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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 TRANSACTIONS

The Group has been carrying on transactions pursuant to the 2022 CCT Agreements which constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The term of each of the 2022 CCT Agreements will expire on 31 December 2022. The Group intends to continue carrying out all transactions contemplated under the 2022 CCT Agreements. On 7 December 2022, the Group entered into the 2023 CCT Agreements.

Glassy An is the controlling shareholder of the Company and hence a connected person of the Company. Gemdale Corporation is the ultimate holding company of Glassy An. Beijing Gemdale, Gemdale Property and Gemdale Building are subsidiaries of Gemdale Corporation. Therefore, each of Gemdale Corporation, Beijing Gemdale, Gemdale Property and Gemdale Building is a connected person of the Company. Accordingly, each of the 2023 CCT Agreements constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual cap under each of the 2023 Continuing Connected Transactions is higher than 0.1% but less than 5% on an annual basis, the 2023 Continuing Connected Transactions are 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.

CONTINUING CONNECTED TRANSACTIONS

Introduction

Reference is made to the Announcement in respect of, amongst other things, the 2022 CCT Agreements. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Group has been carrying on transactions pursuant to the 2022 CCT Agreements which constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The term of each of the 2022 CCT Agreements will expire on 31 December 2022. The Group intends to continue carrying out all the transactions contemplated under the 2022 CCT Agreements. On 7 December 2022, the Group entered into the 2023 CCT Agreements. The principal terms of the 2023 CCT Agreements are set out below:

(A) The 2023 Property Development and Technical Services Agreement

As the Group will continue to engage Gemdale Corporation to provide property development and technical services, the 2023 Property Development and Technical Services Agreement was entered into between the Company and Gemdale Corporation on 7 December 2022 and the principal terms of which are set out as follows:

Date:	7 December 2022
Parties:	(a) Gemdale Corporation (as trustee) ; and (b) the Company (as principal)
Duration:	From 1 January 2023 to 31 December 2023.
Property Development and Technical Services:	The Company agreed to engage Gemdale Corporation to provide property development and technical services for certain property projects of the Group, the scope of which includes strategic positioning, design management, construction management, cost control and sales management in respect of such property projects.
Service fee payable:	The Group shall pay the service fee based on 0.6% of the contracted sales of the Group's properties receiving such services from Gemdale Corporation, but in any event the service fee payable shall not exceed RMB21,660,000 for the year ending 31 December 2023. The service fee will be calculated on a quarterly basis, and payment will be made on or before the 5th business day of the following quarter. Payment of the service fee is expected to be satisfied by internal resources of the Group.
Pricing principle:	The service fee under the 2023 Property Development and Technical Service Agreement payable by the Group has been determined after arm's length negotiations between Gemdale Corporation and the Company with reference to the service fees charged by other companies providing similar services, those current projects receiving the relevant services, the Group's estimated amount in contracted sales in terms of projects to be developed over the term of the 2023 Property Development and Technical Services Agreement as well as the prevailing market conditions.

Historical amounts

The historical transaction amounts were approximately RMB34,138,000, RMB8,246,000 and RMB15,658,000 for the year ended 31 December 2019, 2020 and 2021, respectively while the aggregate transaction amount for the 10 months ended 31 October 2022 was approximately RMB15,360,000.

The annual cap and the basis of determination

The aggregate service fee payable by the Group under the 2023 Property Development and Technical Services Agreement shall not exceed RMB21,660,000, which shall be the annual cap for the year ending 31 December 2023.

The annual cap was determined with reference to the historical transaction figures as listed above and based on the estimated construction in progress and sale schedules of the relevant property projects and the expected number of property projects to be launched by the Group in 2023.

Reasons for and benefits of entering into the 2023 Property Development and Technical Services Agreement

Gemdale Corporation is renowned in the PRC property development industry. The Board believes that it is in the interest of the Company to enter into the 2023 Property Development and Technical Services Agreement to continue the engagement of Gemdale Corporation in providing the property development and technical services for the Group's property projects so as to increase sale-through ratio and keep pricing competitiveness.

Each of the Directors (excluding the Executive Directors who is each a director and/or top management of Gemdale Corporation and including the independent non-executive Directors) are of the view that the terms of the 2023 Property Development and Technical Services Agreement are fair and reasonable, and the transactions contemplated thereunder (and the annual cap) are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(B) The 2023 Entrusted Operation Agreement

As Beijing Gemdale, a subsidiary of Gemdale Corporation, will continue to engage the Company (or its subsidiary(ies)) to manage the daily operation of Beijing Gemdale Plaza for and on its behalf, the 2023 Entrusted Operation Agreement was entered into between Beijing Gemdale and the Company on 7 December 2022 and the principal terms of which are set out as follows:

Date:	7 December 2022
Parties:	(a) Beijing Gemdale; (b) Beijing Gemdale, Chaoyang Branch (together with Beijing Gemdale, as principal); (c) the Company; and (d) Beijing Ganglu (as trustee)
Duration:	From 1 January 2023 to 31 December 2023.
Property to be managed:	Beijing Gemdale Plaza* (北京金地廣場) located in No. 91, Jian Guo Road, Chao Yang District, Beijing, the PRC (中國北京市朝陽區建國路 91 號) of gross floor area of 151,351 square meters
Commissioned service:	The principal agreed to engage Beijing Ganglu, a Company's subsidiary, to manage the operations of the Beijing Gemdale Plaza, the scope of which includes the leasing, promotion and operation of the offices, the business solicitation, promotion and operation of the shopping mall as well as handling receipts and payments and financial accounting.
Management fee receivable:	The aggregate amount of management fee receivable for the year ending 31 December 2023 shall not exceed RMB26.5 million. The management fee will be calculated on quarterly basis, and payment will be made by the principal to Beijing Ganglu on or before the 5th day of the following quarter.
Pricing principle:	The management fee receivable under the 2023 Entrusted Operation Agreement has been determined after arm's length negotiations between Beijing Gemdale and the Company with reference to the existing costs (including relevant costs of manpower, equipment and tools, materials, administration, etc.) for operating the Beijing Gemdale Plaza with a margin of 20%, taking into account of a reasonable profit to the Group and the expected tax liabilities of the Group on the management fee received and the prevailing market conditions.

Historical amounts

The historical transaction amounts were approximately RMB26,400,000, RMB26,400,000 and RMB26,400,000 for the year ended 31 December 2019, 2020 and 2021, respectively while the aggregate transaction amount for the 10 months ended 31 October 2022 was approximately RMB19,800,000.

The annual cap and the basis of determination

The aggregate management fee receivable under the 2023 Entrusted Operation Agreement shall not exceed RMB26.5 million, which shall be the annual cap for the year ending 31 December 2023.

The annual cap was determined with reference to the historical transaction figures as listed above and based on the expected cost to be incurred for property management/lease negotiation work for Beijing Gemdale Plaza plus the aforesaid 20% margin over the expected costs herein in 2023.

Reasons for and benefits of entering into the 2023 Entrusted Operation Agreement

Commercial property operation, which includes property strategic positioning, property management, lease negotiations and tenant's replacement/retention for shopping malls and offices, is a business requiring high level of professional knowledge and expertise whereas carrying out property management is only part of the commercial property operation. The Board considers that entering into the 2023 Entrusted Operation Agreement would enable the Group to gain more experience in commercial property management and develop its talent pool in this business sector.

Each of the Directors (excluding the Executive Directors who is each a director and/or top management of Gemdale Corporation and including the independent non-executive Directors) are of the view that the terms of the 2023 Entrusted Operation Agreement are fair and reasonable, and the transactions contemplated thereunder (and the annual cap) are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(C) The 2023 Framework Agreement

As the Company will continue to engage Gemdale Property to provide property management services on security control, cleaning, liaison, material procurement during the development stage of certain property projects of the Group, the 2023 Framework Agreement was entered into between Gemdale Property and the Company on 7 December 2022 and the principal terms of which are set out as follows:

Date: 7 December 2022

Parties: (a) Gemdale Property (as the property management services provider); and
(b) the Company

Duration: From 1 January 2023 to 31 December 2023.

Commissioned services: Gemdale Property is commissioned to provide property management services on security control, cleaning, liaison, material procurement relating to property management during the development stage of certain property projects of the Group, the scope of which includes but not limited to image showcasing for property management services; providing parking guidance services, transportation services, customer reception services, beverage services; patrolling the sales office; providing cleaning services for showcase units, indoor and outdoor areas of the sales office; providing consultancy services in relation to property management; organizing sale supporting functions; providing management and operation services in relation to the lighting, audio system and air-conditioning of the sales office and showcase units .

Subsidiary agreement(s): In relation to those property projects of the Group requiring the services under the 2023 Framework Agreement, the relevant member of the Group will enter into a separate agreement with Gemdale Property and/or its subsidiaries and/or its designated affiliated companies under the same control setting out the specific scope of services required and amount of fees payable in conformity with the principles (including the pricing principle mentioned below) set out in the 2023 Framework Agreement. All transactions contemplated under the 2023 Framework Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis.

Service fee payable: The aggregate amount of service fees payable for the year ending 31 December 2023 shall not exceed RMB43,090,000. The payment of the service fees is expected to be satisfied by the internal resources of the Group.

Pricing principle:

The amount of service fees payable by the Company under the 2023 Framework Agreement shall be based on the costs of provision of the relevant services incurred by Gemdale Property (including relevant costs of manpower, equipment and tools, costume, materials, etc.) (the “**Relevant Costs**”) plus a management fee equivalent to 10% margin over the Relevant Costs plus tax.

The above pricing principle has been determined after arm’s length negotiations between the Company and Gemdale Property with reference to the actual costs of providing such services and prevailing market conditions. The 10% margin over the Relevant Costs serves as a reimbursement cover of the general and administrative expenses of Gemdale Property incurred in providing these services. The 10% margin is at the lower end of the normal fee range charged by similar service providers in the PRC.

Historical amounts

The historical transaction amounts were approximately RMB36,052,000, RMB30,112,000 and RMB29,751,000 for the year ended 31 December 2019, 2020 and 2021, respectively while the aggregate transaction amount for the 10 months ended 31 October 2022 was approximately RMB22,570,000.

The annual cap and the basis of determination

The aggregate service fees payable by the Group under the 2023 Framework Agreement shall not exceed RMB43,090,000, which shall be the annual cap for the year ending 31 December 2023.

This annual cap was determined with reference to the historical figures as listed above and based on the increase in service costs to be incurred for the increased number of property projects to be launched in 2023 plus the aforesaid 10% margin over such costs plus tax mark-up.

Reasons for and benefits of entering into the 2023 Framework Agreement

Gemdale Property is a top-tier property management company in the PRC. With its extensive experience and good brand name, the Board believes that Gemdale Property would continue providing quality property management services for the Group’s property projects under the development stage.

Having considered the cost quotations provided by Gemdale Property to the Group for the provision of property management services is lower than that obtained by the Group from various independent services providers for provision of similar services, as well as the experience and the proven track record quality service of Gemdale Property, the Board believes that the continuous engagement of Gemdale Property to provide property management services to the Group’s property projects under development stage would help to deliver quality properties to the ultimate customers without incurring substantial costs, and strengthen the Group’s competitiveness and image in property project development.

Each of the Directors (excluding the Executive Directors who is each a director and/or top management of Gemdale Corporation and including the independent non-executive Directors) are of the view that the terms of the 2023 Framework Agreement are fair and reasonable, and the transactions contemplated thereunder (and the annual cap) are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(D) The 2023 Framework System Installation Agreement

As the Company will continue to engage Gemdale Building to provide certain intelligent system project services for the various property projects of the Group, the 2023 Framework System Installation Agreement was entered into between Gemdale Building and the Company on 7 December 2022 and the principal terms of which are set out as follows:

Date: 7 December 2022

Parties: (a) Gemdale Building (as the contractor); and
(b) the Company (as the employer)

Duration: From 1 January 2023 to 31 December 2023.

Commissioned services: Gemdale Building and its subsidiaries are commissioned to provide certain intelligent system project services for the various property projects of the Group, the scope of which includes but not limited to the installation of parking management system, access control system, video security monitoring system, building visible intercom networking system, indoor alarm system, home cabling system, five-party intercom system, and intelligent integrated network and electric power distribution system, etc. The project services provided by Gemdale Building shall meet the technical requirements and quality standards as set out in the 2023 Framework System Installation Agreement.

Subsidiary agreement(s): In relation to those property projects of the Group requiring the services under the 2023 Framework System Installation Agreement, the relevant member of the Group will enter into a separate agreement with Gemdale Building or its subsidiaries setting out the specific scope of services required and amount of fees payable in conformity with the principles (including the pricing principle mentioned below) set out in the 2023 Framework System Installation Agreement. All transactions contemplated under the 2023 Framework System Installation Agreement shall be conducted on normal commercial terms and negotiated on arm's length basis.

Service fee payable: The aggregate amount of service fees payable for the year ending 31 December 2023 shall not exceed RMB36,350,000. The payment of the service fees is expected to be satisfied by the internal resources of the Group.

Pricing principle:

The amount of services fees payable by the Company under the 2023 Framework System Installation Agreement shall be based on the actual cost of Gemdale Building or its subsidiaries for providing relevant services, including manpower, equipment and tools, procurement cost on the construction materials and equipment, and the construction costs (the “**Installation Relevant Costs**”) plus a service fee equivalent to 1.25% margin over the Installation Relevant Costs plus tax. Such percentage margin over the Installation Relevant Costs serves as a reimbursement cover of the general administrative expenses of Gemdale Building or its relevant subsidiaries incurred in providing the services and the 1.25% margin is at the lower end of the normal fee range charged by similar service providers in the PRC.

Historical amounts

The historical transaction amounts were approximately RMB30,364,000, RMB21,275,000 and RMB12,208,000 for the year ended 31 December 2019, 2020 and 2021, respectively while the aggregate transaction amount for the 10 months ended 31 October 2022 was approximately RMB27,100,000.

The annual cap and the basis of determination

The aggregate service fees payable by the Group under the 2023 Framework System Installation Agreement shall not exceed RMB36,350,000, which shall be the annual cap for the year ending 31 December 2023.

This annual cap was determined with reference to the historical figures as listed above and based on the increased costs of labour and raw materials, the respective contract sum and the estimated costs in the event of design variations, site inspections as well as other variations that may incurred, and the expected triple in volume of the Group’s construction works under various development projects requiring for the installation of such intelligent systems in 2023.

Reasons for and benefits of entering into the 2023 Framework System Installation Agreement

Having considered the fees quotations provided by Gemdale Building to the Group for the provision of intelligent systems is lower than that obtained by the Group from various independent services providers for provision of similar services, as well as the extensive experience and the proven track record quality service of Gemdale Building, the Board believes that the continuous engagement of Gemdale Building to provide intelligent system project services to the property projects would help shorten the development time for the property projects, improve the design and quality of the property projects without incurring substantial costs, and strengthen the Group’s competitiveness and image in property project development.

Each of the Directors (excluding the Executive Directors who is each a director and/or top management of Gemdale Corporation and including the independent non-executive Directors) are of the view that the terms of the 2023 Framework System Installation Agreement are fair and reasonable, and the transactions contemplated thereunder (and the annual cap) are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

(E) The 2023 Tenancy Framework Agreement

The Company entered into the 2023 Tenancy Framework Agreement with Gemdale Corporation on 7 December 2022 to renew the 2022 Tenancy Framework Agreement and the principal terms of which are set out as follows:

Date: 7 December 2022

Parties: (a) the Company; and
(b) Gemdale Corporation

Term: From 1 January 2023 to 31 December 2023.

Leased Premises: Under the 2023 Tenancy Framework Agreement, Shenzhen Vision, a subsidiary of the Company (as landlord), will lease a maximum gross floor area of 25,000 square meters in Vision Shenzhen Business Park (深圳威新軟件科技園), which is located on No.9 Gaoxin South 9th Road, Nanshan District, Shenzhen, PRC (中國深圳市南山區高新南九道 9號), to Gemdale Corporation, its subsidiaries and/or its associated companies. The leases will be determined in accordance with individual lease contracts, which will be subject to the 2023 Tenancy Framework Agreement and the principles set out under “**GENERAL PRICING MECHANISM FOR THE 2023 CCT AGREEMENTS**” below.

Rent and property management fee receivable: The total rent and property management fee payable under the 2023 Tenancy Framework Agreement shall not exceed RMB34,340,000 for the year ending 31 December 2023. The rent and property management fee will be calculated on quarterly basis, and payment will be made on or before the 5th business day of the following quarter.

Pricing principle: The rental and management fees rates under the 2023 Tenancy Framework Agreement, and its terms and conditions were determined between the parties after arm's length negotiations with reference to the market rental and management fees rates of premises located in nearby areas.

Historical amounts

The aggregate transaction amount was approximately RMB11,354,000, RMB12,841,000 and RMB17,020,000 for the year ended 31 December 2019, 2020 and 2021 while the aggregate transaction amount for the 10 months ended 31 October 2022 was approximately RMB19,100,000.

The annual cap and the basis of determination

The aggregate rent and property management fee receivable under the 2023 Tenancy Framework Agreement shall not exceed RMB34,340,000, which shall be the annual cap for the year ending 31 December 2023.

The annual cap was determined with reference to the historical figures as listed above, the expected double in leased area, the current market rental and management fees rates of premises located in nearby areas as well as the increment of not more than 10% of rental rate for the year ending 31 December 2023.

Reasons for and benefits of entering into the Tenancy Framework Agreement

Under the 2023 Tenancy Framework Agreement, Vision Shenzhen will lease to Gemdale Corporation, its subsidiaries and/or associated companies at prices no more favourable to those leased to Independent Third Parties. Also, as Gemdale Corporation, its subsidiaries and associated companies are financially strong and based on historical transactions, a timely payment of rent and other related charges are expected.

The terms of the 2023 Tenancy Framework Agreement were arrived at after arm's length negotiations on normal commercial terms. The rental amount under the 2023 Tenancy Framework Agreement was determined with reference to the prevailing rental rates and market conditions after considering nearby areas' rental rate/property management fee.

Each of the Directors (excluding the Executive Directors who is each a director and/or top management of Gemdale Corporation and including the independent non-executive Directors) are of the view that the terms of the 2023 Tenancy Framework Agreement are fair and reasonable, and the transactions contemplated thereunder (and the annual cap) are in the ordinary and usual course of business of the Group, on normal commercial terms and in the interests of Company and the Shareholders as a whole.

GENERAL PRICING MECHANISM FOR THE 2023 CCT AGREEMENTS

All the 2023 CCT Agreements are subject to the general pricing mechanism as set out below.

The sales and marketing team of the Group, a group of professionals with market intelligence for pricing of different types of services in the market, is responsible for reviewing and determining the pricing of service or management fees prior to entering into any agreement and submitting a proposal to the management of the Company for assessment on the reasonableness of the pricing and approval.

In respect of the services provided by the Gemdale Group to the Group, as there are alternative sources of service providers with comparable pricing and scope of services, the Group will also reference to the fee quotes of similar services offered by at least two Independent Third Parties for comparison purposes prior to the entering into any agreement. The sales and marketing team of the Group will then assess the reasonableness of the pricing for the terms of services offered by the Gemdale Group to the Group to ensure that they are no less favourable to the Group than those offered by the Independent Third Parties, and submit to the Board for approval. In addition to the above procedures, all subsidiary agreements to be entered under the framework agreements for the provision of services will be negotiated and agreed on arm's length basis.

In respect of the services provided by the Group to the Gemdale Group, the Group will compare its price quotations with at least two Independent Third Parties receiving similar services in the market. After determining the services or management fees to be charged to the Gemdale Group, the sales and marketing team of the Group will then assess the reasonableness of the pricing of the terms of services offered by the Group to the Gemdale Group to ensure that they are no more favourable than those offered to the Independent Third Parties, and submit to the Board for approval. In addition to the aforesaid procedures, all subsidiary agreements to be entered under the framework agreements for the provision of services will be negotiated and agreed on an arm's length basis.

In view of the above, the Board (excluding the Executive Directors who is each a director and/or top management of Gemdale Corporation and including the independent non-executive Directors) considers that with the foregoing procedures in place, the transactions contemplated under the 2023 CCT Agreements will be conducted on normal commercial terms and in a manner not prejudicial to the interests of the Company and its minority Shareholders.

INTERNAL CONTROL

Various internal control measures are in place to monitor the continuing connected transactions contemplated under the 2023 CCT Agreements to ensure that such transactions are conducted on normal commercial terms. The Audit Committee, which comprises all the independent non-executive Directors, reviews the continuing connected transactions of the Group periodically throughout the year pursuant to the Listing Rules to ensure the continuing connected transactions have been entered into according to the relevant agreements on terms that are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The external auditors of the Company also conduct an annual review on the pricing and annual caps of the Group's continuing connected transactions for each financial year. The auditors also assist the Audit Committee to consider whether the continuing connected transactions are entered into under the ordinary and usual course of the Group's business, on normal commercial terms or, if applicable, on terms no less favorable to the Group than those available from Independent Third Parties. In addition, the Group conducts periodic monitoring and evaluation on whether the procedures of the continuing connected transactions are conformed with its internal control requirements and the annual caps set for each agreement.

INFORMATION ON THE GROUP AND THE CONNECTED PERSONS

The Group is principally engaged in property development, property investment, property management and micro-financing businesses. Beijing Ganglu and Shenzhen Vision are subsidiaries of the Company. Beijing Ganglu is principally engaged in the property management business. Shenzhen Vision 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 properties, either on a stand-alone basis or in conjunction with its residential property projects. Gemdale Corporation is a company established in the PRC with its shares listed on the Shanghai Stock Exchange (Stock Code: 600383). To the best knowledge, information and belief of the Company having made all reasonable enquiries, based on the public information available as at 30 September 2022, the single largest shareholder of Gemdale Corporation is FunDe Sino Life Insurance Co., Ltd. (富德生命人壽保險股份有限公司), which is interested in approximately 29.8% of Gemdale Corporation.

Beijing Gemdale is owned as to 70% by Gemdale Corporation and 30% by Beijing Hongyun Real Estate Co., Ltd.* (北京鴻運置業股份有限公司). To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Beijing Hongyun Real Estate Co., Ltd.* is ultimately owned by the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality (北京市人民政府國有資產監督管理委員會) and therefore is a party independent of the Company and its connected persons. Gemdale Property and Gemdale Building are wholly-owned subsidiaries of Gemdale Corporation. Beijing Gemdale is principally engaged in property investment, development and management of commercial properties. Gemdale Property is principally engaged in property management. Gemdale Building is principally engaged in intelligent building design, construction, technical consulting and management of building equipment maintenance.

LISTING RULES IMPLICATIONS

Glassy An is the controlling shareholder of the Company and is interested in approximately 40.26% of the issued shares of the Company and hence a connected person of the Company. Gemdale Corporation is the ultimate holding company of Glassy An. Beijing Gemdale, Gemdale Property and Gemdale Building are subsidiaries of Gemdale Corporation. Therefore, each of Gemdale Corporation, Beijing Gemdale, Gemdale Property and Gemdale Building is a connected person of the Company. Accordingly, each of the 2023 CCT Agreements constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual cap under each of the 2023 Continuing Connected Transactions is higher than 0.1% but less than 5% on an annual basis, the 2023 Continuing Connected Transactions are 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 and has abstained from voting on the relevant Board resolutions approving the 2023 CCT Agreements.

Save as disclosed above, none of the Directors has a material interest in the 2023 Continuing Connected Transactions and is required to abstain from voting in the relevant Board resolutions.

DEFINITIONS

In this announcement, capitalized terms used herein have the same meanings as those defined in the Announcement, in addition, the following terms have the meanings set opposite to them below:

“2023 CCT Agreements”	collectively, (A) the 2023 Property Development and Technical Services Agreement, (B) the 2023 Entrusted Operation Agreement, (C) the 2023 Framework Agreement, (D) the 2023 Framework System Installation Agreement and (E) the 2023 Tenancy Framework Agreement
“2023 Continuing Connected Transactions”	the transactions contemplated under the 2023 CCT Agreements
“2023 Entrusted Operation Agreement”	the agreement dated 7 December 2022 entered into between Beijing Gemdale and the Company in relation to the renewal of the 2022 Entrusted Operation Agreement

“2023 Framework Agreement”	the agreement dated 7 December 2022 entered into between Gemdale Property and the Company in relation to the renewal of the 2022 Framework Agreement
“2023 Framework System Installation Agreement”	the agreement dated 7 December 2022 entered into between Gemdale Building and the Company in relation to the renewal of the 2022 Framework System Installation Agreement
“2023 Property Development and Technical Services Agreement”	the agreement dated 7 December 2022 entered into between Gemdale Corporation and the Company in relation to the renewal of the 2022 Property Development and Technical Services Agreement
“2023 Tenancy Framework Agreement”	the agreement dated 7 December 2022 entered into between the Company and Gemdale Corporation in relation to the renewal of the 2022 Tenancy Framework Agreement
“Announcement”	the announcement of the Company dated 13 December 2021 in relation to the 2022 CCT Agreements

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

Hong Kong, 7 December 2022

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. Xia Xinping.

** For identification purpose only*