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## **Gemdale Properties and Investment Corporation Limited**

**金地商置集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 535)**

### **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT**

#### **THE 2017 SUBSCRIPTION**

The Board announce that on 27 April 2017, Shanghai Zhongjun, a subsidiary of the Company, and Agricultural Bank of China entered into the wealth management product agreement, whereby Shanghai Zhongjun agreed to subscribe for the wealth management product issued by Agricultural Bank of China at the principal amount of RMB300 million.

#### **LISTING RULES IMPLICATIONS**

As the 2017 Subscription together with the 2016 Subscription were made between Shanghai Zhongjun and Agricultural Bank of China within a 12-month period, the 2017 Subscription will be aggregated with the 2016 Subscription as if they were one transaction pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the 2017 Subscription in aggregate with the 2016 Subscription exceed 5% but are less than 25%, the 2017 Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

#### **THE 2017 SUBSCRIPTION**

The Board announce that on 27 April 2017, Shanghai Zhongjun, a subsidiary of the Company, and Agricultural Bank of China entered into the wealth management product agreement, whereby Shanghai Zhongjun agreed to subscribe for the wealth management product issued by Agricultural Bank of China at the principal amount of RMB300 million. The principal terms and conditions of the wealth management product are set out below:

**Date:**

27 April 2017

**Parties:**

- (1) Agricultural Bank of China, as the issuer
- (2) Shanghai Zhongjun, as the subscriber

Agricultural Bank of China is a bank licensed and incorporated under the laws of the PRC and its principal business is to provide corporate and personal banking, trade service, credit facilities, cash management, risk hedging and other financial services. To the best of the Directors' knowledge, information and belief, Agricultural Bank of China and its ultimate beneficial owners are Independent Third Parties.

**Principal amount:**

RMB300 million

**Investment period:**

From the date of the 2017 Subscription up to 25 June 2020

**Investment portfolio:**

The wealth management product will be invested by the asset manager in government bonds, treasury bonds, central bank bills, money market instruments, short-term treasury bonds with high credit rating (including corporate bonds of inter-bank market and listed in exchange market, corporate bonds, medium-term notes, short-term financing bonds, ultra-short-term financing bonds, other public or non-public oriented convertible debt financing instruments), etc.

**Investment profit:**

The investment profit shall be calculated as follows:

Investment profit = principal amount x actual rate of return x actual days of investment/365.

**Annual rate of return:**

Tenor – 1 to 7 days: 2.30%, 8 to 14 days: 2.40%, 15 to 30 days: 2.80%, 31 to 60 days: 3.15%, 61 to 90 days: 3.35%, 91 days or above: 3.55% (net of the relevant fee). If there is any change of annual rate of return by Agricultural Bank of China, then the sub-interest-bearing approach will be adopted: the new annual rate of return would be applied to the principal invested and all new purchase since the effective date (including that date) of the new rate of return.

**Early termination of investment:**

Agricultural Bank of China may early terminate the wealth management product if:

1. there is extreme market conditions which resulting in significant fluctuations in investors' net worth of funds;
2. there is a major change of the national treasury policy which affecting the normal operation of the wealth management product;
3. there is a force majeure event which includes but not limited to earthquake, fire, war and labour strike;
4. there is other circumstance where Agricultural Bank of China considers that it is appropriate to terminate the wealth management product.

On the other hand, Shanghai Zhongjun has the right of early redemption of the wealth management product at any time under certain circumstances.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE 2017 SUBSCRIPTION**

The 2017 Subscription will be funded by the internal resources of Shanghai Zhongjun which will provide a good investment opportunity for the Group. The 2017 Subscription will achieve a better return than the time deposit rates offered by the commercial banks in the PRC and the 2017 Subscription can maximise the use of funds by the Group.

The Directors consider that the 2017 Subscription will not cause any adverse effects on the working capital and principal business operation of the Group. The Directors (including independent non-executive Directors) are therefore of the view that the 2017 Subscription is fair and reasonable and is in the interests of the Company and its shareholders as a whole.

## **PREVIOUS SUBSCRIPTION**

During the past 12 months, Shanghai Zhongjun subscribed for the wealth management product issued by Agricultural Bank of China at the principal amount of RMB1.3 billion on 13 December 2016, details of which were set out in the announcement of the Company dated 13 December 2016. As at the date of this announcement, the wealth management product in respect of the 2016 Subscription have not yet been redeemed.

## **INFORMATION RELATED TO THE GROUP**

The Group is principally engaged in property development, investment and management of residential, commercial and business park projects.

## **LISTING RULES IMPLICATIONS**

As the 2017 Subscription together with the 2016 Subscription were made between Shanghai Zhongjun and Agricultural Bank of China within a 12-month period, the 2017 Subscription will be aggregated with the 2016 Subscription as if they were one transaction pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the 2017 Subscription in aggregate with the 2016 Subscription exceed 5% but are less than 25%, the 2017 Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

## **DEFINITIONS**

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

“2016 Subscription”	on 13 December 2016, Shanghai Zhongjun and Agricultural Bank of China entered into a wealth management product agreement, whereby Shanghai Zhongjun agreed to subscribe for the wealth management product issued by Agricultural Bank of China at the principal amount of RMB1.3 billion, the principal terms of which were set out in the announcement of the Company dated 13 December 2016
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“2017 Subscription”	on 27 April 2017, Shanghai Zhongjun and Agricultural Bank of China entered into a wealth management product agreement, whereby Shanghai Zhongjun agreed to subscribe for the wealth management product issued by Agricultural Bank of China at the principal amount of RMB300 million, the principal terms of which are set out in this announcement
“Agricultural Bank of China”	中國農業銀行股份有限公司深圳分行 (Agricultural Bank of China Co., Ltd., Shenzhen Branch), a bank licensed and incorporated under the laws of the PRC
“Board”	the board of Directors
“Company”	Gemdale Properties and Investment Corporation Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties independent of the Company and its connected persons (within the meaning of the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shanghai Zhongjun”	Shanghai Zhongjun Real Estate Development Co., Ltd., a company established in the PRC and a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 27 April 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 purposes only*