted Project Management Agreement” in the section headed “CONTINUING CONNECTED TRANSACTIONS” in this announcement

“Independent Third Party(ies)”	person(s) or company(ies) which is (are) independent of and not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates
“Gemdale Group”	Gemdale Corporation and its subsidiaries
“Project”	the property development project in the name of 金地自在城 K2 地塊六期 1#商業體項目(Commercial complex #1, phase 6, land parcel K2, Gemdale Free City*), located at Wufeng Village, Qingshan District, Wuhan, the PRC
“Renewed CCT Agreements”	collectively, the 2017 Property Development and Technical Services Agreement, the 2017 Entrusted Operation Agreement, the 2017 Property Management Service Agreement, the 2017 Framework Agreement and the 2017 Framework System Installation Agreement
“Shenzhen Xinwei Investment”	深圳市新威投资有限公司(Shenzhen Xinwei Investment Company Limited*), a company with limited liability established under the laws of the PRC and a wholly-owned subsidiary of the Company
“Wuhan Dian Juntai”	武漢市地安君泰房地產開發有限公司(Wuhan Dian Juntai Property Development Company Limited*), a company with limited liability established under the laws of the PRC and a subsidiary of Gemdale Corporation

By Order of the Board
Gemdale Properties and Investment Corporation Limited
Huang Juncan
Chairman and Executive Director

Hong Kong, 29 March 2017

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Ling Ke, Mr. Huang Juncan, Mr. Xu Jiajun 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. Hu Chunyuan.

** For identification purpose only*