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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)**

## **CONNECTED TRANSACTIONS**

### **FORMATION OF JOINT VENTURE IN RELATION TO THE ESTABLISHMENT OF AN INVESTMENT FUND**

On 5 September 2011, Chance Bright (a wholly owned subsidiary of the Company) and SOL HK (a substantial shareholder of the Company) and KKR SPRE (an affiliate of KKR China Growth Fund L.P.) entered into the Framework Agreement in relation to the establishment and management of the Fund and the JV Entities.

Pursuant to the Framework Agreement, each of Chance Bright and KKR SPRE has agreed to subscribe for shares at par in each of the Ultimate General Partner and the Management Company so that Chance Bright and KKR SPRE will co-own the JV Entities on a 50/50 basis. In addition, each of SOL HK and KKR SPRE has agreed to make a capital commitment of USD70 million to the Fund, and each of Chance Bright and KKR SPRE has agreed to make a capital commitment of USD1.05 million to the General Partner which will in turn make a capital commitment of USD2 million to the Fund.

The Fund will become an investment platform of the Group to invest in certain real estate projects in the PRC and to expand the Group's revenue source from property related investment.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, SOL HK holds 70.15% of the issued share capital of the Company and is a substantial shareholder of the Company and therefore, is a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement constitute connected transactions of the Company. As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Framework Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

On 5 September 2011, Chance Bright (a wholly owned subsidiary of the Company) and SOL HK (a substantial shareholder of the Company) and KKR SPRE (an affiliate of KKR CGF) entered into the Framework Agreement in relation to the establishment and management of the Fund and the JV Entities.

Pursuant to the Framework Agreement, each of Chance Bright and KKR SPRE has agreed to subscribe for shares at par in each of the Ultimate General Partner and the Management Company so that Chance Bright and KKR SPRE will co-own the JV Entities on a 50/50 basis. In addition, each of SOL HK and KKR SPRE has agreed to make a capital commitment of USD70 million to the Fund, and each of Chance Bright and KKR SPRE has agreed to make a capital commitment of USD1.05 million to the General Partner which will in turn make a capital commitment of USD2 million to the Fund.

The Fund will become an investment platform of the Group to invest in certain real estate projects in the PRC and to expand the Group's revenue source from property related investment.

## **THE FRAMEWORK AGREEMENT**

Particulars of the Framework Agreement are as follows:

### **Date**

5 September 2011

## **Parties**

1. Chance Bright
2. SOL HK
3. KKR SPRE

## **Information of the Fund and the JV Entities**

### ***Initial Capital Commitment and Share Subscription Prices***

Each of Chance Bright and KKR SPRE has agreed to subscribe for shares at par in each of the Ultimate General Partner and the Management Company so that Chance Bright and KKR SPRE will co-own the JV Entities on a 50/50 basis. The aggregate subscription monies and the agreed capital contribution to pay expenses of the JV Entities payable by Chance Bright to the JV Entities will be up to USD100,000.

In addition, each of SOL HK and KKR SPRE has agreed to make a capital commitment of USD70 million to the Fund, and each of Chance Bright and KKR SPRE has agreed to make a capital commitment of USD1.05 million to the General Partner which will in turn make a capital commitment of USD2 million to the Fund.

It is expected that completion of the closing of the Fund and the share subscriptions of the JV Entities will take place on or about the date of the Framework Agreement.

The capital commitment to the Fund and the share subscription prices and capital contribution for the JV Entities were determined after arms' length negotiation between the parties with reference to the capital requirement of the Fund and the authorized capital and expected expenses of the JV Entities, respectively. The Company intends to fund its capital commitment and the share subscription prices from internal resources of the Group.

### ***Term of the Fund***

The term of the Fund will be 5 years from the closing of the Fund (which is expected to be on or about the date of the Framework Agreement) with the option of up to two one—year extensions in the sole discretion of the General Partner.

### ***Transfer restriction of the JV Entities***

Neither Chance Bright nor KKR SPRE shall transfer or otherwise dispose of any of their shares in the JV Entities, or suffer a change of control, except in accordance with the terms of the Framework Agreement.

### ***Board composition and management of the JV Entities***

Upon completion of the share subscriptions, the board of directors of each of the JV Entities will consist of 4 directors, two of them will be nominated by Chance Bright and the other two will be nominated by KKR SPRE. Each of the JV Entities will have a chief executive officer who will be nominated by Chance Bright.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS**

It is the principal business of the Group to engage in property and securities investment business. The Group believes that through participation into the Fund, the Group can leverage the experience and expertise of Sino-Ocean Land in the real estate market in the PRC to general higher return from property investment projects in the PRC.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Framework Agreement and the transactions contemplated thereunder are on normal commercial terms, which are fair and reasonable and are in the best interest of the Company and its shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the Framework Agreement or is required to abstain from voting from the Board resolutions for considering and approving the same pursuant to the articles of association of the Company.

### **INFORMATION ABOUT THE GROUP AND THE COUNTERPARTIES**

The Company is a company incorporated under the laws of Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business activity of the Company is investment holding. The Group has been engaged in its principal activities in properties and securities investment.

SOL HK is a company incorporated under the laws of Hong Kong and is a wholly-owned subsidiary of Sino-Ocean Land whose shares are listed on the Main Board of the Stock Exchange. SOL HK is a substantial shareholder of the Company. Sino-Ocean Land and its subsidiaries are principally engaged in property development, property investment and other activities (including hotel operation, property management, property sales agency and related services).

KKR SPRE is an investment vehicle affiliated with KKR CGF, a private equity fund sponsored by leading global investment firm Kohlberg Kravis Roberts & Co L.P. KKR CGF principally invests in growth investment opportunities in the PRC, and through KKR SPRE, is interested in participating in the establishment of a real estate investment fund with SOL HK or its affiliate.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, SOL HK holds 70.15% of the issued share capital of the Company and is a substantial shareholder of the Company and therefore, is a connected person of the Company for the purpose of Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement constitute connected transactions of the Company. As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Framework Agreement exceed 0.1% but are less than 5%, the transactions contemplated under the Framework Agreement are subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of directors of the Company
“Chance Bright”	Chance Bright Limited, an exempted company incorporated in the Cayman Islands with limited liability, a wholly owned subsidiary of the Company
“Company”	Gemini Investments (Holdings) Limited, a company incorporated with limited liability under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and whose shares are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Framework Agreement”	the framework agreement dated 5 September 2011 entered into among SOL HK, Chance Bright and KKR SPRE in relation to the establishment and management of the Fund and the JV Entities

“Fund”	Sino Prosperity Real Estate Fund L.P., an exempted limited partnership established and registered under the laws of the Cayman Islands with the principal objective to invest in real estate projects located in the PRC through outright ownership, by forming joint ventures or by investing in other entities that own real estate projects
“General Partner”	Sino Prosperity Real Estate (GP), L.P., an exempted limited partnership established and registered under the laws of the Cayman Islands and is responsible for the overall management of the Fund, and will (subject to any delegation to the Management Company) have responsibility for making all investment decisions on behalf of the Fund (including without limitation all decisions in relation to the investment, divestment, financing or refinancing of investments of the Fund together with the terms of admittance of any third party investors in the Fund)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“JV Entities”	the Ultimate General Partner and the Managemenet Company
“KKR CGF”	KKR China Growth Fund L.P. an exempted limited partnership established and registered under the laws of the Cayman Islands
“KKR SPRE”	KKR SPRE Holdings L.P., an exempted limited partnership established and registered under the laws of the Cayman Islands and an affiliate of KKR CGF
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Management Company”	Sino Prosperity Real Estate Advisor Limited, a company incorporated under the laws of Cayman Islands with limited liability and is responsible for evaluating and monitoring the Fund’s investments providing day-to-day managerial and administrative services to the Fund

“PRC”	the People’s Republic of China, which for the purpose of this announcement and unless the context suggests otherwise, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Sino-Ocean Land”	Sino-Ocean Land Holdings Limited, a company incorporated with limited liability under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and whose shares are listed on the Main Board of the Stock Exchange
“SOL HK”	Sino-Ocean Land (Hong Kong) Limited, a company incorporated with limited liability under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and a wholly-owned subsidiary of Sino-Ocean Land and is a substantial shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Ultimate General Partner”	Sino Prosperity Real Estate Limited, a company organized and existing under the laws of the Cayman Islands and will act as the general partner of the General Partner of the Fund
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By Order of the Board  
**Gemini Investments (Holdings) Limited**  
**Adrian Sum**  
*Chairman*

Hong Kong, 5 September 2011

As at the date of this announcement, the Directors of the Company comprise:

Executive Director:	Non-executive Directors:	Independent non-executive Directors:
Mr. LI Zhenyu	Mr. SUM Pui Ying	Mr. LAW Tze Lun
	Mr. LI Hongbo	Mr. LO Woon Bor, Henry
		Mr. ZHENG Yun