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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 DISPOSAL OF LOAN RECEIVABLES**

#### **THE LOAN RECEIVABLE TRANSFER AGREEMENT**

The Board announces that on 5 May 2017 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Loan Receivable Transfer Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire the Loan Receivables at a total consideration of RMB200 million, which will be settled by way of cash by the Purchaser.

#### **LISTING RULES IMPLICATIONS**

As the Loan Receivable Transfer Agreement together with the Previous Agreement were made with the Purchaser within a 12-month period prior to the date of the Loan Receivable Transfer Agreement, the Loan Receivable Transfer Agreement will be aggregated with the Previous Agreement as if they were one transaction pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules. As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal under the Loan Receivable Transfer Agreement together with the Previous Agreement exceed 5% but is less than 25%, the entering into the Loan Receivable Transfer Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and therefore is subject to the reporting and announcement requirements under the Listing Rules.

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## THE LOAN RECEIVABLE TRANSFER AGREEMENT

The principal terms of the Loan Receivable Transfer Agreement are set out below:

Date : 5 May 2017 (after trading hours)

Parties : Vendor: Jinchengxin, a wholly-owned subsidiary of the Company  
Purchaser: China Railway Trust

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, China Railway Trust and its ultimate beneficial owner(s) are Independent Third Parties.

Subject matter of the Disposal : Pursuant to the Loan Receivable Transfer Agreement, the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Loan Receivables. The aggregate face value of the Loan Receivables as at the date of this announcement is RMB200 million (the "**Face Value**"), which comprises loans receivables due from various individuals/corporates which has borrowed money from the Vendor with aggregate principal amount of RMB200 million.

The maturity date of the Loan Receivables transferred will not be later than 31 March 2018.

Consideration : The Consideration for the Loan Receivables is RMB200 million, which is equal to the Face Value. The aggregate Consideration will be settled by way of cash by the Purchaser within 10 working days from the date of the Loan Receivable Transfer Agreement.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the Face Value of the Loan Receivables as at the date of this announcement and the aging and possibility of the recovery of the Loan Receivables.

Based on the aforesaid, the Directors are of the view that the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Loan Receivable Transfer Agreement is in the interests of the Company and the Shareholders as a whole.

- Completion : Completion will take place upon the date of receipt of the Consideration. Upon Completion, the Group ceased to have any interest in the Loan Receivables.
- Entrusted operating services : After Completion, the Purchaser agreed to engage the Vendor to manage the operations of the Loan Receivables, including to collect the respective repayment of principals and interest under the Loan Receivables on behalf of the Purchaser and then transfer the agreed return to the Purchaser under the Trust.
- Management fee receivable : The Vendor will charge a management fee to the Purchaser on a quarterly basis. The management fee is calculated with reference to excess of interest income/principal collected from the Loan Receivables less the agreed return to be received by the Purchaser under the Trust.

### **PREVIOUS AGREEMENT**

During the past 12 months, the Vendor entered into a loan receivable transfer agreement with the Purchaser on 31 March 2017, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire loan receivables at a total consideration of RMB300 million, which was settled by way of cash by the Purchaser. The disposal under the Previous Agreement, standing alone, does not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

### **REASONS FOR AND BENEFITS FOR ENTERING INTO THE LOAN RECEIVABLE TRANSFER AGREEMENT AND USE OF PROCEEDS**

It is estimated that the Group will not recognise any gain or loss on the Disposal while the Group will receive RMB200 million cash after Completion.

The Board considers that, the entering into Loan Receivable Transfer Agreement enable the Group to have more financial resources and flexibility to other investment opportunities with higher investment return. Besides, the Group is able to charge a management fee over the collection of the sold Loan Receivables which generates extra revenue and profit to the Group. The proceeds from the Disposal and the disposal under the Previous Agreement will be applied for future investment and/or general working capital of the Group.

Therefore, the Directors are of the view that the terms of the Loan Receivable Transfer Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **INFORMATION ON THE PURCHASER**

China Railway Trust is a state-owned enterprise in the PRC, which is principally engaged in the fund trust, property trust, real estate trust, securities trust, and investment fund business as investment fund or fund management company founder and entrusted with the securities underwriting business approved by the relevant departments of the Chinese State Council. China Railway Trust is a subsidiary of China Railway Group Limited (中國中鐵股份有限公司), which is a joint stock limited company incorporated in the PRC and the H shares and A shares of which are listed on the Stock Exchange (stock code: 390) and the Shanghai Stock Exchange (stock code: 601390), respectively.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, China Railway Trust and its ultimate beneficial owner(s) are Independent Third Parties.

## **INFORMATION ON THE GROUP AND THE VENDOR**

The Group is principally engaged in property investment, development and management of residential, commercial and business park projects. Jinchengxin is a company with limited liability established in the PRC and a wholly-owned subsidiary of the Group engaging in provision of short-term loans to individuals/corporates with temporary financial needs.

## **LISTING RULES IMPLICATIONS**

As the Loan Receivable Transfer Agreement together with the Previous Agreement were made with the Purchaser within a 12-month period prior to the date of the Loan Receivable Transfer Agreement, the Loan Receivable Transfer Agreement will be aggregated with the Previous Agreement as if they were one transaction pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules. As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal under the Loan Receivable Transfer Agreement together with the Previous Agreement exceed 5% but is less than 25%, the entering into the Loan Receivable Transfer Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and therefore is subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	Gemdale Properties and Investment Corporation Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Disposal pursuant to the Loan Receivable Transfer Agreement
“Consideration”	consideration of the Disposal of RMB200 million which will be satisfied by way of cash by the Purchaser
“Directors(s)”	the director(s) of the Company
“Disposal”	the disposal of the Loan Receivables pursuant to the Loan Receivable Transfer Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is (are) not connected person(s) (as defined under the Listing Rules) of the Company and is (are) independent of and not connected with the Company and its connected person(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Receivable Transfer Agreement”	the loan receivable transfer agreement dated 5 May 2017 entered into between the Vendor and the Purchaser in relation to the Disposal

“Loan Receivables”	the loan receivables due to the Vendor under which the aggregate principal amounts due from various individuals/corporates amounted to RMB200 million which will be disposed to the Purchaser pursuant to the terms of the Loan Receivable Transfer Agreement. The maturity date of the Loan Receivables will not be later than 31 March 2018.
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan (Republic of China)
“Previous Agreement”	the loan receivables transfer agreement dated 31 March 2017 entered into between the Vendor and the Purchaser in relation to the disposal of loan receivables due to the Vendor under which the aggregate principal amounts due from various individuals/corporates amounted to RMB300 million. The maturity date of such loan receivables will not be later than 31 March 2018.
“Purchaser” or “China Railway Trust”	中鐵信託有限責任公司 (China Railway Trust Co., Ltd.), a state-owned enterprise in the PRC, on behalf of the Trust
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the ordinary shares of HK\$0.1 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Trust”	中鐵信託 – 渤盈 59 號單一資金信託 (China Railway Trust – Boying 59 Single Fund Trust*), a single trust established by China Railway Trust

“Vendor” or  
“Jinchengxin” 深圳市金誠信小額貸款有限責任公司 (Shenzhen Jinchengxin Microcredit Co., Ltd.\*), a company established with limited liability under the laws of the PRC and a wholly-owned subsidiary of the Company

“%” per cent

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

Hong Kong, 5 May 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*