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Gemini Property Investments Limited

盛洋地產投資有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 174)

- (I) PROPOSED CHANGE OF COMPANY NAME**
(II) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL
(III) MAJOR AND CONNECTED TRANSACTION
PROPOSED DISPOSAL OF THE ENTIRE INTEREST
IN A SUBSIDIARY HOLDING THE PROPERTY
AND
(IV) RESUMPTION OF TRADING

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the name of the Company from “Gemini Property Investments Limited (盛洋地產投資有限公司)” to “Gemini Investments (Holdings) Limited (盛洋投資(控股)有限公司)”.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board also proposes to increase the authorised share capital of the Company from HK\$35,000,000 to HK\$210,000,000 by the creation of 3,500,000,000 additional Shares.

MAJOR AND CONNECTED TRANSACTION

PROPOSED DISPOSAL OF THE ENTIRE INTEREST IN A SUBSIDIARY HOLDING THE PROPERTY

On 11 May 2011, the Company as vendor and the Purchaser as purchaser entered into the Disposal Agreement, pursuant to which the Company agreed to sell and the Purchaser agreed to purchase the Klendo Sale Shares at the consideration of HK\$137,000,000, subject to the terms and conditions therein. After the Disposal Completion, Klendo will cease to be a subsidiary of the Company.

As more than one of the relevant percentage ratios for the Disposal are above 25% and less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

As the Purchaser is a wholly-owned company of Mr. Zen, a substantial shareholder of Klendo, the Purchaser is a connected person of the Company under the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under Rule 14A.45 to Rule 14A.48 of the Listing Rules.

TERMINATION OF ACQUISITION AGREEMENT

On 11 May 2011, Gemini Property (HK), an indirectly wholly-owned subsidiary of the Company, and SOL (HK) entered into the Acquisition Agreement pursuant to which Gemini Property (HK) conditionally agreed to acquire, and SOL (HK) conditionally agreed to sell the Midtalent Sale Shares, representing the entire issued share capital in Midtalent. However, as certain conditions under the Acquisition Agreement cannot be fulfilled, the parties mutually agreed to terminate the Acquisition Agreement with effect from 12 May 2011.

A circular containing, among other things, (i) further information regarding the proposed Change of Company Name, the proposed Increase in Authorised Share Capital, and the Disposal Agreement and the Disposal, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders with regard to the Disposal Agreement and the Disposal, (iii) a letter of advice from the independent financial adviser of the Company to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Disposal Agreement and the Disposal, (iv) the valuation report on the Property and (v) the notice of the EGM is expected to be despatched to the Shareholders on or about 1 June 2011.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 12 May 2011 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 13 May 2011.

PROPOSED CHANGE OF COMPANY NAME

The Board proposes to change the name of the Company from “Gemini Property Investments Limited (盛洋地產投資有限公司)” to “Gemini Investments (Holdings) Limited (盛洋投資(控股)有限公司)” (the “**Change of Company Name**”) to align with the future business development plan of the Company.

CONDITIONS OF THE CHANGE OF COMPANY NAME

The Change of Company Name is subject to:

- (a) approval by the Shareholders by way of a special resolution at the EGM; and
- (b) approval by the Registrar of Companies of Hong Kong.

The Company will carry out all necessary filing procedures with the Registrar of Companies of Hong Kong to effect the Change of Company Name after it has been approved by the Shareholders at the EGM. The Change of Company Name will take effect from the date on which the relevant certificate of change of name is issued by the Registrar of Companies of Hong Kong.

EFFECT OF THE CHANGE OF COMPANY NAME

The Change of Company Name will not affect any of the rights of the Shareholders. All existing share certificates in issue bearing the existing English and Chinese names of the Company will, after the Change of Company Name becoming effective, continue to be evidence of title to the Shares and will be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for the exchange of existing share certificates for new share certificates bearing the new English and Chinese names of the Company. Once the Change of Company Name becomes effective, any issue of share certificates will be under the new English and Chinese names of the Company.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

In order to provide the Company with greater flexibility to allot and issue Shares in the future as and when necessary, the Board proposes to increase the authorised share capital of the Company from HK\$35,000,000 to HK\$210,000,000 by the creation of 3,500,000,000 additional new ordinary Shares ranking in all respects pari passu with the existing Shares (the “**Increase in Authorised Share Capital**”). The Increase in Authorised Share Capital is subject to approval by the Shareholders by way of an ordinary resolution at the EGM.

As at the date of this announcement, the Company has an authorised share capital of HK\$35,000,000 divided into 700,000,000 Shares of which 445,500,000 Shares have been issued and are fully paid.

A further announcement will be made by the Company to inform the Shareholders of the effective date of the Change of Company Name and the change of the stock short name of the Company on the Stock Exchange.

MAJOR AND CONNECTED TRANSACTION

PROPOSED DISPOSAL OF THE ENTIRE INTEREST IN A SUBSIDIARY HOLDING THE PROPERTY

The Disposal Agreement

On 11 May 2011, the Company as vendor and the Purchaser as purchaser entered into the Disposal Agreement, pursuant to which the Company agreed to sell and the Purchaser agreed to purchase the Klendo Sale Shares, subject to the terms and conditions therein. Principal terms of the Disposal Agreement are set out as follows:

Date

11 May 2011

Parties

The Company, as vendor

The Purchaser, a connected person of the Company, as purchaser

Assets to be disposed of

Pursuant to the Disposal Agreement, the Company conditionally agree to sell the Klendo Sale Shares, representing the entire shareholding interest of the Company in Klendo, to the Purchaser.

Klendo is a company incorporated in Hong Kong with limited liability and is a 90% directly owned subsidiary of the Company. Klendo's main activity is the holding of the Property, which is located at No. 887 Huai Hai Road Central, Luwan District, Shanghai, the PRC, comprising units 1003, 1005, 1010A, 1010B, 1011, 1012 and 1013 on the 10th floor, the whole 11th and 12th floors, and the multi-function room on the roof thereof, which are being leased for rental income.

As at 31 December 2010, the audited net asset value of Klendo was RMB121,990,886 (approximately HK\$145,253,183). Based on the statement of comprehensive income as at 31 December 2010, the audited net loss before and after taxation of Klendo for the year ended 31 December 2010 was RMB8,655,861 (approximately HK\$10,306,437) and RMB8,146,820 (approximately HK\$9,700,327) respectively.

The Disposal Consideration

The Disposal Consideration for the sale and purchase of the Klendo Sale Shares shall be HK\$137,000,000, which shall be paid by the Purchaser to the Company in cash in the following manner:

- (a) HK\$10,000,000 shall be paid (and was paid) on the date of the Disposal Agreement as deposit (the “**Deposit**”); and
- (b) the remaining balance of HK\$127,000,000 shall be paid at the Disposal Completion.

The Disposal Consideration is determined after arm's length negotiation between the Company and the Purchaser with reference to the audited net asset value of Klendo attributable to the Company as at 31 December 2010.

Condition precedent for the Disposal Completion

The Disposal Completion shall be conditional upon the passing of an ordinary resolution at the EGM by the Shareholders who are not prohibited to vote under the Listing Rules at a general meeting of the Company approving the Disposal Agreement and the transactions contemplated thereunder or, if permitted under the Listing Rules, by way of written resolutions of Shareholder(s) holding more than 50% in normal value of the issued share capital of the Company (the “**Disposal Condition**”).

In the event that the Disposal Condition has not been fulfilled by no later than 4:00 p.m. on the Disposal Long Stop Date, the Disposal Agreement shall lapse and be of no further effect and no party to the Disposal Agreement shall have any claim against or liability or obligation to the other party save in respect of any antecedent breaches

of the Disposal Agreement, except that the Company shall refund the full amount of the Deposit (if already paid in full by the Purchaser pursuant to the Disposal Agreement) without interest to the Purchaser within 7 Business Days after the Disposal Long Stop Date.

The Disposal Completion

Subject to the fulfillment of the Disposal Condition, the Disposal Completion shall take place on the Disposal Completion Date.

After the Disposal Completion, Klendo will cease to be a subsidiary of the Company.

Reasons for and benefits of the Disposal and use of proceeds

The Group reviews the performance of its investment property portfolio annually and believes the rental income growth of the Property has been lagging behind the market growth. The Group also believes that in view of the tightening credit market in the PRC, there will be more and more higher return opportunities arising in the market. The Disposal will provide funding for the Group to support its future property-related investments and to capture property investment opportunities which may generate higher return.

Compared with the audited net asset value of Klendo as at 31 December 2010 attributable to the Company and the amount of the Disposal Consideration, it is expected that a gain of approximately HK\$6,272,136 will be accrued to the Group upon completion of the Disposal.

It is intended that the net proceeds from the Disposal, which is currently estimated to be approximately HK\$137,000,000, would be applied towards other possible property investment opportunities of the Group. As at the date of this announcement, there is no specific property identified by the Group.

The Company only disposes part of its existing property investment projects which is non-profit generating under the Disposal. Subsequent to the Disposal, the Company will continue to operate its property investment business.

The Directors (excluding the independent non-executive directors who will render their view after considering the advice of the independent financial adviser) are of the view that the terms of the Disposal Agreement and the Disposal are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

Implications under the Listing Rules

As more than one of the relevant percentage ratios for the Disposal are above 25% and less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

As the Purchaser is a wholly-owned company of Mr. Zen, a substantial shareholder of Klendo, the Purchaser is a connected person of the Company under the Listing Rules. Accordingly, the Disposal also constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement and independent shareholders' approval requirements under Rule 14A.45 to Rule 14A.48 of the Listing Rules.

TERMINATION OF ACQUISITION AGREEMENT

On 11 May 2011, Gemini Property (HK), an indirectly wholly-owned subsidiary of the Company, and SOL (HK) entered into the Acquisition Agreement pursuant to which Gemini Property (HK) conditionally agreed to acquire, and SOL (HK) conditionally agreed to sell the Midtalent Sale Shares, representing the entire issued share capital in Midtalent. However, as certain conditions under the Acquisition Agreement cannot be fulfilled, the parties mutually agreed to terminate the Acquisition Agreement with effect from 12 May 2011.

EGM

The Company will convene the EGM at which a special resolution will be proposed to approve the proposed Change of Company Name and ordinary resolutions will be proposed to approve the Increase in Authorised Share Capital, the Disposal Agreement and the Disposal. In accordance with the Listing Rules, the votes at the EGM shall be taken by poll.

To the best of the Directors' knowledge, information and belief as at the date of this announcement, no Shareholder and their associates have any material interests in the Disposal Agreement and the Disposal, and therefore no Shareholder or their associates shall be required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Disposal Agreement and the Disposal.

The Independent Board Committee comprising, Mr. Law Tze Lun, Mr. Lo Woon Bor, Henry and Mr. Zheng Yun, all being independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the terms of the Disposal Agreement and the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole as well as to advise the Independent Shareholders on how to vote, taking into account the recommendation of the independent financial adviser. An independent financial adviser has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the same.

A circular containing, among other things, (i) further information regarding the proposed Change of Company Name, the proposed Increase in Authorised Share

Capital and the Disposal Agreement and the Disposal, (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders with regard to the Disposal Agreement and the Disposal, (iii) a letter of advice from the independent financial adviser of the Company to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Disposal Agreement and the Disposal, (iv) the valuation report on the Property and (v) the notice of the EGM is expected to be despatched to the Shareholders on or about 1 June 2011.

GENERAL

The principal activities of the Group are properties and securities investment.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by the substantial shareholder of Klendo. Its principal activity is investment holding.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:00 a.m. on 12 May 2011 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 13 May 2011.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Acquisition Agreement”	the conditional sale and purchase agreement dated 11 May 2011 entered into between Gemini Property (HK) as purchaser and SOL (HK) as vendor in relation to the sale and purchase of the Midtalent Sale Shares
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or days on which a typhoon signal 8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00 a.m.) on which banks in Hong Kong are generally open for business
“Company”	Gemini Property Investments Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the sale of the Klendo Sale Shares by the Company to the Purchaser pursuant to the terms of the Disposal Agreement
“Disposal Agreement”	the sale and purchase agreement dated 11 May 2011 entered into between the Company as vendor and the Purchaser as purchaser in relation to the sale and purchase of the Klendo Sale Shares
“Disposal Completion”	the completion of the Disposal under the Disposal Agreement pursuant to the terms and conditions thereof
“Disposal Completion Date”	the date when the Disposal Completion shall take place, being the 10th Business Day after the Disposal Condition has been satisfied or such other date as may be agreed in writing between the Company and the Purchaser
“Disposal Consideration”	the sum of HK\$137,000,000, being the total consideration for the sale and purchase of the Klendo Sale Shares
“Disposal Long Stop Date”	15 July 2011 or such later date as may be agreed in writing between the Company and the Purchaser
“EGM”	an extraordinary general meeting of the Company to be convened to consider, and if thought fit, to approve the proposed Change of Company Name, the proposed Increase in Authorised Share Capital, the Disposal Agreement and the Disposal
“Gemini Property (HK)”	Gemini Property (HK) Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors to advise the Independent Shareholders on the Disposal Agreement and the Disposal
“Independent Shareholders”	Shareholders who are not prohibited from voting at the EGM
“Klendo ”	Klendo Limited, a company incorporated in Hong Kong with limited liability and a 90% owned subsidiary of the Company
“Klendo Sale Shares”	the 18,000 shares of HK\$1 each in Klendo held by the Company, representing the entire shareholding interest of the Company in Klendo
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Midtalent”	Midtalent Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of SOL (HK)
“Midtalent Sale Shares”	the 2 shares of US\$1 each in the share capital of Midtalent held by SOL (HK), representing the entire issued share capital of Midtalent
“Mr. Zen”	Mr. Zen Wea Foo, a shareholder holding 10% shares in the capital of Klendo, and a connected person of the Company
“PRC”	the People’s Republic of China
“Property”	being various units and portions of the Novel Building located at No. 887 Huai Hai Road Central, Lu Wan District, Shanghai, the PRC, particulars of which are set out in this announcement
“Purchaser”	Virtue Time Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a connected person of the Company under the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC

“Shares”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SOL (HK)”	Sino-Ocean Land (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a connected person of the Company under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“US\$”	US dollars, the lawful currency of the United States of America
“%”	per cent.

Hong Kong, 12 May 2011

By Order of the Board
Gemini Property Investments Limited
Adrian Sum
Chairman

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

<i>Executive Director:</i>	<i>Non-executive</i>	<i>Independent</i>
Mr. Li Zhenyu	<i>Directors:</i>	<i>non-executive Directors:</i>
	Mr. Sum Pui Ying, Adrian	Mr. Law Tze Lun
	Mr. Li Hongbo	Mr. Lo Woon Bor, Henry
		Mr. Zheng Yun

* *for identification purposes only*