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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)

FURTHER ANNOUNCEMENT CONTINUING CONNECTED TRANSACTION FRAMEWORK AGREEMENT

Reference is made to the announcement of Gemdale Properties and Investment Corporation Limited (the “**Company**”) dated 13 December 2016 in relation to the Framework Agreement entered into by Guangzhou Guangdian and Gemdale Corporation in relation to the provision of financial advisory and consultation services by Gemdale Corporation to Guangzhou Guangdian and/or its subsidiaries, joint ventures and associated companies for their property projects (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

Further to the Announcement, the Company sets out the basis of the annual caps for the Framework Agreement.

As set out in the Announcement, the annual caps for the maximum consultancy fee payable under the Framework Agreement are as follows:

For the year ending 31 December	Annual caps (RMB’ million)
2016	8.5
2017	100
2018	100
2019	92

The above annual caps were determined by the Group with reference to the aggregate amount of the maximum consultancy fee payable per year under the Framework Agreement plus certain buffer.

Guangzhou Guangdian and/or its subsidiaries, joint ventures and associated companies will pay their respective annual rate of the consultancy fee to Gemdale Corporation at a maximum rate of

1% per annum over the facility amount obtained. The annual cap amounts set out above are calculated by multiplying (a) 1% per annum by (b) the facility amount that may be obtained by Guangzhou Guangdian and/or its subsidiaries, joint ventures and associated companies in the relevant year as a replacement of their existing facilities, which is estimated to be approximately RMB 8 to 9 billion, plus a buffer of approximately RMB 1 to 2 billion depending on financial needs, i.e. in aggregate RMB 10 billion on a full year basis. Accordingly, the maximum annual cap for the consultancy fee payable under the Framework Agreement is RMB 100 million.

Prior to the entering into of the Framework Agreement, neither the Group nor any of its members has entered into any similar financial advisory and consultation services agreement with Gemdale Corporation or any of its subsidiaries. There were therefore no historical figures for the fees payable under the Framework Agreement.

Gemdale Corporation has good relationship with major banks and other financial institutions in the PRC. It is expected that the terms of the facilities (including the interest rate) arranged by Gemdale Corporation will be more favourable to Guangzhou Guangdian and/or its subsidiaries, joint ventures and associated companies than the terms of the facilities to be obtained by Guangzhou Guangdian and/or its subsidiaries, joint ventures and associated companies on their own without Gemdale Corporation's service. Guangzhou Guangdian has compared the finance costs of facilities that can be arranged by Gemdale Corporation under its services with the finance costs of facilities offered by at least two other financial institutions in the PRC, all being independent third parties. The interest rate of facilities arranged by Gemdale Corporation is lower than that of the facilities offered by those financial institutions. After paying consultancy fee to Gemdale Corporation at a maximum rate of 1% per annum of the facility amount obtained, Guangzhou Guangdian and/or its subsidiaries, joint ventures and associated companies would still be able to save finance costs of at least 2% per annum of the facility amount. The provision of financial advisory and consultation services by Gemdale Corporation can therefore substantially reduce the finance costs of the Guangzhou Guangdian.

By Order of the Board

Gemdale Properties and Investment Corporation Limited

Huang Juncan

Chairman and Executive Director

Hong Kong, 16 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*