

Stock Code: 600383 SH

Stock Abbreviation: GEMDALE CORPORATION

Announcement No.: 2019-012

Bond Code: 136325

Bond Abbreviation: 16 Gemdale 01

GEMDALE CORPORATION

THIRD INDICATIVE ANNOUNCEMENT ON SELL-BACK FOR THE CORPORATE BOND “16 GEMDALE 01”

Special Note

The Board of Directors of the Company and all its directors hereby warrant that there are no false representations, misleading statements or material omission in this announcement, and they individually and collectively accept full responsibility for the truthfulness, accuracy and completeness of the contents contained herein.

Important Notes:

- Sell-back code: 100933
- Sell-back abbreviation: Gemdale Sell-back
- Sell-back price: RMB100/coupon (excluding interests)
- Sell-back filing period: From 28 February, 2019 to 5 March, 2019 (trading days only)
- Partial redemption date: 22 March, 2019
- Any adjustment to the bond interest rate: The coupon rate for the second three years of the bond duration is adjusted to 4.35%

Special Notes:

1. In accordance with the agreements in the Prospectus for Corporate Bonds of Gemdale Corporation in 2016 (First Tranche) (hereinafter the “Prospectus”) announced by Gemdale Corporation (hereinafter the “Company” or the “Issuer”), the Issuer shall have the right to determine whether or not to raise the coupon rate of corporate bonds of Gemdale Corporation in 2016 (first tranche) (category I) (bond abbreviation: 16 Gemdale 01, bond code: 136325, hereinafter the “Current Bond”) for the subsequent three years at the end of the third year of

duration of the Current Bond. The coupon rate of the Current Bond is 3.00%, which is fixed over three years of the bond duration. At the end of the third year of duration of the Current Bond, taking into account the prevailing market environment, the Issuer opts to raise the coupon rate, that is, the coupon rate for the subsequent three interest-bearing years is adjusted to 4.35%.

2. In accordance with the agreements in the Prospectus, after the Issuer has given notice on whether or not to raise the coupon rate of the Current Bond and the extent of the increase, investors shall have the option to register the sell-back of all or part of the Current Bond held to the Issuer at par value within the sell-back filing period as announced. In case of failure to register, the bond holder shall be deemed to continue to hold the Current Bond and accept the aforementioned adjustment. The interest payment date in the third interest-bearing year of the Current Bond (22 March, 2019) shall be the sell-back payment date.

3. Holders of the bond “16 Gemdale 01” may, in accordance with the provisions of the Announcement, register the sell-back of all or part the bond “16 Gemdale 01” held within the sell-back filing period (from 28 February, 2019 to 5 March, 2019). No sell-back filed by the bond holder can be revoked upon confirmation, and trading of the total par value of the corresponding corporate bonds will be frozen. If the sell-back has not been filed within the sell-back filing period, the bond holder shall be deemed to continue to hold the Current Bond and forfeit the option to resell.

4. The sell-back shall be equivalent to holders of the bond “16 Gemdale 01” selling “16 Gemdale 01” at the price of RMB100/coupon on the interest payment date in the third interest-bearing year of the Current Bond (22 March, 2019). Holders of the bond “16 Gemdale 01” are advised to carefully assess the risk of the sell-back.

5. The Announcement has only provided a brief description of issues relating to filing sell-back by holders of the bond “16 Gemdale 01”. It does not constitute a proposal for filing the sell-back. For details of this bond sell-back, please refer to relevant documents via the website of the Shanghai Stock Exchange (<http://www.sse.com.cn>).

6. The sell-back fund disbursement date refers to the day on which the Company pays the principal and accrued interests to holders of the bond “16 Gemdale 01” who have validly filed the sell-back, that is, the interest payment date in the third interest-bearing year of the

bond “16 Gemdale 01” (22 March, 2019).

To ensure smooth workflow in relation to the option for investors to sell back, the following relevant matters are announced:

I. General information of the Current Bond

1. Name of the bond: Corporate Bonds of Gemdale Corporation in 2016 (First Tranche) (Category I)
2. Bond abbreviation and code: 16 Gemdale 01 (136325)
3. Issuer: Gemdale Corporation
4. Bond duration: A six-year period for the Current Bond, attached with the option for the Issuer to raise the coupon rate and the option for investors to sell back at the end of the third year.
5. Issue size: RMB1.3 billion
6. Bond interest rate: The coupon rate of the Current Bond is 3.00%, which is fixed over the first three years of the bond duration. At the end of the third year of duration, the Company may opt to raise the coupon rate. The coupon rate for the second three years of the duration shall be the coupon rate for the first three years of duration of the Current Bond plus the basis points raised by the Company, which shall remain unchanged over the second three years of the duration. The coupon rate of the Current Bond shall be simple-interest-bearing on a per-year basis, excluding compound interests.
7. Option for investors to sell back: After the Issuer has given notice on whether or not to raise the coupon rate of the Current Bond and the extent of the increase, investors shall have the option to register the sell-back of all or part the Current Bond held to the Issuer at par value within the sell-back filing period as announced. In case of failure to register, the bond holder shall be deemed to continue to hold the Current Bond and accept the aforementioned adjustment.
8. Option for the Issuer to raise the coupon rate: The Issuer shall have the right to determine whether or not to raise the coupon rate of the Current Bond for the subsequent three years at the end of the third year of duration of the Current Bond.

The Issuer shall publish an announcement on whether or not to raise the coupon rate of the Current Bond and the extent of the increase on the 20th working day prior to the interest payment date in the third interest-bearing year of the Current Bond. If the Issuer fails to exercise the option to raise the interest rate, the original coupon rate shall remain unchanged in the subsequent duration of the Current Bond.

9. Interest payment date: The interest payment date of the Current Bond shall be 22 March of each year during the period from 2017 to 2022, which is the interest payment date in the preceding interest-bearing year. If the bond holder exercises the option to sell back, the interest payment date for the bonds sold back shall be 22 March of each year during the period from 2017 to 2019. If the date is a statutory holiday or a rest day, it shall be postponed to the first working day thereafter. Interests shall not be calculated for the interest payment during the extended period.
10. Redemption date: The redemption date of the Current Bond shall be 22 March, 2022. If the bond holder exercises the option to sell back, the interest payment date for the bonds sold back shall be 22 March 2019. If the date is a statutory holiday or a rest day, it shall be postponed to the first working day thereafter. Interests shall not be calculated for the interest payment during the extended period.
11. Credit rating: The corporate credit rating of the Issuer is AAA, and the credit rating of the Current Bond is AAA.
12. Time and place of listing: The Current Bond was listed on the Shanghai Stock Exchange on 20 April, 2016.
13. Lead underwriter and bond trustee: China International Capital Corporation Limited
14. Institution for registration, custody, entrustment of bond dividends, and redemption: Shanghai Branch of China Securities Depository and Clearing Corporation Limited (hereinafter “CSDC Shanghai Branch”)

II. Adjustment to the Coupon Rate

In accordance with the option for the Issuer to adjust the coupon rate set in the Prospectus, the Company shall have the right to determine whether or not to adjust the coupon rate of the Current Bond for the subsequent three years at the end of the third

year of duration of the Current Bond. In the first three years of duration of the Current Bond (from 22 March, 2016 to 21 March, 2019), the coupon rate is 3.00%. At the end of the third year of duration of the Current Bond, the Company opts to raise the coupon rate of the Current Bond, that is, the coupon rate of the Current Bond for the second three years of duration of the Current Bond (from 22 March, 2019 to 21 March, 2022) is 4.35%, and that it will be fixed over the second three years of the duration. The coupon rate of the Current Bond shall be simple-interest-bearing on a per-year basis, excluding compound interest.

III. Sell-back Implementation Measures for the Current Bond

1. Sell-back code for the Current Bond: 100933, sell-back abbreviation: Gemdale Sell-back
2. Sell-back price: A par value of RMB100. The sell-back is in units of RMB1,000 and the amount of sell-back must be an integral multiple of RMB1,000.
3. Sell-back filing period: From 28 February, 2019 to 5 March, 2019 (trading days only)
4. Sell-back registration method: Investors may opt to sell the bond, in whole or in part, to the Issuer, and report the sell-back through the trading system of the Shanghai Stock Exchange within the sell-back filing period. The withdrawal may be made on the same day but no sell-back filed can be revoked once confirmed after the market close. In case of failure to file the sell-back on the same day or outstanding bonds that have not been filed for sell-back, the bond holder may continue with the filing on the following day (only within the filing registration period).
5. Investors who opt to sell back must register it within the sell-back filing period. In case of failure to undergo the sell-back registration procedures within the given time, the investor shall be deemed to have abandoned the sell-back and have agreed to continue to hold the Current Bond.
6. Partial redemption date and sell-back option exercise date: 22 March, 2019. The Issuer has entrusted the Shanghai Branch of China Securities Depository and Clearing Corporation Limited (hereinafter "CSDC Shanghai Branch") to handle

redemption for investors who have registered for the sell-back.

IV. Trading within the Sell-back Filing Period

The Current Bond shall continue to be traded during the sell-back filing period, and the bonds sold back shall be frozen after the market close on the end date of the sell-back filing period.

V. Payment Arrangements for the Bonds Sold Back

1. Sell-back value date: 22 March, 2019
2. The bonds sold back shall be entitled to interests over the period from 22 March, 2018 to 21 March, 2019. The annual coupon rate for this period is 3.00%. Interests of RMB30.00 (including taxes) shall be distributed for every unit of RMB1,000 at par value.
3. Payment method: The Issuer shall pay the principal and interests for the portion of the Current Bond sold back according to the registration results of CSDC Shanghai Branch. Through the clearing system of CSDC Shanghai Branch, proceeds from the sell-back will be deposited into the reserve fund account of a company registered by the securities company at which the investor has opened an account, and the securities company will then transfer the funds to the investor's capital account with the securities company on the sell-back value date.

VI. Sell-back Price

In accordance with relevant agreements in the Prospectus, the sell-back price is the par value of the bond (RMB100/coupon).

VII. Filing Period for the Sell-back

From 28 February, 2019 to 5 March, 2019 (trading days only)

VIII. Sell-back Filing Procedures

1. Holders of the bond "16 Gemdale 01" shall file the sell-back through the trading

system of the Shanghai Stock Exchange within the filing period of this sell-back (from 28 February, 2019 to 5 March, 2019). The sell-back code is 100933. The direction of the filing is to sell. No sell-back filed can be revoked once confirmed. Trading of the corresponding bonds will be frozen until the implementation of the sell-back is completed and then the corresponding bonds will be cancelled. If a judicial freeze, deduction of deposits or any other circumstances has occurred prior to the sell-back fund disbursement date, such sell-back filing operation by the bond holder shall become invalid.

2. Holders of the bond “16 Gemdale 01” may file for a sell-back of all or part of the bonds they are entitled to sell back. If a holder of the bond “16 Gemdale 01” does not file for a sell-back on the filing date of this sell-back, it shall be deemed as an unconditional waiver of the option to sell back.
3. With respect to the valid sell-back filings from holders of the bond “16 Gemdale 01”, the Company will entrust a registration agency for clearing and settlement through its clearing system on the interest payment date of this year (22 March, 2019).

IX. Sell-back Implementation Schedule

Time	Item
20 February, 2019	Release of the announcement on the adjustment to the coupon rate of the Current Bond Release of the announcement on measures for the implementation of investor sell-back for the Current Bond
22 February, 2019	Release of the first indicative announcement on this sell-back
25 February, 2019	Release of the second indicative announcement on this sell-back
26 February, 2019	Release of the third indicative announcement on this sell-back
28 February, 2019, 1 March, 2019, 4 March, 2019 and 5 March, 2019	Filing period for the sell-back
7 March, 2019	Release of the announcement on the sell-back filing situation of this sell-back

15 March, 2019	Release of the announcement on the sell-back implementation results Release of the announcement on the payment of interests
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X. Risk Reminder and Related Treatment

1. The sell-back shall be equivalent to holders of the bond “16 Gemdale 01” selling “16 Gemdale 01” at the price of RMB100/coupon (clean price) on the interest payment date in the third interest-bearing year of the bond duration (22 March, 2019). Holders of “16 Gemdale 01” are advised to make a prudent judgment on whether or not to exercise the option to sell back and make an independent decision. The Announcement does not constitute a proposal for holders of the Current Bond to exercise the option to sell back.
2. The Shanghai Stock Exchange implements “trading at a clean price, settling at a dirty price” for corporate bonds. In other words, “16 Gemdale 01” will be filed and traded at clean price, and the sum of the transaction price and the accrued interests will be used as the settlement price.

XI. Explanation on the Payment of Income Tax on Interests Paid for the Sell-back

1. In accordance with the Law of the People's Republic of China on Individual Income Tax and other relevant tax regulations and documents, individual investors of the Current Bond shall pay individual interests income tax on corporate bonds.

Individual income taxes on interests of the Current Bond will be withheld by redemption agencies in a centralized manner which will make payment directly to the local tax authorities. The collection of individual interest income taxes for the Current Bond is as follows:
 - (1) Taxpayer: Individual investors of the Current Bond
 - (2) Object of taxation: Interest income of the Current Bond
 - (3) Tax rate: 20% of the amount of interests

- (4) Tax collection: One-time deduction by the redemption agency at the time when the individual investor receives the interests from the redemption agency
 - (5) Withholding agent: Redemption agencies responsible for the interest payment work of the Current Bond
2. For non-resident enterprises (the meaning of which shall be the same as in Law of the People's Republic of China on Enterprise Income Tax), including qualified foreign institutional investors and RMB qualified foreign institutional investors (hereinafter the “QFII” and “RQFII” respectively) of the Current Bond, in accordance with the Law of the People's Republic of China on Enterprise Income Tax and its implementation regulations enforced since 1 January, 2008, the Interim Measures for Administering the Withholding of Income Taxes for Non-resident Enterprises enforced since 1 January, 2009 (Guo Shui Fa [2009] No.3), the Notice on the Enterprise Income Tax and Value-Added Tax Policies for Foreign Institutions' Investments in the Domestic Bond Market (Cai Shui [2018] No.108) promulgated on 7 November, 2018 and other regulations, from 7 November, 2018 to 6 November, 2021, bond interest income obtained by foreign institutions investing in the domestic bond market will be temporarily exempted from enterprise income tax and value-added tax. The scope of the above temporary exemption from enterprise income tax does not include bond interests obtained by domestic institutions and premises established by foreign institutions as well as those actually associated with such institutions and premises.
3. Explanation on the of payment of corporate bond interest income taxes by other bond investors

In accordance with the Law of the People's Republic of China on Enterprise Income Tax and other relevant tax regulations and documents, the bond interest income taxes of other bond holders shall be paid by themselves.

XII. Competent Institutions for the Sell-back

1. Issuer: Gemdale Corporation

Address: Gemdale Commercial Building, Fuqiang Road, Futian District, Shenzhen,

Guangdong Province

Contact person: Zhang Xiaoyu, Tang Yan, Xu Jia

Tel: 0755-82039509, 0755-82039513

Fax: 0755-82039900

2. Lead underwriter: China International Capital Corporation Limited

Address: 27th Floor, China World Office 2, 1 Jianguomenwai Avenue, Beijing

Contact person: Yan Wendong, Liu Jingjing

Contact number: 010-65051166

Postal code: 100004

3. Custodian: Shanghai Branch of China Securities Depository and Clearing Corporation Limited

Address: China Insurance Building, 166 Lujiazui East Road, Shanghai

Telephone: 021-3887 4800

Postal code: 200120

Gemdale Corporation

26 February, 2019