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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 TRANSACTIONS IN RELATION TO THE PROVISION OF LOANS**

#### **THE LOAN AGREEMENTS**

The Board announces that, on 2 August 2018, Shanghai Zhongjun, a non-wholly owned subsidiary of the Company, entered into a loan agreement with each of Chengdu Logistics and Singlong Suzhou, pursuant to which Shanghai Zhongjun agreed to provide a loan in the principal amount of RMB180 million and RMB160 million to each of Chengdu Logistics and Singlong Suzhou, respectively.

#### **LISTING RULES IMPLICATIONS**

As the Loan Agreements together with the Previous 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 Agreements, the Loan Agreements will be aggregated with the Previous 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 Agreements in aggregate with the Previous Loan Agreement exceed 5% but is less than 25%, the entering into the Loan Agreements constitute discloseable transactions 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. Each of Chengdu Logistics and Singlong Suzhou is a subsidiary of FCL which is a substantial shareholder holding 45.15% beneficial interest in Shanghai Zhongjun. Accordingly, each of Chengdu Logistics and 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 Agreements between Shanghai Zhongjun and each of Chengdu Logistics and Singlong Suzhou constitute connected transactions of the Company. Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Loan Agreements together with the Previous Loan Agreement have been aggregated. As the Directors (including all the independent non-executive Directors) have confirmed that the Loan Agreements are on normal commercial terms and their terms are fair and reasonable and in the interests of the Company and its shareholders as a whole, such transactions are only subject to the reporting, announcement and annual review requirements but are 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 3 April 2018 in relation to the Discloseable and Connected Transaction in respect of the Previous Loan Agreement.

The Board announces that, on 2 August 2018, Shanghai Zhongjun, a non-wholly owned subsidiary of the Company, entered into a loan agreement with each of Chengdu Logistics and Singlong Suzhou, pursuant to which Shanghai Zhongjun agreed to provide a loan in the principal amount of RMB180 million and RMB160 million to each of Chengdu Logistics and Singlong Suzhou, respectively.

## THE LOAN AGREEMENTS

Principal terms of the Loan Agreements are as follows:-

	<b>Loan Agreement A</b>	<b>Loan Agreement B</b>
Date	: 2 August 2018	2 August 2018
Parties	: (a) Shanghai Zhongjun (as lender); (b) Chengdu Logistics (as borrower)	(a) Shanghai Zhongjun (as lender); (b) Singlong Suzhou (as borrower)
Loan principal	: RMB180 million	RMB160 million
Purpose	: For Chengdu Logistics to finance, amongst others, the operational needs of its projects in the PRC	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) 29 May 2019; or (b) 1 month from the date of demand of repayment from the lender.	

## **INFORMATION OF THE GROUP, SHANGHAI ZHONGJUN AND THE BORROWERS**

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.

Each of Chengdu Logistics and 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. Chengdu Logistics is principally engaged in development and construction, operation and leasing of logistic centres while Singlong Suzhou is principally engaged in property development in the PRC.

## **REASON FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENTS FOR THE COMPANY**

The Loans' 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 borrowers and their 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 Loans will provide a better utilization of such surplus cash with acceptable levels of risk, and that the Loan Agreements were entered into on normal commercial terms and their terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **PREVIOUS LOAN**

On 3 April 2018, Shanghai Zhongjun entered into a 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) 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.

## **LISTING RULES IMPLICATIONS**

As the Loan Agreements together with the Previous 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 Agreements, the Loan Agreements will be aggregated with the Previous 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 Agreements in aggregate with the Previous Loan Agreement exceed 5% but is less than 25%, the entering into the Loan Agreements constitute discloseable transactions 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. Each of Chengdu Logistics and Singlong Suzhou is a subsidiary of FCL which is a substantial shareholder holding 45.15% beneficial interest in Shanghai Zhongjun. Accordingly, each of Chengdu Logistics and 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 Agreements between Shanghai Zhongjun and each of Chengdu Logistics and Singlong Suzhou constitute connected transactions of the Company. Pursuant to Rule 14A.81 of the Listing Rules, the transactions contemplated under the Loan Agreements together with the Previous Loan Agreement have been aggregated. As the Directors (including all the independent non-executive Directors) have confirmed that the Loan Agreements are on normal commercial terms and their terms are fair and reasonable and in the interests of the Company and its shareholders as a whole, such transactions are only subject to the reporting, announcement and annual review requirements but are 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 Agreements 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 Agreements.

## **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”	Fraser’s 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
“Loans”	loans with the principal amount of RMB180 million and RMB160 million agreed to be provided by Shanghai Zhongjun to each of Chengdu Logistics and Singlong Suzhou
“Loan Agreements”	collectively, the Loan Agreement A and the Loan Agreement B
“Loan Agreement A”	a loan agreement dated 2 August 2018 entered into between Shanghai Zhongjun and Chengdu Logistics pursuant to the loan with the principal amount of RMB180 million
“Loan Agreement B”	a loan agreement dated 2 August 2018 entered into between Shanghai Zhongjun and Singlong Suzhou pursuant to the loan with the principal amount of RMB160 million
“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 Loan”	a loan with the principal amount of RMB1,921.2 million agreed to be granted by Shanghai Zhongjun (as lender) to Singlong Suzhou (as borrower) (as lending agent) in accordance with the Previous Loan Agreement
“Previous Loan Agreement”	a loan agreement dated 3 April 2018 entered into between Shanghai Zhongjun and Singlong Suzhou pursuant to the Previous Loan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Zhongjun”	Shanghai Zhongjun Real Estate Development Co., Ltd., a company established in the PRC, is a non-wholly owned subsidiary of the Company
“Singlong Suzhou”	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, 2 August 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*