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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**

### **FIRST AMENDMENT AND REINSTATEMENT OF THE PURCHASE AND SALE AGREEMENT IN RELATION TO THE DISPOSAL OF PROPERTY IN THE U.S. BY U.S. REAL ESTATE FUND PLATFORM**

#### **AMENDED AND REINSTATED PURCHASE AND SALE AGREEMENT**

Reference is made to the announcements of the Company dated (i) 14 February 2024 in relation to, among other things, the entering into of the Purchase and Sale Agreement; and (ii) 12 April 2024 in relation to, the subsequent termination of the Purchase and Sale Agreement pursuant to the written termination notice received from the Purchaser on 11 April 2024 (U.S. Central Standard Time).

As stated in the announcement of the Company dated 12 April 2024, the Purchaser and the Vendor continued negotiations regarding the Disposal following the Termination. As a result of such continued negotiations, on 8 July 2024 (U.S. Central Standard Time), the Vendor entered into the First Amendment with the Purchaser, pursuant to which, among other things, the Vendor and the Purchaser agreed to reinstate, ratify and confirm the Purchase and Sale Agreement, which has the effect of reinstating the Purchase and Sale Agreement (as amended and reinstated by the First Amendment) in full except to the extent amended by the First Amendment. Pursuant to the Amended and Reinstated Purchase and Sale Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Property for an aggregate consideration of US\$9,300,000 (equivalent to approximately HK\$72,633,000) subject to and upon, inter alia, the terms and conditions of the Amended and Reinstated 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 Amended and Reinstated 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**

Reference is made to the announcements of the Company dated (i) 14 February 2024 in relation to, among other things, the entering into of the Purchase and Sale Agreement; and (ii) 12 April 2024 in relation to, the subsequent termination of the Purchase and Sale Agreement pursuant to the written termination notice received from the Purchaser on 11 April 2024 (U.S. Central Standard Time).

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## **THE AMENDED AND REINSTATED PURCHASE AND SALE AGREEMENT**

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

### **Date**

8 July 2024 (U.S. Central Standard Time)

### **Parties**

- (i) Rosemont Oaks Operating LLC (as vendor); and
- (ii) Partnership Holdings-JAC, 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 16414 San Pedro Avenue, San Antonio, Texas 78232, the U.S., comprising a multi-tenant office building containing approximately 140,980 square feet.

## **Consideration**

The total consideration for the Disposal is US\$9,300,000 (equivalent to approximately HK\$72,633,000), 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 30 June 2024 of approximately US\$9,475,000 (equivalent to approximately HK\$74,000,000); (ii) the recent offers from other potential buyers; and (iii) the prevailing market conditions of the property market in the U.S.

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

- (1) US\$110,000 (equivalent to approximately HK\$859,100) (the “**Initial Deposit**”) in good funds, shall be deposited by the Purchaser to the Title Company (as escrow agent) no later than three Business Days following the Effective Date. If the Disposal is closed, then the Initial Deposit with any interest earned thereon will be applied to the Consideration at Closing. The Initial Deposit shall be non-refundable;
- (2) US\$25,000 (equivalent to approximately HK\$195,250) as non-refundable deposit (the “**Closing Extension Deposit**”) and together with the Initial Deposit and any interests earned thereon, the “**Deposits**”) shall be deposited by the Purchaser if the Purchaser has given written notice to the Vendor no later than 5 days prior to the original Closing Date to extend the Closing Date by 15 days; and
- (3) immediately available funds in an amount equal to the Consideration, less the Deposits and as adjusted for any prorations pursuant to the Amended and Reinstated Purchase and Sale Agreement shall be paid by the Purchaser to the Vendor through the escrow maintained by the Title Company on the Closing Date.

## **Conditions to Closing**

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

- (1) the Vendor materially performing and complying with all of the terms of the Amended and Reinstated Purchase and Sale Agreement to be performed and complied with by the Vendor prior to or at the Closing;

- (2) all of the representations and warranties of the Vendor set forth in the Amended and Reinstated Purchase and Sale Agreement shall be true, accurate and complete in all respects as of the Closing Date;
- (3) the Vendor shall have delivered to the Purchaser title to the Property as required in the Amended and Reinstated Purchase and Sale Agreement, subject only to the permitted exceptions set out in the Amended and Reinstated Purchase and Sale Agreement; and
- (4) the Vendor shall have delivered all of the closing documents as described in the Amended and Reinstated Purchase and Sale Agreement.

The Vendor's obligations to sell the Property is conditional upon satisfaction (or waiver by the Vendor in writing) of the following:

- (1) all of the representations and warranties of the Purchaser set forth in the Amended and Reinstated Purchase and Sale Agreement shall be true, accurate and complete in all respects as of the Closing Date, except for those representations and warranties expressly made only as of the Effective Date (which shall nonetheless be true as of such date);
- (2) the Purchaser shall have delivered the Consideration to the Vendor in accordance with the terms of the Amended and Reinstated Purchase and Sale Agreement; and
- (3) the Purchaser shall have delivered all of the closing documents as described in the Amended and Reinstated Purchase and Sale Agreement.

### **Closing**

Closing shall take place through an escrow arrangement with the Title Company on or before the date which is 40 days after the Effective Date, which may be extended for 15 days by the Purchaser depositing the Closing Extension Deposit as set out in the section headed "Consideration" in this announcement.

### **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 that invests in properties and manages property funds as general partners in specific target markets in the U.S.

The Vendor is under one of the funds in GR Realty's portfolio which is managed by GR Realty as the general partner. The limited partners of the Vendor's parent fund include GR Realty and other Independent Third Party investors.

## **INFORMATION OF THE PURCHASER**

The Purchaser is a limited liability company incorporated in Texas, the U.S. which is principally engaged in real estate investment and directly wholly-owned by James Adam Cotter, the ultimate beneficial owner.

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 as at the date of this announcement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO OF THE AMENDED AND REINSTATED PURCHASE AND SALE AGREEMENT**

GR Realty 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, GR Realty's strategic operating plan is to focus on coastal gateway, technology-driven and selected markets that exhibit compelling fundamentals, high liquidity and improving demographics, while at the same time gradually dispose of assets located in non-focused markets at suitable timing, for example, the Property.

After considering the property and market situation and the exit intention of the limited partners, the Disposal represents a suitable opportunity for the Vendor to realize its investment in the Property with positive cashflow.

As compared with the unaudited carrying value of the Property as at 30 June 2024, the Directors are of the view that the Consideration under the Amended and Reinstated Purchase and Sale Agreement, which represents a slight discount of approximately 2% to such carrying value, is reasonable taking into account the current general market sentiment. Notwithstanding the Consideration (which was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms) is approximately US\$800,000 (equivalent to approximately HK\$6,248,000) less than the original consideration under the Purchase and Sale Agreement, the Directors nonetheless considered the Consideration to be fair and reasonable after taking into account the following factors:

- (1) the leasing risk associated with holding the Property amid the very minimal leasing activity currently in the market;

- (2) the current offer with the Consideration is on the best terms compared to other offers for the Property, which have higher execution risks and longer timing of the transaction; and
- (3) the risk of further downward price adjustment if the Property were to be put on open market for sale again due to the weak market conditions and the high interest environment.

The Directors considered that the Amended and Reinstated Purchase and Sale Agreement is on normal commercial terms, its terms are fair and reasonable, and the Disposal is in the interests of the limited partners of the Vendor's parent fund, the Company and its Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL**

The unaudited carrying value of the Property as at 30 June 2024 was approximately US\$9,475,000 (equivalent to approximately HK\$74,000,000).

The Group expects to record a loss on the Disposal of approximately US\$454,000 (equivalent to approximately HK\$3,546,000), which is calculated based on the Consideration for the Disposal less the unaudited carrying value of the Property as at 30 June 2024 and the relevant estimated expenses in relation to the Disposal. The actual amount of gain or loss 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 2022 and 2023:

	<b>Year ended 31 December 2023</b> (Unaudited) <i>HK\$'000</i>	<b>Year ended 31 December 2022</b> (Unaudited) <i>HK\$'000</i>
Net profit (before taxation and excluding changes in fair value of the Property)	6,093	3,098
Net profit (after taxation and excluding changes in fair value of the Property)	5,862	2,951

## **USE OF PROCEEDS**

The expected net proceeds to be received by the Vendor from the Disposal, after deduction of applicable transactions fees and taxes is approximately US\$8,891,000 (equivalent to approximately HK\$69,439,000), which will then be used for payment of performance-based fees to the general partner of the Vendor's parent fund, and distribution to the limited partners of the Vendor's parent fund, in accordance with the limited partnership agreement of the Vendor's parent fund.

Accordingly, upon Closing, the Group will receive performance-based fees with GR Realty being the general partner of the Vendor's parent fund, as well as the distribution to limited partners with GR Realty being one of the limited partners of the Vendor's parent fund.

The expected net proceeds to be received by the Group as the general partner is approximately US\$28,000 (equivalent to approximately HK\$219,000) and as a limited partner is approximately US\$2,353,000 (equivalent to approximately HK\$18,377,000). Such proceeds will improve the overall cash position of the Group for general working capital purpose. 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 Amended and Reinstated 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.

“Amended and Reinstated Purchase and Sale Agreement”	the Purchase and Sale Agreement entered into between the Vendor and the Purchaser (as amended and reinstated by the First Amendment) in relation to, among other things, the Disposal
“Board”	the board of Directors
“Business Day(s)”	any day of the year on which banks are not required or authorized by law to close in Los Angeles, California, the U.S. or San Antonio, Texas, the U.S.
“Closing”	the closing of the Disposal in accordance with the terms of the Amended and Reinstated 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\$9,300,000 (equivalent to approximately HK\$72,633,000) 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 Amended and Reinstated Purchase and Sale Agreement
“Effective Date”	8 July 2024 (U.S. Central Standard Time), being the date of the First Amendment
“First Amendment”	the First Amendment and Reinstatement to the Purchase and Sale Agreement entered into between the Vendor and the Purchaser dated 8 July 2024 (U.S. Central Standard Time)
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange



“Property”	the property located at 16414 San Pedro Avenue, San Antonio, Texas 78232, the U.S., comprising a multi-tenant office building containing approximately 140,980 square feet
“Purchase and Sale Agreement”	the agreement of sale and purchase entered into between the Vendor and the Purchaser dated 12 February 2024 (U.S. Central Standard Time)
“Purchaser”	Partnership Holdings-JAC, LLC, a limited liability company incorporated in Texas, 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
“Termination”	termination of the Purchase and Sale Agreement pursuant to the written termination notice received from the Purchaser on 11 April 2024 (U.S. Central Standard Time)
“Title Company”	First American Title Insurance Company
“U.S.”	United States of America
“US\$”	United States dollars, the lawful currency of the U.S.
“Vendor”	Rosemont Oaks Operating LLC, under a fund in GR Realty’s portfolio
“%”	per cent.

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

Hong Kong, 10 July 2024

*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\$7.81. 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:

*Executive Directors:*

Mr. SUM Pui Ying  
Mr. LAI Kwok Hung, Alex  
Ms. LAM Yee Lan

*Non-Executive Director:*

Mr. TANG Runjiang

*Independent Non-Executive Directors:*

Mr. LO Woon Bor, Henry  
Mr. LEE Sai Kai, David  
Mr. LEUNG Wai Hung