

**GEMDALE CORPORATION****THE SCIENCE OF****ANNOUNCEMENT ON THE ACCUMULATED NEW BORROWINGS IN 2018**

*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.*

Pursuant to the relevant requirements in the Administrative Measures for the Issuance and Trading of Corporate Bonds, the Rules of the Shanghai Stock Exchange on the Listing of Corporate Bonds (Revised in 2015) and the Guidelines for the Formats of Information Disclosure for Interim Reports on Corporate Bonds, Gemdale Corporation (the “Company”) hereby discloses the accumulated new borrowings of the Company as follows:

**I. Overview of Major Financials**

As at 31 December 2017, the balance of borrowings of the Company amounted to RMB55,354 million. From January to August 2018, the Company had accumulated new borrowings of RMB24,473 million, representing 42.23% of the audited net assets of RMB57,956 million as at the end of 2017.

**II. Classification Disclosure of New Borrowings**

As at the end of August 2018, the movement of the balance of various borrowings of the Company as compared with that as at the end of 2017 and its proportion to the net assets of the Company as at the end of 2017 are as follows:

**(1) public market financing**

From January to August 2018, the Company had accumulated new corporate bonds, medium-term notes and Ultra-Short-Term Financing Bonds totalling RMB 15,318 million, representing 26.43% of the net assets as at the end of 2017.

**(2) Bank Loans**

From January to August 2018, the Company had accumulated new bank loans of RMB 9,955 million, representing 17.18% of the net assets as at the end of 2017.

**(3) Other financing**

From January to August 2018, the Company had accumulated other financing of RMB -800 million, representing -1.38% of the net assets as at the end of 2017.

### **III. Analysis of the Impacts of New Borrowings on Solvency**

The increase in the above borrowings was mainly due to the increase in the issuance of debt financial instruments and normal withdrawal of bank credit facilities, which were carried out in the ordinary course of business of the Company. As at the date of this announcement, operations of various business segments of the Company were normal. The above new borrowings had no material adverse effects on the solvency of the Company. Investors are reminded that the above financials (other than the net assets as at the end of 2017) are unaudited.

GEMDALE CORPORATION

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