

Stock Code: 600383

Stock Abbreviation: GEMDALE CORPORATION

Announcement No.: 2019-016

Bond Code: 143520

Bond Abbreviation: 18 Gemdale 01

GEMDALE CORPORATION
ANNOUNCEMENT ON PAYMENT OF INTERESTS FOR THE 2018
CORPORATE BONDS (FIRST TRANCHE) (CATEGORY I) IN 2019

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:

- Record date: 18 March, 2019
- Interest payment date: 19 March, 2019

For the corporate bonds of Gemdale Corporation in 2018 (first tranche) (category I) (hereinafter the “Current Bond”), interest shall be paid on 19 March, 2019 for the period from 19 March, 2018 to 18 March, 2019 (hereinafter the “Current Year”). In accordance with the provisions of relevant clauses of the Prospectus on the Corporate Bonds of Gemdale Corporation in 2018 (First Tranche), the following relevant matters are announced:

I. Overview of the Current Bond

1. Name of the bond: Corporate Bonds of Gemdale Corporation in 2018 (First Tranche) (Category I)
2. Bond abbreviation and code: 18 Gemdale 01 (143520)
3. Issuer: Gemdale Corporation

4. Issue size: RMB3 billion
5. Bond maturity: A five-year period, attached with the option for the issuer to raise the coupon rate and the option for investors to sell back
6. Authority for approval of the bond issuance and approval document number: China Securities Regulatory Commission issuing the approval “Zheng Jian Xu Ke [2016]No.1622” on the issuance
7. Form of the bond: Corporate bonds accounting for in real name
8. Bond interest rate: The coupon rate is 5.68%, which is fixed over the first three years of the duration. At the end of the third year of duration, the Company may opt to raise the coupon rate. The coupon rate for the remaining two 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 remaining two years of the duration.
9. Principal and interest payment schedule and method: The Current Bond shall pay interest on an annual basis and repay the principal once upon maturity. Interest shall be paid once a year and the last interest installment shall be paid together with the principal. In paying the interest of the Current Bond, the list of bond holders to be counted shall be prepared according to relevant provisions of the bond registration institution, and specific matters shall be handled in accordance with the relevant provisions of the bond registration institution.
10. Option for the issuer to raise the coupon rate: The issuer shall have the right to raise the coupon rate for the remaining two years of the Current Bond at the end of the third year of duration of the Current Bond. The issuer shall publish an announcement on whether to raise the coupon rate of the Current Bond or not and the extent of the increase on the 20th working day before 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 coupon rate, the original coupon rate shall remain unchanged in the subsequent term of the Current

Bond.

11. Option for investors to sell back: After the issuer has given notice on whether to raise the coupon rate of the Current Bond or not and the extent of the increase, investors shall have the option to file a registration within the investor sell-back registration period as announced to sell back all or part the Current Bond held to the issuer at par value. In case of failure to register, the bond holder shall be deemed to continue to hold the Current Bond and accept the aforementioned adjustment.
12. Value date: 19 March, 2018
13. Interest payment date: It shall be 19 March of each year during the period from 2019 to 2023, being the interest payment date for the preceding interest-bearing year (in case that the date is a statutory holiday or a rest day, it shall be postponed to the first working day thereafter; interest shall not accrue on the interest payable during the period of extension). If the bond holder exercises the option to sell back, the interest payment date for the bonds being sold back shall be 19 March of each year during the period from 2019 to 2021 (in case that the date is a statutory holiday or a rest day, it shall be postponed to the first working day thereafter; interest shall not accrue on the interest payable during the period of extension).
14. Redemption date: 19 March, 2023 (in case that the date is a statutory holiday or a rest day, it shall be postponed to the first working day thereafter; interest shall not accrue on the interest payable during the period of extension). If the bond holder exercises the option to sell back, the maturity date for the bonds being sold back shall be 19 March, 2021 (in case that the date is a statutory holiday or a rest day, it shall be postponed to the first working day thereafter; interest shall not accrue on the interest payable during the period of extension).
15. Credit rating: Upon comprehensive assessment by United Ratings, the corporate credit rating of the issuer is AAA, and the credit rating of the bond is AAA.

16. Guarantee: The Current Bond does not offer a guarantee.
17. Time and place of listing: The Current Bond was listed on the Shanghai Stock Exchange on 28 March, 2018.
18. Institution for registration, custody, entrusted distribution of bond dividends and redemption: Shanghai Branch of China Securities Depository and Clearing Corporation Limited (hereinafter “CSDC Shanghai Branch”)

II. The Interest Payment Plan

In accordance with the Announcement on the Coupon Rate of Corporate Bonds of Gemdale Corporation in 2018 (First Tranche), the coupon rate of the Current Bond shall be 5.68%. Interests of RMB56.80 (including taxes) shall be paid for each share of “18 Gemdale 01” with a par value of RMB1,000.

III. The Record Date and Interest Payment Date

1. Record date: 18 March, 2019
2. Interest payment date: 19 March, 2019

IV. Targets of the Interest Payment

Targets of the interest payment shall be all the holders of “18 Gemdale 01” registered with CDSC Shanghai Branch as of 18 March, 2019 upon the market close of the Shanghai Stock Exchange.

V. Interest Payment Method

1. The Company has signed a Trust Indenture for Bond and Interest Redemption with CSDC Shanghai Branch, under which CSDC Shanghai Branch has been

entrusted to carry out bond and interest redemption. If the Company fails to transfer the full amount of funds for bond and interest redemption to the bank account designated by CSDC Shanghai Branch according to schedule, CSDC Shanghai Branch shall terminate the bond and interest redemption service in accordance with the agreement, and that subsequent bond and interest redemption work shall be taken care of by the Company itself. For the implementation matters concerned, those that have been announced by the Company shall prevail. The Company shall transfer the full amount of the bond interests for the Current Year to the bank account designated by CSDC Shanghai Branch two trading days before the interest redemption date in the Current Year.

2. After receiving the payment, CSDC Shanghai Branch shall transfer the bond interests to the corresponding redemption institution (a securities company or other institutions recognized by CSDC Shanghai Branch) through the settlement system, and investors shall receive the bond interests from the redemption institution.

VI. Explanation of Income Tax on Bond Interest

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 income tax on the interest of corporate bonds.

Individual income taxes on the interests of the Current Bond shall be withheld by redemption institutions in a centralized manner and shall be paid directly to the tax authority of the places where the redemption institutions are situated. The collection of individual income tax on the interest of the Current Bond is as follows:

- (1) Taxpayer: Individual investors of the Current Bond

- (2) Object of taxation: Income generated from the interests of the Current Bond
- (3) Tax rate: 20% of the interests
- (4) Tax collection: One-time deduction by the redemption institution at the time when the individual investor receives the interests from the redemption institution
- (5) Withholding agent: Redemption institutions responsible for the payment of interests of the Current Bond

2. For non-resident enterprises (the meaning of which shall be the same as in the Law of the People's Republic of China on Enterprise Income Tax) including qualified foreign institutional investors and RMB qualified foreign institutional investors (hereinafter "QFII" and "RQFII" respectively) holding the Current Bond, in accordance with provisions such as 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), and 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, for the period 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 that are actually associated with such institutions and premises.
3. Explanation on other bond investors' payment of income taxes on the interest of corporate bonds

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 tax of other bond holders shall be paid by themselves.

VII. Institutions Relating to the Interest Payment

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
Postal code: 518048

2. Lead underwriter and bond trustee: China International Capital Corporation Limited
Address: 33rd Floor, China World Office 2, 1 Jianguomenwai Avenue, Beijing
Contact person: Xu Xian, Liu Jingjing
Contact number: 010-65051166
Postal code: 100004

3. Custodian: Shanghai Branch of China Securities Depository and Clearing Corporation Limited
Address: 3rd Floor, China Insurance Building, 166 Lujiazui East Road, Shanghai
Contact person: Xu Ying
Telephone: 021-3887 4800
Postal code: 200120

Gemdale Corporation

12 March, 2019