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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 TRANSACTION TENANCY AGREEMENT

CONTINUING CONNECTED TRANSACTION

The Board announces that, on 26 June 2015, Shenzhen Vision (as the Landlord) entered into the Tenancy Agreement with Shenzhen Gemdale (as the Tenant) in respect of the leasing of the Leased Premises for a term of 34 months.

LISTING RULES IMPLICATIONS

The Landlord is a wholly-owned subsidiary of the Company. The Tenant is a subsidiary of Gemdale Corporation which is the controlling shareholder of the Company. Therefore, the Tenant is a connected person of the Company. Accordingly, the transactions contemplated under the Tenancy Agreement constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the annual caps under the Continuing Connected Transaction is higher than 0.1% but less than 5% on an annual basis, the Continuing Connected Transaction is 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.

INTRODUCTION

The Board announces that, on 26 June 2015, Shenzhen Vision (as the Landlord) entered into the Tenancy Agreement with Shenzhen Gemdale (as the Tenant) in respect of the leasing of the Leased Premises for a term of 34 months.

THE TENANCY AGREEMENT

The principal terms of the Tenancy Agreement are set out below:

- Date : 26 June 2015
- Parties : (a) Shenzhen Vision (as the Landlord); and
(b) Shenzhen Gemdale (as the Tenant)
- Leased Premises : 中國深圳市南山區高新南九道9號深圳威新軟件科技園7號樓3層及3A層 (3rd Floor and 3A Floor, Block 7, Vision Shenzhen Business Park, 9 Gaoxin 9th South Road, Nanshan District, Shenzhen, PRC*) , with a total gross floor area of approximately 5,830 square meters
- Term : 34 months commencing from 1 July 2015 to 30 April 2018 (both days inclusive)
- Rent and property management fee : The annual rent and property management fee payable by the Tenant to the Landlord are aggregated as follows:
(i) For the period ending 31 December 2015: RMB3,235,528;
(ii) For the year ending 31 December 2016: RMB7,345,523;
(iii) For the year ending 31 December 2017: RMB7,345,523; and
(iv) For the period ending 31 December 2018: RMB2,448,508.

The rent receivable under the Tenancy Agreement, and its terms and conditions, was determined between the parties after arm's length negotiations with reference to the market price. The rent under the Tenancy Agreement is align with the market rental rate, and fair and reasonable.

ANNUAL CAPS

During the subsistence of the Tenancy Agreement, the maximum aggregate annual amount of the rent and property management fee will not exceed the following caps:-

<u>Financial year ending 31 December</u>	<u>Annual cap (RMB)</u>
2015	3,236,000
2016	7,346,000
2017	7,346,000
2018	2,449,000

The above annual caps are determined by the Company with reference to the aggregate amount of the annual rent and property management fee receivable by the Landlord from the Tenant under the Tenancy Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

Since the Tenant is a connected person of the Company, the Company is willing to lease the Leased Premises to a company which is familiar to the Company to ensure the timely payment of rent and other related charges.

The terms of the Tenancy Agreement were arrived at after arm's length negotiations on normal commercial terms. The rental amount under the Tenancy Agreement was determined with reference to the rent payable in similar transactions and the prevailing market conditions.

The Directors (including the independent non-executive Directors) consider that the terms under the Tenancy Agreement are fair and reasonable and the transactions contemplated thereunder (and the annual caps) have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms and in the interests of Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The Landlord is a wholly-owned subsidiary of the Company. The Tenant is a subsidiary of Gemdale Corporation which is the controlling shareholder of the Company. Therefore, the Tenant is a connected person of the Company. Accordingly, the transactions contemplated under the Tenancy Agreement constitute a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the annual caps under the Continuing Connected Transaction is higher than 0.1% but less than 5% on an annual basis, the Continuing Connected Transaction is 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 Continuing Connected Transaction and has abstained from voting on the relevant Board resolutions approving the Tenancy Agreement. Save as disclosed above, none of the Directors has a material interest in the Continuing Connected Transaction and is required to abstain from voting in the relevant Board resolutions.

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. Shenzhen Vision is a wholly-owned subsidiary of the Company and is principally engaged in property investment, development and management of business park projects.

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. Shenzhen Gemdale is a subsidiary of Gemdale Corporation and is principally engaged in property management.

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 of Hong Kong Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the transactions contemplated under the Tenancy Agreement
“Director(s)”	the director(s) of the Company
“Gemdale Corporation”	金地（集團）股份有限公司 (Gemdale Corporation*), a company established in the PRC which is listed on the Shanghai Stock Exchange, which is a connected person of the Company under the Listing Rules by virtue of it being the ultimate controlling shareholder of the Company holding approximately 43.34% interest in the issued shares of the Company through its wholly-owned subsidiary as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Landlord” or “Shenzhen Vision”	深圳威新軟件科技有限公司 (Vision (Shenzhen) Software Technology Co., Ltd.*), a company with limited liability established under the laws of the PRC and a wholly-owned subsidiary of the Company

“Leased Premises”	中國深圳市南山區高新南九道9號深圳威新軟件科技園7號樓3層及3A層 (3 rd Floor and 3A Floor, Block 7, Vision Shenzhen Business Park, 9 Gaoxin 9 th South Road, Nanshan District, Shenzhen, PRC*) , with a total gross floor area of approximately 5,830 square meters
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“Tenancy Agreement”	the tenancy agreement dated 26 June 2015 entered into between the Landlord and the Tenant in respect of the leasing of the Leased Premises, particulars of which are set out in this announcement
“Tenant” or “Shenzhen Gemdale”	深圳市金地物業管理有限公司 (Shenzhen Gemdale Property Management Ltd.*), a company with limited liability established under the laws of the PRC and a subsidiary of Gemdale Corporation
“%”	per cent

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

Hong Kong, 26 June 2015

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*