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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)

DISCLOSEABLE TRANSACTION PROVISION OF GUARANTEE

PROVISION OF GUARANTEE

The Board announces that, on 6 December 2016, the Company and the JV Partner entered into the Guarantee Agreements pursuant to which the Company and together with the JV Partner, as Guarantors, agreed to provide, on a joint and several basis, certain guarantee obligations for the JV Company under the Credit Agreement in respect of the Facility provided by the Lenders.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the provision of the guarantee under the Guarantee Agreements are more than 5% but are less than 25%, the provision of the guarantee under the Guarantee Agreements constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements as set out in Chapter 14 of the Listing Rules.

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THE GUARANTEE AGREEMENTS

Set out below are the principal terms of the Guarantee Agreements:

- Date : 6 December 2016
- Borrower : 122-130 East 23rd Street LLC, a subsidiary of a joint venture between an affiliate of the Company and the JV Partner
- Guarantors : the Company and Toll Brothers, Inc.
- Administrative Agent : The Bank of New York Mellon, as administrative agent for the Lenders
- Lenders and the beneficiary of the Guarantee Agreements : the Administrative Agent and certain financial institutions
- Guarantee obligations : Pursuant to the Guarantee Agreements, the Guarantors agreed to provide, on a joint and several basis, certain guarantee obligations to the Lenders for the JV Company under the Credit Agreement in respect of the Facility, with a maximum of a guaranty amount of US\$70,950,000 (equivalent to approximately RMB488,845,500), being 30% of the Facility amount.
- Term of the guarantee : Thirty-six months from the signing of the Credit Agreement governing the Facility, subject to extension pursuant to the terms and conditions set out therewith.

REASON FOR AND BENEFITS OF THE PROVISION OF THE GUARANTEE

The provision of the guarantee under the Guarantee Agreements is to enable the JV Company to obtain the Facility to finance its construction and development of the residential project in New York Manhattan, the United States of America.

The Directors (including the independent non-executive Directors) consider that the terms of the Guarantee Agreements are fair and reasonable and the provision of the guarantee under the Guarantee Agreements is on normal commercial terms, and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE COMPANY, THE JV COMPANY AND THE LENDERS

The Company is an investment holding company and its subsidiaries are principally engaged in property investment, development and management of residential, commercial and business park projects.

The JV Company is a joint venture of the Group established in the US with limited liability which is principally engaged in property development in the US.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Lenders is primarily engaged in the provision of banking services in the US; and (ii) the Lenders and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons as defined under the Listing Rules.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“Administrative Agent”	The Bank of New York Mellon, as administrative agent for the Lenders
“Board”	the board of Directors
“Borrower” and “JV Company”	122-130 East 23rd Street LLC, a company established in the US with limited liability which, as at the date of this announcement, is a subsidiary of a joint venture between an affiliate of the Company and the JV Partner
“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

“Credit Agreement”	the credit agreement dated 6 December 2016 entered into between the Borrower, the Administrative Agent and the Lenders, pursuant to which the Lenders agreed to grant the Facility to the Borrower
“Director(s)”	the director(s) of the Company from time to time
“Facility”	a maximum of US\$236,500,000 provided by the Lenders to the Borrower under the Credit Agreement
“Group”	the Company and its subsidiaries from time to time
“Guarantee Agreements”	a series of guarantee agreements dated 6 December 2016 entered into by the Company and the JV Partner in respect of, among others, the provision of guarantee for the Facility on a joint and several basis, with a maximum guaranty amount of US\$70,950,000 (equivalent to approximately RMB488,845,500), being 30% of the Facility amount
“Guarantors”	the Company and Toll Brothers, Inc.
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	any person or company and their respective ultimate beneficial owner(s) (if applicable) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“JV Partner”	Toll Brothers, Inc., a company established in the US with limited liability which is listed on the New York Stock Exchange, an independent third party not connected with the Company other than its interest in the JV Company
“Lenders”	the Administrative Agent and certain financial institutions as set out in the Credit Agreement, and each of them and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons as defined under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan (Republic of China) for the purposes of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US”	the United States of America
“US\$”	United States dollars, the lawful currency of the US
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, conversion of US\$ into RMB is calculated at the approximate exchange rate of US\$1.00 to RMB6.89. This exchange rate is adopted for the purpose of illustration only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this or any other rate or at all.

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

Hong Kong, 7 December 2016

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*