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盛洋投資

Gemini Investments (Holdings) Limited

盛洋投資（控股）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 174)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE DISPOSAL OF PROPERTY IN THE U.S.
BY U.S. REAL ESTATE FUND PLATFORM**

THE DISPOSAL

The Board is pleased to announce that on 28 January 2022 (U.S. Eastern Time), the Vendor entered into the Purchase and Sale Agreement with the Purchaser in relation to the Disposal. Pursuant to the Purchase and Sale Agreement, the Vendor agreed to sell, and the Purchaser conditionally agreed to purchase, the Property for a consideration of US\$3,900,000 (equivalent to approximately HK\$30,225,000) subject to and upon, inter alia, the terms and conditions of the Purchase and Sale Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) exceeds 5% but is less than 25%, the Disposal contemplated under the Purchase and Sale Agreement constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 28 January 2022 (U.S. Eastern Time), the Vendor entered into the Purchase and Sale Agreement with the Purchaser pursuant to which the Vendor has agreed to sell and the Purchaser has conditionally agreed to purchase the Property for a total consideration of US\$3,900,000 (equivalent to approximately HK\$30,225,000) subject to and upon, inter alia, the terms and conditions of the Purchase and Sale Agreement.

THE PURCHASE AND SALE AGREEMENT

The principal terms of the Purchase and Sale Agreement are summarized as follows:

Date

28 January 2022 (U.S. Eastern Time)

Parties

- (i) Tomorrow IX Broadmoor, L.P. (as Vendor); and
- (ii) FC Real Estate Holdings, LLC (as Purchaser).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

The Property

The Property is wholly-owned by the Vendor and is located at 1401 North Turner Street, Hobbs, Lea County, New Mexico 88240, the U.S., comprising a shopping center with various car parking spaces.

Consideration

The total consideration for the Disposal is US\$3,900,000 (equivalent to approximately HK\$30,225,000), which was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to, among other things, (i) the unaudited carrying value of the Property as at 31 December 2021 of approximately US\$2,627,000 (equivalent to approximately HK\$20,359,000); (ii) the property evaluation proposals from brokers on the market price of the Property; and (iii) the prevailing market conditions of the property market in the U.S.. In determining the Consideration, the Vendor has also considered recent offers from other potential buyers of the Property.

The Consideration shall be paid by the Purchaser in cash in the following manner:

- (1) an initial refundable deposit in the sum of US\$25,000 (equivalent to approximately HK\$194,000) (the "**Deposit**"), shall be deposited by the Purchaser with the Escrow Agent within two Business Days following the Effective Date. The Deposit together with any interests thereon shall only be returned to the Purchaser (i) if the Purchaser does not elect to proceed with the purchase of the Property on or prior to the conclusion of the Inspection Period; or (ii) if the Purchase and Sale Agreement is terminated as a result of the Vendor failing to cure any title objection raised by the Purchaser; or (iii) if the Vendor fails to satisfy its obligations under the Purchase and Sale Agreement; and

- (2) an amount equal to the Consideration, less the Deposit and any interest earned thereon, shall be paid by the Purchaser to the Vendor on the Closing Date.

Conditions to Closing

The Purchaser's obligation to purchase the Property is conditional upon satisfaction (or waiver, in whole or in part, by the Purchaser in writing) of the following:

- (1) on the Closing Date, all representations and warranties made by the Vendor set forth in the Purchase and Sale Agreement must be true and correct in all material respects as if made on and as of the Closing Date;
- (2) on the Closing Date, the Title Company must be committed to issue a title policy to the Purchaser;
- (3) on the Closing Date, the Vendor shall have delivered to the Purchaser or the Title Company all of the items required to be so delivered pursuant to the terms of the Purchase and Sale Agreement; and
- (4) the Vendor shall have performed in all material respects, all covenants and other obligations under the Purchase and Sale Agreement to be performed by the Vendor as of the Closing Date.

Closing

Closing shall take place on the date which is 30 days after the expiration of the Inspection Period.

INFORMATION OF THE GROUP AND THE VENDOR

The Company is an investment holding company incorporated in Hong Kong with limited liability. The Group is principally engaged in property investments in the U.S. and Hong Kong, property developments in the U.S. and other operations (including fund investments and securities investments).

The Group's investments in the property market in the U.S. are conducted through its U.S. real estate fund platform, GR Realty, an indirect non wholly-owned subsidiary of the Company. GR Realty is a fully integrated real estate platform, investing in quality property projects and managing property funds as general partners in specific target markets in the U.S.. It has been providing tailored real estate solutions for investors and tenants for almost three decades.

The Vendor is an indirect wholly-owned subsidiary of GR Realty incorporated under the laws of State of Delaware, in the U.S., with limited liability.

INFORMATION OF THE PURCHASER

The Purchaser is principally engaged in real estate investment, organized under the laws of Oklahoma, the U.S. with limited liability and indirectly wholly-owned by Mr. Jeremy W. Foraker, the ultimate beneficial owner.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As stated above, the Group's investments in the property market in the U.S. are conducted through its U.S. real estate fund platform, GR Realty. It is a fully integrated real estate platform that invests in properties and manages property funds as general partners in specific target markets in the U.S.. As GR Realty Group mainly engages in the management of funds which hold properties in the U.S., GR Realty Group buys and sells properties in the U.S. in its ordinary and usual course of business.

Currently, the overall investment focus of GR Realty is on top-performing, high growth technology, creative, and new economy-centric sub-markets and tenants (which are mostly in West Coast and East Coast of the U.S.) in an effort to create and realize maximum value while at the same time gradually disposing of assets (which are mostly located in the Central U.S.) according to GR Realty's disposition criteria.

After considering the Property, its tenancy and market situation, the Disposal represents a good opportunity for the Vendor to realize its investment in the Property and provide reasonable return.

As compared with the unaudited carrying value of the Property as at 31 December 2021, the Directors are of the view that the Consideration under the Purchase and Sale Agreement, which represents a premium at approximately 48% to such carrying value, is reasonable taking into account the current general market sentiment.

The Directors considered that the Disposal contemplated under the Purchase and Sale Agreement (including the basis of determination of the Consideration for the Disposal) is on normal commercial terms, its terms are fair and reasonable and the Disposal is in the interests of GR Realty, the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

The unaudited carrying value of the Property as at 31 December 2021 was approximately US\$2,627,000 (equivalent to approximately HK\$20,359,000).

The Group expects to record a gain on the Disposal of approximately US\$603,000 (equivalent to approximately HK\$4,673,000), which is calculated based on the Consideration for the Disposal less the carrying value of the Property as at 31 December 2021 and the applicable transaction fees and taxes and other relevant estimated expenses in relation to the Disposal. The actual amount of gain as a result of the Disposal to be recognised by the Company will be subject to, among other things, audit and the amount of actual expenses incurred in relation to the Disposal and may be different from the aforementioned expected amount.

Set out below is the net profit (before and after taxation and excluding changes in fair value of the Property) attributable to the Property for the two financial years ended 31 December 2020 and 2021:

	Year ended 31 December 2021 (Unaudited) HK\$'000	Year ended 31 December 2020 (Unaudited) HK\$'000
Net profit (before and after taxation and excluding changes in fair value of the Property)	486	494

USE OF PROCEEDS

The expected net proceeds to be received by the Vendor from the Disposal, after deduction of applicable transactions fees and taxes and other relevant estimated expenses in relation to the Disposal, is approximately US\$3,196,000 (equivalent to approximately HK\$24,769,000). After the repayment of the relevant mortgage loan, the expected remaining net proceeds of approximately US\$478,000 (equivalent to approximately HK\$3,705,000) will improve the overall cash position of the Group for general working capital purpose as well as for future opportunities that may arise. Subject to actual circumstances and decision of the Board, the Company intends to apply such proceeds for future potential investments and general working capital purpose.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) exceeds 5% but is less than 25%, the Disposal contemplated under the Purchase and Sale Agreement constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements pursuant to Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company should note that Closing is subject to the satisfaction or waiver of the conditions precedent. Therefore, the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

“Board”	the board of Directors
“Business Day(s)”	any day other than a Saturday, Sunday or any day that national banking associations with offices in Oklahoma, the U.S. or Hong Kong are permitted or required by law to remain closed
“Closing”	the closing of the Disposal in accordance with the terms of the Purchase and Sale Agreement
“Closing Date”	the date on which the Closing occurs
“Company”	Gemini Investments (Holdings) Limited (盛洋投資(控股)有限公司), a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 174)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration of US\$3,900,000 (equivalent to approximately HK\$30,225,000) payable by the Purchaser to the Vendor for the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Property by the Vendor to the Purchaser pursuant to the terms and conditions of the Purchase and Sale Agreement
“Effective Date”	28 January 2022 (U.S. Eastern Time), being the date of the Purchase and Sale Agreement
“Escrow Agent”	an agent for the Title Company
“GR Realty”	Gemini-Rosemont Realty LLC, a company incorporated under the laws of the State of Delaware, the U.S. with limited liability and an indirect non wholly-owned subsidiary of the Company

“GR Realty Group”	GR Realty and its subsidiaries
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Inspection Period”	an evaluation and inspection period which shall end at 5:00 p.m. (U.S. Eastern Time) on 6 April 2022
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	the property located at 1401 North Turner Street, Hobbs, Lea County, New Mexico 88240, the U.S., comprising a shopping center and various car parking spaces
“Purchase and Sale Agreement”	the purchase and sale agreement entered into between the Vendor and the Purchaser dated 28 January 2022 (U.S. Eastern Time) in relation to, among other things, the Disposal
“Purchaser”	FC Real Estate Holdings, LLC, a limited liability company incorporated in Oklahoma, the U.S.
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Title Company”	First American Title Company
“U.S. ”	United States of America
“US\$”	United States dollars, the lawful currency of the U.S.

“Vendor”	Tomorrow IX Broadmoor, L.P., an indirect wholly-owned subsidiary of GR Realty
“%”	per cent.

By Order of the Board
Gemini Investments (Holdings) Limited
LAI Kwok Hung, Alex
Executive Director and Chief Executive Officer

Hong Kong, 31 January 2022

For the purpose of illustration only, conversions of US\$ into HK\$ in this announcement are based on the exchange rate of US\$1.00 to HK\$7.75. Such conversions should not be construed as representations that any amounts have been, could have been, or may be, exchanged at this or any other rates.

As at the date of this announcement, the Directors are as follows:

<i>Executive Directors:</i>	<i>Non-executive Directors:</i>	<i>Independent non-executive Directors:</i>
Mr. SUM Pui Ying	Mr. TANG Runjiang	Mr. LO Woon Bor, Henry
Mr. LAI Kwok Hung, Alex	Mr. ZHOU Yue	Ms. CHEN Yingshun
Ms. LAM Yee Lan		Mr. LEE Sai Kai, David