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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 AND CONNECTED TRANSACTION IN RELATION TO THE PROVISION OF LOAN

THE LOAN AGREEMENT

The Board announces that, on 3 April 2018, Shanghai Zhongjun, a non-wholly owned subsidiary of the Company, entered into the Loan Agreement with Singlong Suzhou, pursuant to which Shanghai Zhongjun (as Lender) agreed to provide a loan in the principal amount of RMB1,921.2 million to Singlong Suzhou (as Borrower).

LISTING RULES IMPLICATIONS

As the Loan Agreement together with the Previous Entrusted Loan Agreement were made with the subsidiaries of FCL, which is a substantial shareholder of Shanghai Zhongjun, within a 12-month period prior to the date of the Loan Agreement, the Loan Agreement will be aggregated with the Previous Entrusted Loan 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 in respect of the Loan Agreement in aggregate with the Previous Entrusted Loan Agreement exceed 5% but is less than 25%, the entering into the Loan 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.

Shanghai Zhongjun is a non-wholly owned subsidiary of the Company. Singlong Suzhou is a subsidiary of FCL which is a substantial shareholder holding 45.15% beneficial interest in Shanghai Zhongjun. Accordingly, Singlong Suzhou is a connected person of the Company (at the subsidiary level) under Chapter 14A of the Listing Rules. As a result, the entering into the Loan Agreement between Shanghai Zhongjun and Singlong Suzhou constitutes a connected transaction of the Company. Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Loan Agreement together with the Previous Entrusted Loan Agreement have been aggregated. As the Directors (including all the independent non-executive Directors) have confirmed that the Loan Agreement is on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and its shareholders as a whole, such transaction is only subject to the reporting, announcement and annual review requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rule.

INTRODUCTION

Reference is made to the announcement of Company dated 2 August 2017 in relation to the Connected Transaction in respect of the Previous Entrusted Loan Agreement.

The Board announces that, on 3 April 2018, Shanghai Zhongjun, a non-wholly owned subsidiary of the Company, entered into the Loan Agreement with Singlong Suzhou, pursuant to which Shanghai Zhongjun (as Lender) agreed to provide a loan in the principal amount of RMB1,921.2 million to Singlong Suzhou (as Borrower).

THE LOAN AGREEMENT

The principal terms of the Loan Agreement are as follows:-

Date	:	3 April 2018
Parties	:	(a) Shanghai Zhongjun (as Lender); (b) Singlong Suzhou (as Borrower)
Loan principal	:	RMB1,921.2 million
Term	:	12 months from the date of drawdown
Purpose	:	For Singlong Suzhou to finance, amongst others, the operational needs of its projects in the PRC
Interest	:	Floating rate in accordance with the benchmark lending rate in the People's Bank of China, current interest rate is 4.35% per annum
Repayment	:	To be repaid at the earlier of:- (a) 12 months from the date of drawdown; or (b) 1 month from the date of demand of repayment from the Lender.

INFORMATION OF THE GROUP, SHANGHAI ZHONGJUN AND THE BORROWER

The Group is principally engaged in property investment, development and management of residential, commercial and business park projects. Shanghai Zhongjun is a non-wholly owned subsidiary of the Company and is principally engaged in property development in the PRC.

Singlong Suzhou is a subsidiary of FCL which is a company holding 45.15% beneficial interest in Shanghai Zhongjun and is a company listed on the stock exchange of Singapore. Singlong Suzhou is principally engaged in property development in the PRC.

REASON FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT FOR THE COMPANY

Shanghai Zhongjun is owned as to 54.85% and 45.15% by the Group and FCL, respectively. As a result of the large amount of sales caused to large amount of cash reserve recorded by the Shanghai Zhongjun's project, through the provision of loans to its two shareholders, Shanghai Zhongjun can use its idle funds more flexible and the Group and FCL can extract funds from its proportion of loans for financing other projects. At the earlier time, Shanghai Zhongjun has provided loans of more than RMB1 billion to other consolidated projects of the Group. FCL requested Shanghai Zhongjun to obtain its attributable cash for its investment purposes in accordance with its equity interest in Shanghai Zhongjun. As such, Shanghai Zhongjun was requested to provide a loan of RMB1,921.2 million to Singlong Suzhou. As at 28 February 2018, the cash balance of Shanghai Zhongjun was more than RMB3 billion. Shanghai Zhongjun will provide the Loan through its internal cash resources and the provision of the Loan to Singlong Suzhou will not have a significant impact over the Group's results, operations or financial position. The purpose of the Loan for Singlong Suzhou is to finance, amongst others, the operational needs of its projects in the PRC.

The Loan's interest rate is higher than the interest rate received by the Group by placing cash deposits with commercial banks in the PRC. Also, the Group has the flexibility for loan repayment and all interests accrued thereon at any time. Taking into account of the satisfactory financial background of the Borrower and its holding company, FCL, a company listed on the stock exchange of Singapore, and the two shareholders of Shanghai Zhongjun can obtain the amount of loans in accordance with their respective equity interest in Shanghai Zhongjun, the Directors (including the independent non-executive Directors) are of the view that the Loan will provide a better utilization of such surplus cash with acceptable levels of risk, and that the Loan Agreement was entered into on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

PREVIOUS ENTRUSTED LOAN

On 2 August 2017, Shanghai Zhongjun entered into an entrusted loan agreement with Chengdu Logistics and a bank, pursuant to which Shanghai Zhongjun (as lender) agreed to grant an entrusted loan in the principal amount of RMB400 million to Chengdu Logistics (as borrower) through the bank (as lending agent) at floating rate in accordance with the benchmark lending rate in the People's Bank of China (the then interest rate was 4.35% per annum) to be repaid at the earlier of: (a) 12 months from the date of drawdown; or (b) 1 month from the date of demand of repayment from the lender. As at the date of this announcement, an amount of RMB60 million of the Previous Entrusted Loan was repaid.

LISTING RULES IMPLICATIONS

As the Loan Agreement together with the Previous Entrusted Loan Agreement were made with the subsidiaries of FCL, which is a substantial shareholder of Shanghai Zhongjun, within a 12-month period prior to the date of the Loan Agreement, the Loan Agreement will be aggregated with the Previous Entrusted Loan 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 in respect of the Loan Agreement in aggregate with the Previous Entrusted Loan Agreement exceed 5% but is less than 25%, the entering into the Loan 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.

Shanghai Zhongjun is a non-wholly owned subsidiary of the Company. Singlong Suzhou is a subsidiary of FCL which is a substantial shareholder holding 45.15% beneficial interest in Shanghai Zhongjun. Accordingly, Singlong Suzhou is a connected person of the Company (at the subsidiary level) under Chapter 14A of the Listing Rules. As a result, the entering into the Loan Agreement between Shanghai Zhongjun and Singlong Suzhou constitutes a connected transaction of the Company. Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Loan Agreement together with the Previous Entrusted Loan Agreement have been aggregated. As the Directors (including all the independent non-executive Directors) have confirmed that the Loan Agreement is on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and its shareholders as a whole, such transaction is only subject to the reporting, announcement and annual review requirements but is exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

None of the Directors have a material interest in the Loan Agreement and the transactions contemplated thereunder and therefore, none of the Directors has abstained from voting on the resolutions of the Board for approval of the Loan Agreement.

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
“Chengdu Logistics”	Chengdu Sino-Singapore South West Logistics Co. Ltd., a company established in the PRC, is a subsidiary of FCL
“Company”	Gemdale Properties and Investment Corporation Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“FCL”	Frasers Centrepoint Limited, a company incorporated in Singapore with limited liability and the shares of which are listed on the stock exchange of Singapore
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan with the principal amount of RMB1,921.2 million agreed to be provided by Shanghai Zhongjun (as Lender) to Singlong Suzhou (as Borrower) in accordance with the Loan Agreement
“Loan Agreement”	a loan agreement dated 3 April 2018 entered into between Shanghai Zhongjun and Singlong Suzhou pursuant to the Loan
“Percentage Ratio(s)”	has the meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan (Republic of China) for the purposes of this announcement

“Previous Entrusted Loan”	an entrusted loan with the principal amount of RMB400 million agreed to be granted by Shanghai Zhongjun (as lender) to Chengdu Logistics (as borrower) through a bank (as lending agent) in accordance with the Previous Entrusted Loan Agreement
“Previous Entrusted Loan Agreement”	an entrusted loan agreement dated 2 August 2017 entered into between Shanghai Zhongjun, Chengdu Logistics and a bank pursuant to the Previous Entrusted Loan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Zhongjun” or “Lender”	Shanghai Zhongjun Real Estate Development Co., Ltd., a company established in the PRC, is a non-wholly owned subsidiary of the Company
“Singlong Suzhou” or “Borrower”	Singlong Real Estate (Suzhou) Co., Ltd., a company established in the PRC, is a subsidiary of FCL
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

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

Hong Kong, 3 April 2018

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*