
IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealers or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Gemini Investments (Holdings) Limited**, you should at once hand this circular to the purchaser or the transferee, or to the stockbroker, registered dealer in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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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)

MAJOR TRANSACTION
IN RELATION TO THE PROVISION OF LOAN TO GR REALTY

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	announcement of the Company dated 10 December 2015, in relation to, among other things, the Loan Agreement
“Board”	board of Directors
“Business Day”	any day that is not a Saturday, Sunday or other day on which commercial banks in New York or Hong Kong are authorized or required by law to remain closed
“China” or the “PRC”	The People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Company”	Gemini Investments (Holdings) Limited, 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)
“Director(s)”	director(s) of the Company
“Effective Date”	10 December 2015
“Grand Beauty”	Grand Beauty Management Limited, being the controlling Shareholder holding 312,504,625 Shares (representing approximately 69.29% of the issued Shares as at the Latest Practicable Date) and an indirect wholly-owned subsidiary of Sino-Ocean Land Holdings Limited (the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 3377))
“GR Holdings”	Gemini-Rosemont Realty Holdings LLC, a limited liability company organised under the laws of the State of Delaware and a wholly-owned subsidiary of the Company
“GR Realty”	Gemini-Rosemont Realty LLC, a limited liability company organised under the laws of the State of Delaware
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“IFRS”	International Financial Reporting Standards developed by, and the International Accounting Standards adopted by, the International Accounting Standards Board

DEFINITIONS

“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Interest Payment Date”	the first Business Day of each January, April, July and October and the maturity date of the Loan Agreement; provided, however, that prior to each January, April, July and October, Sunrose Global provides not less than three months’ written notice to GR Realty requesting the payment of all, or any portion of, the then accrued interest
“Latest Practicable Date”	23 December 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the loan in the principal amount of US\$37,500,000 (equivalent to approximately HK\$290,625,000) agreed to be advanced by Sunrose Global to GR Realty pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 10 December 2015 entered into between Sunrose Global and GR Realty
“Lone Rock”	Lone Rock Holdings, LLC
“Rosemont”	Rosemont Realty, LLC, a limited liability company organised under the laws of the State of Delaware
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunrose Global”	Sunrose Global Limited, a limited company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

For illustration purpose, amounts in US\$ in this circular have been translated to HK\$ at the rate of US\$1 = HK\$7.75. The conversion rate should not be taken as a representation that US\$ could actually be converted into HK\$ at that rate or at any other rate or at all.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. SUM Pui Ying (*Chief Executive Officer*)

Ms. CUI Yueming

Mr. LAI Kwok Hung, Alex

Non-executive Directors:

Mr. LI Ming (*Honorary Chairman*)

Mr. LI Hongbo

Independent non-executive Directors:

Mr. LAW Tze Lun

Mr. LO Woon Bor, Henry

Mr. ZHENG Yun

Registered office and principal

place of business:

Room 3902, 39th Floor

Tower One, Lippo Centre

No. 89 Queensway

Hong Kong

24 December 2015

Dear Sirs,

**MAJOR TRANSACTION
IN RELATION TO THE PROVISION OF LOAN TO GR REALTY**

INTRODUCTION

Reference is made to the Announcement. On 10 December 2015, Sunrose Global, a wholly-owned subsidiary of the Company, as lender and GR Realty as borrower entered into the Loan Agreement, pursuant to which Sunrose Global agreed to provide the Loan to GR Realty.

The purpose of this circular is to provide you with, among other things, information relating to the provision of the Loan and other information required under the Listing Rules.

LETTER FROM THE BOARD

THE LOAN AGREEMENT

Effective Date	:	10 December 2015
Parties	:	(1) Sunrose Global as lender; and (2) GR Realty as borrower
Loan Amount	:	US\$37,500,000 (equivalent to approximately HK\$290,625,000)
Drawdown	:	Sunrose Global will make the Loan to GR Realty on the Effective Date by wire transfer of such funds
Maturity Date	:	The date that is five years from the Effective Date
Repayment	:	GR Realty shall repay to Sunrose Global on the maturity date the aggregate principal amount of the Loan outstanding on such date, plus any accrued and unpaid interest thereon in accordance with the terms of the Loan Agreement.
Interest	:	6% per annum, accruing on a daily basis of 360 days per year
Interest Payment	:	Interest on the Loan shall be due and payable in arrears on each Interest Payment Date in an amount determined by Sunrose Global, in its sole and absolute discretion, and communicated to GR Realty by written notice not less than three months prior to each Interest Payment Date (provided that any required interest payment shall not exceed the then accrued and outstanding interest).
Prepayments	:	GR Realty may, upon notice to Sunrose Global, at any time or from time to time voluntarily prepay the Loan in whole or in part without premium or penalty; provided that (1) such notice must be received by Sunrose Global not later than 11:00 a.m. Eastern Time (daylight or standard, as applicable) on the day of prepayment of the Loan; and (2) any partial prepayment of the Loan shall be in a principal amount of US\$10,000 or a whole multiple of US\$10,000 in excess thereof or, if less, the entire principal amount thereof then outstanding.
Security	:	None
Purpose	:	The Loan shall be used by GR Realty for the purpose of repaying in full certain promissory notes provided by GR Realty or its subsidiaries in favour of Lone Rock (or its predecessor in interest) (the “ Promissory Notes ”).

LETTER FROM THE BOARD

INFORMATION ON THE PARTIES TO THE LOAN AGREEMENT

Sunrose Global is a limited liability company incorporated in the British Virgin Islands and is wholly-owned by the Company. It is principally engaged in investment holding.

GR Holdings is a limited liability company organised under the laws of the State of Delaware and is wholly-owned by the Company. It is principally engaged in investment holding. The Group is principally engaged in fund management, fund investment, property investment and securities investment businesses. GR Realty is held as to 45% by GR Holdings, GR Holdings is wholly-owned by Sunrose Global which is in turn wholly-owned by the Company.

GR Realty is a limited liability company organised under the laws of the State of Delaware. As at the Latest Practicable Date, it is held as to 45%, 30%, 18.423%, 5.577% and 1% by GR Holdings, Neutron-Rosemont LLC, Gemini-Rosemont JV Member LLC, Garfield Group Partners LLC and Rosemont, respectively. GR Realty is classified as a joint venture of the Group. GR Realty is principally engaged in the ownership and/or management of its property investment portfolio which comprises 125 buildings representing approximately 15.1 million square feet of commercial real estate in 21 states across the United States.

GR Realty is principally engaged in the ownership and the management of commercial real properties with headquarter in Santa Fe, New Mexico and offices in Dallas, Houston, Atlanta, Denver, San Antonio, New York, Albuquerque, Peoria and Tulsa in the United States. GR Realty's main operations are primarily divided between management companies and ownership in investment properties. The management companies provide operational and financial support to the investment properties. The ownership of investment properties is achieved by holding various controlling general partnership interests in partnership entities investing in commercial real properties, which are principally funded by limited partners. GR Realty shall typically retains control as the general partner with little to no capital investment to the partnership entities.

As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors:

- (i) Neutron-Rosemont LLC is a limited liability company organised under the laws of the State of Delaware and is principally engaged in investment holding;
- (ii) Gemini-Rosemont JV Member LLC is a limited liability company organised under the laws of the State of Delaware and is principally engaged in investment holding. Its major shareholder is a senior management of GR Realty;
- (iii) Garfield Group Partners LLC is a limited liability company organised under the laws of the State of Delaware and is principally engaged in investment holding. Its major shareholders are the senior management of GR Realty;
- (iv) Rosemont is a limited liability company organised under the laws of the State of Delaware and is principally engaged in the ownership and the management of commercial real properties in the United States; and
- (v) Each of Neutron-Rosemont LLC, Gemini-Rosemont JV Member LLC, Garfield Group Partners LLC and Rosemont and their ultimate beneficial owners is an Independent Third Party. Furthermore, the Group does not hold any shares in each of Neutron-Rosemont LLC, Gemini-Rosemont JV Member LLC, Garfield Group Partners LLC and Rosemont.

LETTER FROM THE BOARD

Save as disclosed in this circular, to the best of the Directors' information, knowledge and belief having made all reasonable enquiries, GR Realty and its ultimate beneficial owner(s) are Independent Third Parties.

Financial Information of GR Realty

GR Realty was formed on 22 April 2015 and acquired entities held by Rosemont as disclosed in the circular of the Company dated 23 June 2015 and commenced operations in August 2015. The financial information of Rosemont for the two years ended 31 December 2014, are further disclosed in the circular of the Company dated 23 June 2015.

Set out below are the financial information of GR Realty extracted from the unaudited consolidated financial statements of GR Realty and its subsidiaries for the period ended 30 November 2015, which have been prepared in accordance with IFRS:

	For the period from 22 April 2015 (date of incorporation) to 30 November 2015 US\$ '000 (unaudited)
Net income (both before and after taxation)	2,088
	As at 30 November 2015 US\$ '000 (unaudited)
Total assets	1,809,852
Total liabilities	1,707,739
Net assets	102,113

Note: Federal, state and local income taxes have not been provided for in the consolidated financial statements as the members are generally responsible for reporting their allocable share of the company's tax basis income, gains, deductions, losses, and credits in their tax returns.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENT

As disclosed in the circular of the Company dated 23 June 2015 and the announcement of the Company dated 22 August 2015, the Company (through GR Holdings) completed the acquisition of 45% interest in GR Realty. The Board believes that the provision of the Loan to GR Realty would provide necessary funding for GR Realty to repay the Promissory Notes of interest of 6% per annum, which can enable the Company to generate interest income of 6% per annum in cash and help enhance GR Realty's cash flow through a longer term of repayment of five years, thereby allowing GR Realty to utilise its existing funds more readily for its future development, operations and business expansions.

LETTER FROM THE BOARD

As disclosed above, the Loan shall be used by GR Realty for repaying Lone Rock in full of the Promissory Notes. As at the Latest Practicable Date, Lone Rock is one of the controlling shareholders of Rosemont and to the best of the Directors' information and believe is an Independent Third Party. Each of the Promissory Notes were entered into on 21 August 2015 in favour of Lone Rock for an aggregate amount of US\$37,500,000 payable in three instalments of US\$12,500,000 each on 15 December 2015, 15 December 2016 and 15 December 2017, respectively for the purposes of satisfying the consideration under the limited partnership interest purchase agreements between Lone Rock and GR Realty whereby GR Realty agreed to acquire from Lone Rock, among other things, the limited partnership interests in the limited partnerships of Lone Rock (at the purchase price of US\$50,000,000) as further described in the circular of the Company dated 23 June 2015.

The parties to the Loan Agreement first entered into negotiations for the Loan in October 2015 at a management meeting. To the best of the Directors' information and believe, the other shareholders of GR Realty will not provide loans to GR Realty in proportion to their shareholding. The interest rate and other terms of the Loan were determined after arm's length negotiations between Sunrose Global and GR Realty taking into account, among other things, existing cash balance of the Group, the term of the Loan and the funding cost of the Group. The Directors (including the independent non-executive Directors) are of the view that the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Upon closing of acquiring GR Realty's interest, the Company has appointed 2 managers to the operating committee of GR Realty in order to safeguard the assets and interests of the Company and Shareholders (including managing the credit risk of the Loan). As further described in the circular of the Company dated 23 June 2015, major decisions of GR Realty and its subsidiaries such as, among others, approval of annual budgets, material alteration of the nature of business and distribution of available cash to members of GR Realty will require approval of the majority in number of the managers of GR Realty's operating committee (including approval from managers appointed by the Company).

The Loan to be provided to GR Realty is intended to be funded by the internal resources of the Group.

FINANCIAL EFFECTS OF THE PROVISION OF THE LOAN

The Loan will be recognised and disclosed as accounts receivables under non-current assets in the Group's consolidated statement of financial position. The provision of the Loan will increase the accounts receivables and will decrease the bank and cash balances of the Group by the same amount of US\$37,500,000 (equivalent to approximately HK\$290,625,000). As such, the provision of the Loan will not have material financial effect to the total assets and liabilities of the Group. Except for the interest income from the Loan which will be recorded as other income of the Group, there will be no material effect on earnings of the Group associated with the provision of the Loan.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the provision of the Loan is more than 25% but less than 100%, the provision of the Loan constitutes a major transaction of the Company under Chapter 14 of the Listing Rules which is subject to the announcement requirement and approval of the Shareholders.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Loan Agreement and accordingly, no Shareholder is required to abstain from voting if the Company were to convene a Shareholders' meeting for approving the Loan Agreement and the transactions contemplated thereby. Grand Beauty, being the controlling Shareholder holding 312,504,625 Shares (representing approximately 69.29% of the issued Shares as at the Latest Practicable Date), has given its written approval for the Loan Agreement and the transactions contemplated thereunder and such written approval is accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. Accordingly, no physical Shareholders' meeting will be held by the Company for approving the Loan Agreement and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Yours faithfully
By Order of the Board
Gemini Investments (Holdings) Limited
LAI Kwok Hung, Alex
Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the three financial years ended 31 December 2012, 2013 and 2014 and the six months ended 30 June 2015 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.geminiinvestments.com.hk):

- (i) annual report of the Company for the year ended 31 December 2012 published on 19 March 2013 (pages 52 to 110);
- (ii) annual report of the Company for the year ended 31 December 2013 published on 13 March 2014 (pages 51 to 120);
- (iii) annual report of the Company for the year ended 31 December 2014 published on 17 March 2015 (pages 60 to 137); and
- (iv) interim report of the Company for the six months ended 30 June 2015 published on 12 August 2015 (pages 13 to 39).

2. STATEMENT OF INDEBTEDNESS

As at 31 October 2015, being the latest practicable date for the purpose of preparing this indebtedness statement, the Group had (i) an unsecured and unguaranteed 10-year loan of HK\$1 billion, (ii) an unsecured and unguaranteed 6-month loan of US\$100 million; and (iii) an unsecured and unguaranteed 5-year facility of US\$700 million from Grand Beauty; (iv) an unsecured and unguaranteed 3-year bank borrowing of approximately HK\$500 million, of which HK\$100 million will be repayable within one year; and (v) entrusted loan of approximately HK\$25.6 million in the PRC provided by Sino-Ocean Land Limited, a fellow subsidiary of the Group, which is unsecured, unguaranteed, wholly repayable in 2019 and bore interest at fixed rate as at 31 October 2015. The interest rate for the entrusted loan as at 31 October 2015 is 7.34% per annum.

Furthermore, on 31 December 2014, the Group entered into a subscription agreement (i) to acquire certain membership interests in a limited liability company to be incorporated in the State of Delaware (the “**NewSub**”); and (ii) to provide a guarantee with respect to purchase price payments of US\$37,500,000 (equivalent to approximately HK\$290.6 million) for NewSub’s investment. The purchase price payments will be settled by 3 equal installments and payable on 15 December 2015, 2016 and 2017 (details of which are set out in the announcement of the Company dated 31 December 2014 and the circular of the Company dated 23 June 2015).

Save as aforesaid, apart from intra-group liabilities and normal trade and other payables in the ordinary course of business of the Group, as at 31 October 2015, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or accepted credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account (i) the internal resources available to the Group; (ii) the presently available banking and other facilities; and (iii) the provision of the Loan and in the absence of unforeseen circumstances, the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of publication of this circular.

4. FINANCIAL AND TRADING PROSPECTS

The Group will continue to be engaged in its four existing business segments, namely fund management, fund investments, property investments and securities investments businesses.

In respect of the fund management business, the Group will continue to explore investment opportunities through jointly managed funds as general partner for property projects in the PRC or other countries where investment opportunities arise.

In respect of the fund investments segment, the Group will continue to actively monitor the performance of the investment funds and assess the necessity of redemption as a result of unsatisfactory performance or any liquidity demand when better investment opportunities arise.

In respect of the property investments segment, the Group will continue to follow its stated acquisition strategy to invest in high quality income-generating properties in Hong Kong or prime cities in overseas property markets and focus on its properties investment portfolio in order to enhance a stable rental income stream and capture potential capital appreciation when investment opportunities arise.

In respect of the securities investments segment, the Group will continue to follow its cautious approach of pursuing steady return as well as risk minimisation, despite the high volatility of global capital market.

Looking ahead, the Directors believe that challenges and opportunities coexist. In 2015, major economies are likely to continue the post-crisis recoveries, although vulnerable economic indicators may persist. Faced with the upcoming changes and opportunities, the Group will continuously take root in the property markets and grasp more sound opportunities and explore new channels for investing in quality projects. Moreover, the Group will continue to reinforce its professional knowledge, move prudently and fully exploit synergy from its various investments, aiming to strengthen its core competencies and to contribute sustainable growth and returns for the Group, with the ultimate goal to maximising Shareholders' value in the medium to long term.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares or underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long position in the underlying shares of equity derivatives of the Company

Under the share option scheme of the Company dated 23 June 2011, share options were granted to the following Directors which entitled them to subscribe for the Shares. Accordingly, they were regarded as interested in the underlying Shares. Details of the share options of the Company held by them as at the Latest Practicable Date were as follow:

Name of Directors	Capacity	Date of grant	Exercise period	Number of Shares over which options are exercisable as at the Latest Practicable Date	Exercise price per Share HK\$	Approximate percentage of interest in the issued Shares as at the Latest Practicable Date
LI Ming	Beneficial Owner	9 August 2013	9 August 2013 — 22 June 2021	4,000,000 (L)	0.96	0.887%
SUM Pui Ying	Beneficial Owner	26 August 2011	26 August 2011 — 22 June 2021	2,000,000 (L)	1.40	0.443%
		9 August 2013	9 August 2013 — 22 June 2021	16,000,000 (L) <i>(Note 1)</i>	0.96	3.548%
			Total:	18,000,000 (L)		3.991%

Name of Directors	Capacity	Date of grant	Exercise period	Number of Shares over which options are exercisable as at the Latest Practicable Date	Exercise price per Share HK\$	Approximate percentage of interest in the issued Shares as at the Latest Practicable Date
CUI Yueming	Beneficial Owner	9 March 2015	9 March 2015 — 22 June 2021	790,000 (L)	1.27	0.175%
LAI Kwok Hung, Alex	Beneficial Owner	9 August 2013	9 August 2013 — 22 June 2021	3,000,000 (L)	0.96	0.665%
		9 March 2015	9 August 2013 — 22 June 2021	500,000 (L)	1.27	0.111%
			Total:	3,500,000 (L)		0.776%
LI Hongbo	Beneficial Owner	9 August 2013	9 August 2013 — 22 June 2021	1,000,000 (L)	0.96	0.222%
		9 March 2015	9 March 2015 — 22 June 2021	500,000 (L)	1.27	0.111%
			Total:	1,500,000 (L)		0.333%

Notes:

- These share options were granted to Mr. SUM Pui Ying pursuant to the terms of the Service Contract (as defined in the paragraph headed “Directors’ service contracts” in this appendix). Share options granted to Mr. SUM Pui Ying to subscribe for a total of 4,000,000 Shares had already been vested following the approval of the Service Contract by the Shareholders on 16 September 2013. The share options to subscribe for the remaining 12,000,000 Shares (the “**Remaining Options**”) shall be vested on the basis that one third of the Remaining Options will be vested on the first, second and third anniversaries of 9 August 2013 (being the date of commencement of the term of the Service Contract), such that the Remaining Options will be fully vested on 9 August 2016, provided however that all those Remaining Options, to the extent not yet vested in accordance with the above schedule, shall become vested immediately if (i) the Service Contract is terminated by the Company without cause by payment of termination compensation to Mr. SUM Pui Ying or (ii) the employment of Mr. SUM Pui Ying under the Service Contract lapses automatically by reason of his not being re-elected as a Director at any general meeting of the Company. As the first and second anniversaries of 9 August 2013 have already passed, a further 8,000,000 shares options have been vested. Therefore, as at the Latest Practicable Date, a total of 12,000,000 share options were vested in Mr. SUM Pui Ying pursuant to the terms of the Service Contract.
- The letter “L” denotes a long position in the Shares.

Long position in the shares of associated corporation(s) of the Company

As at the Latest Practicable Date, the interests of the Directors in the shares of Sino-Ocean Land Holdings Limited (“**Sino-Ocean Land**”, together with its subsidiaries, the “**Sino-Ocean Land Group**”) (being the associated corporation of the Company) were as follow:

Name of Directors	Capacity	Number of shares in Sino-Ocean Land	Approximate percentage of interest in the issued share capital of Sino-Ocean Land as at the Latest Practicable Date
LI Ming	Beneficial Owner	3,127,000 (L)	0.042%
	Founder of discretionary trust	127,951,178 (L) <i>(Note 1)</i>	1.703%
	Beneficiary of trust	6,715,925 (L) <i>(Note 2)</i>	0.089%
	Total:	137,794,103 (L)	1.834%
SUM Pui Ying	Beneficial Owner	793,625 (L)	0.011%
CUI Yueming	Beneficial Owner	13,865 (L)	less than 0.001%
LI Hongbo	Beneficial Owner	19,387 (L)	less than 0.001%

Notes:

1. The 127,951,178 shares in Sino-Ocean Land are held by a discretionary trust of which Mr. LI Ming is a founder.
2. The 6,715,925 shares in Sino-Ocean Land are held by a discretionary trust of which Mr. LI Ming, his spouse and his son are the beneficiaries.
3. The letter “L” denotes a long position in the shares in Sino-Ocean Land.

Long position in the underlying shares of equity derivatives of associated corporation(s) of the Company

Sino-Ocean Land has adopted two schemes for the benefits of eligible directors and employees of the Sino-Ocean Land Group in order to provide an incentive for directors and employees of the Sino-Ocean Land Group.

One of the schemes is the restricted share award scheme adopted by Sino-Ocean Land on 22 March 2010 (the “**Adoption Date**”) as an incentive to retain and encourage the employees of the Sino-Ocean Land Group for the continual operation and development of the Sino-Ocean Land Group. Pursuant to the restricted share award scheme, shares up to 3% of the issued share capital of Sino-Ocean Land as at the Adoption Date shall be purchased by the trustee from the market out of cash contributed by the Sino-Ocean Land Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the restricted share award scheme.

The other scheme is the share option scheme of Sino-Ocean Land, which is valid and effective for a period of 10 years until 27 September 2017, unless it is terminated earlier in accordance with the provisions of such share option scheme. This scheme was adopted for the purpose of providing an incentive for employees of the Sino-Ocean Land Group to work with commitment towards enhancing the value of Sino-Ocean Land and to compensate employees of the Sino-Ocean Land Group for their contribution based on their individual performance. Under the share option scheme of Sino-Ocean Land, share options may be granted to eligible directors and employees of Sino-Ocean Land Group to subscribe for new shares in Sino-Ocean Land.

In respect of the restricted share award scheme of Sino-Ocean Land, the following Directors were granted certain share awards under the restricted share award scheme and were accordingly regarded as having an interest in the shares of Sino-Ocean Land (being the associated corporation of the Company) pursuant to the provisions of the SFO. Details of share awards held by them as at the Latest Practicable Date were as follows:

Name of Directors	Capacity	Date of grant	Number of shares in Sino-Ocean Land awarded but not yet vested as at the Latest Practicable Date	Approximate percentage of interest in the issued share capital of Sino-Ocean Land as at the Latest Practicable Date
LI Ming	Beneficial Owner	18 March 2013	192,900 (L)	0.003%
		18 March 2014	1,165,875 (L)	0.016%
	18 March 2015	<u>2,688,300 (L)</u>	0.036%	
	Total:	4,047,075 (L)	0.054%	
SUM Pui Ying	Beneficial	18 March 2013	64,950 (L)	0.001%
		18 March 2014	392,625 (L)	0.005%
		18 March 2015	<u>967,800 (L)</u>	0.013%
	Total:	1,425,375 (L)	0.019%	

Name of Directors	Capacity	Date of grant	Number of shares in Sino-Ocean Land awarded but not yet vested as at the Latest Practicable Date	Approximate percentage of interest in the issued share capital of Sino-Ocean Land as at the Latest Practicable Date
CUI Yueming	Beneficial Owner	18 March 2013	11,400 (L)	less than 0.001%
		18 March 2014	67,500 (L)	0.001%
		18 March 2015	<u>107,500 (L)</u>	0.001%
	Total:		186,400 (L)	0.002%
LI Hongbo	Beneficial Owner	18 March 2013	23,550 (L)	less than 0.001%
		18 March 2014	55,125 (L)	0.001%
		18 March 2015	<u>107,500 (L)</u>	0.001%
	Total:		186,175 (L)	0.002%

Note: The letter “L” denotes a long position in the shares in Sino-Ocean Land.

Regarding the share option scheme adopted by Sino-Ocean Land, the following Directors had been granted share options to subscribe for shares in Sino-Ocean Land and were accordingly regarded as interested in the underlying shares of Sino-Ocean Land (being the associated corporation of the Company) pursuant to the provisions of the SFO. Details of the share options of Sino-Ocean Land held by them as at the Latest Practicable Date were as follows:

Name of Directors	Capacity	Date of grant of share options	Exercise period (Note 3)	Number of shares in Sino-Ocean Land over which options are exercisable as at the Latest Practicable Date	Exercise price per share HK\$	Approximate percentage of interest of such share options held as at the Latest Practicable Date relative to the issued share capital of Sino-Ocean Land as at the Latest Practicable Date
LI Ming	Beneficial Owner	12 January 2012	(Note 1)	6,280,000 (L)	3.57	0.084%
		27 August 2015	(Note 2)	<u>1,800,000 (L)</u>	4.04	0.024%
		Total:		8,080,000 (L)		0.108%
SUM Pui Ying	Beneficial Owner	12 January 2012	(Note 1)	2,330,000 (L)	3.57	0.031%
		27 August 2015	(Note 2)	<u>800,000 (L)</u>	4.04	0.011%
		Total:		3,130,000 (L)		0.042%
CUI Yueming	Beneficial Owner	12 January 2012	(Note 1)	200,000 (L)	3.57	0.003%
		27 August 2015	(Note 2)	<u>450,000 (L)</u>	4.04	0.006%
		Total:		650,000 (L)		0.009%
LI Hongbo	Beneficial Owner	27 August 2015	(Note 2)	700,000 (L)	4.04	0.009%

Notes:

1. Exercisable from 12 January 2013 to 11 January 2017.
2. Exercisable from 27 August 2016 to 26 August 2020.
3. All the above share options of Sino-Ocean Land granted are exercisable within a five-year period in which 40% of the options become exercisable 1 year from the grant date; 70% of the options become exercisable 2 years from the grant date; and all options become exercisable 3 years from the grant date.
4. The letter "L" denotes a long position in the shares in Sino-Ocean Land.

As at the Latest Practicable Date, save as disclosed above, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS' INTEREST IN SECURITIES

As at the Latest Practicable Date, so far as was known to the Directors, the following persons, other than a Director or chief executive of the Company, had interests or short positions in the Shares and/or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name	Nature of interest/capacity	Number of Shares/ underlying Shares	Approximate percentage of the issued Shares as at the Latest Practicable Date
Sino-Ocean Land	Interest of controlled corporations (<i>Note 2</i>)	1,612,504,625 (L)	357.55%
Shine Wind Development Limited	Interest of controlled corporations (<i>Note 2</i>)	1,612,504,625 (L)	357.55%
Faith Ocean International Limited	Interest of controlled corporations (<i>Note 2</i>)	1,612,504,625 (L)	357.55%
Sino-Ocean Land (Hong Kong) Limited (“SOL HK”)	Interest of controlled corporations (<i>Note 2</i>)	1,612,504,625 (L)	357.55%
Grand Beauty	Beneficial owner	312,504,625 (L)	69.29%
	Beneficial owner	1,300,000,000 (L) <i>(Note 1)</i>	288.25%
		Total: 1,612,504,625 (L)	357.55%

Notes:

- These Shares represent the 1.3 billion underlying Shares which may be allotted and issued to Grand Beauty, a wholly-owned subsidiary of Sino-Ocean Land, upon exercise in full of the conversion rights attaching to the 1.3 billion non-voting convertible preference shares issued by the Company on 23 December 2014.

2. Grand Beauty was wholly-owned by SOL HK. SOL HK was wholly-owned by Faith Ocean International Limited which was in turn wholly-owned by Shine Wind Development Limited. Shine Wind Development Limited was wholly-owned by Sino-Ocean Land. In view of their respective direct or indirect 100% shareholding interest in Grand Beauty, each of SOL HK, Faith Ocean International Limited, Shine Wind Development Limited and Sino-Ocean Land was deemed under the SFO to be interested in the 1,612,504,625 Shares in which Grand Beauty was interested.
3. The letter “L” denotes a long position in the Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company was aware of any other person (other than a Director or chief executive of the Company) or corporation which had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS’ SERVICE CONTRACTS

Mr. SUM Pui Ying and the Company entered into a director’s service contract on 15 August 2013 (the “**Service Contract**”) for a fixed term of three years. Mr. SUM is entitled to a fixed salary of HK\$3,000,000 per annum and an annual bonus equivalent to 5% of the audited consolidated net profit after tax of the Group for the immediate preceding financial year of the Company with such annual bonus to accrue on a daily basis. The terms of the Service Contract also provided for the grant of share options to Mr. SUM to subscribe for a total of 16,000,000 Shares at an exercise price of HK\$0.96 per Share subject to the terms and conditions of the Company’s share option scheme dated 23 June 2011 and the terms and conditions of the offer letter issued by the Company to Mr. SUM for the grant of such share options. The Service Contract may be terminated by the Company without cause before expiration of its fixed term provided that the Company shall pay to Mr. SUM a termination compensation which is equivalent to the higher of: (a) the emoluments (comprising salary and annual bonus) payable by the Company to Mr. SUM for the remainder of the term; or (b) one year’s emoluments (comprising salary and annual bonus) payable by the Company to Mr. SUM. If Mr. SUM ceases to be a Director by reason of his not being re-elected as a Director at the annual general meeting of the Company held next after the commencement of his employment or at any general meeting of the Company at which he is to retire by rotation, in addition to his entitlement to fixed salary and annual bonus calculated up to the date of such termination, Mr. SUM is also entitled to a termination compensation payable by the Company which is equivalent to the higher of: (a) the emoluments (comprising salary and annual bonus) payable by the Company to Mr. SUM for the remainder of the term; or (b) one year’s emoluments (comprising salary and annual bonus) payable by the Company to Mr. SUM. Details of the Service Contract are set out in the announcement of the Company dated 9 August 2013 and the circular of the Company dated 23 August 2013.

Save for the above, as at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract or service agreement with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates (as defined in the Listing Rules) was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. DIRECTORS' INTEREST IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date:

- (i) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group; and
- (ii) none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save for the loss incurred attributable to the Shareholders of approximately HK\$269,562,000 for the six months ended 30 June 2015 as disclosed in the 2015 interim report of the Company published on 12 August 2015, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Group were made up.

9. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular:

- (i) the loan facility agreement dated 23 January 2014 entered into among the Company as a borrower, Sino-Ocean Land as the guarantor and DBS Bank Ltd., Hong Kong Branch as a lender, for a renewal of term loan facility in the principal amount of HK\$500,000,000 for a term of 36 months after the date of the loan facility agreement (details of which are set out in the announcements of the Company dated 1 August 2011 and 23 January 2014);

- (ii) the subscription agreement dated 24 January 2014 entered into among P0006 A’Beckett Pty Ltd., as trustee, Gemini Overseas Investments Limited (an indirect wholly-owned subsidiary of the Company) as subscriber and ICD Land Pty. Ltd. as a subscriber in relation to, among other things, the investment in certain ordinary shares in the capital of P0006 A’Beckett Pty Ltd. and certain units in A’Beckett Street Trust, at a total consideration of AUD14,285,714 (details of which are set out in the announcement of the Company dated 24 January 2014);
- (iii) the agreement dated 24 May 2014 (Hong Kong time) entered into between the Grandeur New Global II LLC (an indirect wholly-owned subsidiary of the Company), as purchaser, and 15 William (NY) Owner, LLC, as vendor, in relation to the acquisition of units 26C, 32G, 28D, 29C and 30D of 15 William Street, New York, the United States of America, at a total consideration of US\$5,381,173 (details of which are set out in the announcement of the Company dated 24 May 2014);
- (iv) the agreement dated 24 May 2014 (Hong Kong time) entered into between the Shine Victory II LLC (an indirect wholly-owned subsidiary of the Company), as purchaser, and 15 William (NY) Owner, LLC, as vendor, in relation to the acquisition of units 31F, 32F, 33E, 34G and 35E of 15 William Street, New York, the United States of America at a total consideration of US\$7,515,715 (details of which are set out in the announcement of the Company dated 24 May 2014);
- (v) the agreement dated 26 September 2014 entered into between Chance Bright Limited (“**Chance Bright**”, a wholly-owned subsidiary of the Company), Sino Prosperity Real Estate Limited (the “**Ultimate General Partner**”), KKR SPRE Holdings L.P. (“**KKR SPRE**”) and Xin Cai Global Holdings Limited (“**XCGH**”, formerly known as China Corporate Assets Holdings Limited) whereby, among other things, (i) KKR SPRE withdrew as a limited partner of Sino Prosperity Real Estate (GP), L.P. (the “**General Partner**”); and (ii) XCGH was admitted as a new limited partner of the General Partner. As a result, Chance Bright and XCGH are the only two limited partners of the General Partner each with a capital commitment to the General Partner of US\$1.05 million (details of which are set out in the announcement of the Company dated 17 November 2014 and the circular of the Company dated 13 December 2014);
- (vi) the agreement dated 21 October 2014 entered into between the General Partner, SOL HK (through its wholly-owned subsidiary), Chance Bright and XCGH whereby, among other things, (i) SOL HK (through its wholly-owned subsidiary) withdrew as limited partner of Sino Prosperity Real Estate Fund L.P. (the “**Fund**”); and (ii) Chance Bright and XCGH were admitted as new limited partners of the Fund, and each of Chance Bright and XCGH made a capital commitment to the Fund of a nominal amount of US\$100 (details of which are set out in the announcement of the Company dated 17 November 2014 and the circular of the Company dated 13 December 2014);

- (vii) the subscription agreement dated 26 October 2014 (as supplemented by a supplemental agreement thereto dated 24 November 2014) entered into between the Company, as issuer, and Grand Beauty, as subscriber, in relation to the subscription of 1,300,000,000 new non-voting convertible preference shares in the capital of the Company at a total subscription amount of HK\$3,900,000,000 (details of which are set out in the Company's joint announcement with Sino-Ocean Land dated 26 October 2014 and the Company's circular dated 27 November 2014) and its supplemental agreement dated 24 November 2014 (details of which are set out in the announcement of the Company dated 24 November 2014 and the circular of the Company dated 27 November 2014);
- (viii) the agreement dated 5 November 2014 entered into between the General Partner, Chance Bright and XCGH in relation to, among other things, the amendment in the term and investment period of the Fund (details of which are set out in the announcement of the Company dated 17 November 2014 and the circular of the Company dated 13 December 2014);
- (ix) the agreement dated 17 November 2014 entered into between the Ultimate General Partner, XCGH and Chance Bright in relation to, among other things, the increase of the respective capital commitments of XCGH and Chance Bright to the General Partner from US\$1.05 million, by US\$3.95 million, to US\$5 million (details of which are set out in the announcement of the Company dated 17 November 2014 and the circular of the Company dated 13 December 2014);
- (x) the subscription agreement dated 17 November 2014 entered into between the General Partner, the Fund and Chance Bright in relation to, among other things, the increase of Chance Bright's capital commitment to the Fund by US\$250 million (details of which are set out in the announcement of the Company dated 17 November 2014 and the circular of the Company dated 13 December 2014);
- (xi) the subscription agreement dated 29 December 2014 submitted to DBS Bank Ltd., Hong Kong Branch by Glorious Field Investments Limited (an indirect wholly-owned subsidiary of the Company) for the subscription of new non-redeemable, non-voting participating shares of Neutron Private Equity Fund Limited at an aggregate subscription price of US\$52 million (details of which are set out in the announcement of the Company dated 29 December 2014 and the circular of the Company dated 25 February 2015);
- (xii) the purchase, sale and contribution agreement dated 31 December 2014 entered into between Rosemont, Gemini-Rosemont JV Member LLC, Garfield Group Partners LLC, Neutron Property Fund Limited ("**Neutron Property**") and GR Holdings in relation to, among other things, (i) the subscription of 45% membership interests by GR Holdings at approximately US\$52.3 million in a GR Realty; (ii) the subscription or acquisition of limited partnership interests by GR Holdings in certain syndicated projects at approximately US\$49.4 million; and (iii) the provision of a working capital facility of US\$10 million by GR Holdings to the GR Realty (details of which are set out in the announcement of the Company dated 31 December 2014 and the circular of the Company dated 23 June 2015);

- (xiii) the loan agreement (the “**January Loan Agreement**”) dated 15 January 2015 entered into between Swift Boom Investment Limited (“**Swift Boom**”, an indirect wholly-owned subsidiary of the Company) as lender, and Alpha Advent Ventures Limited (“**Alpha Advent**”) as borrower, in relation to, among other things, the provision of a loan in the principal amount of HK\$180 million by Swift Boom to Alpha Advent (details of which are set out in the announcement of the Company dated 15 January 2015 and the circular of the Company dated 5 February 2015);
- (xiv) the deed of assignment of indebtedness owed by Alpha Advent to Neutron Property dated 15 January 2015 executed by Neutron Property as mortgagor in favour of Swift Boom as lender as security for the obligations of Alpha Advent under the January Loan Agreement;
- (xv) the deed of assignment of indebtedness owed by New Advance Limited to Alpha Advent dated 15 January 2015 executed by Alpha Advent as mortgagor in favour of Swift Boom as lender as security for the obligations of Alpha Advent under the January Loan Agreement;
- (xvi) the guarantee and indemnity dated 15 January 2015 executed by Neutron Property as guarantor in favour of Swift Boom as lender as guarantee for the obligations of Alpha Advent under the January Loan Agreement;
- (xvii) the subscription agreement dated 29 June 2015 submitted to DBS Bank Ltd. by Swift Boom for the subscription of new non-redeemable, non-voting participating shares of Neutron Property, at an aggregate subscription price of US\$55 million (details of which are set out in the announcement of the Company dated 29 June 2015 and the circular of the Company dated 14 August 2015);
- (xviii) the agreement dated 7 July 2015 entered into between the Ultimate General Partner, XCGH and Chance Bright in relation to, among other things, the increase of the respective capital commitments of XCGH and Chance Bright to the General Partner, from US\$5 million, by US\$1.8 million, to US\$6.8 million (details of which are set out in the announcement of the Company dated 7 July 2015 and the circular of the Company dated 24 July 2015);
- (xix) the subscription agreement dated 7 July 2015 entered into between the General Partner, the Fund and Chance Bright in relation to, among other things, the increase in Chance Bright’s capital commitment in the Fund from approximately US\$250 million, by US\$90 million, to approximately US\$340 million (details of which are set out in the announcement of the Company dated 7 July 2015 and the circular of the Company dated 24 July 2015);
- (xx) the facility agreement dated 31 August 2015 entered into between the Company as borrower, and Grand Beauty as lender, in relation to the provision of an unsecured 5-year revolving loan facility in principal amount of up to US\$700 million by Grand Beauty to the Company;

- (xxi) the subscription agreement dated 3 November 2015 executed by Bai Li Investments Limited (“**Bai Li**”, an indirectly wholly-owned subsidiary of the Company), and sent to UBS Fund Services (Cayman) Ltd. in relation Bai Li subscribing an interest as a limited partner in Prosperity Risk Balanced Fund LP with commitments of US\$60 million (equivalent to approximately HK\$465 million) (details of which are set out in the announcement of the Company dated 3 November 2015 and the circular of the Company dated 25 November 2015); and
- (xxii) the Loan Agreement.

10. GENERAL

- (i) The registered office and head office of the Company is Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong.
- (ii) The share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (iii) The company secretary of the Company is Ms. YUE Pui Kwan, who is an associate member of The Institute of Chartered Secretaries and Administrators and an associate member of The Hong Kong Institute of Company Secretaries.
- (iv) In case of inconsistency, the English text of this circular shall prevail over its Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong up to and including the date which is 14 days from the date of this circular:

- (i) the articles of association of the Company;
- (ii) the annual reports of the Company for the two years ended 31 December 2013 and 2014 and the interim report of the Company for the six months ended 30 June 2015;
- (iii) the material contracts referred to in the section headed “Material contracts” in this appendix, and the Service Contract referred to in the section headed “Directors’ service contracts” in this appendix;
- (iv) a copy of the circulars of the Company dated 5 February 2015, 25 February 2015, 23 June 2015, 24 July 2015, 14 August 2015 and 25 November 2015, respectively which have been issued pursuant to the requirements set out in Chapters 14 and/or 14A of the Listing Rules since 31 December 2014 (being the date to which the latest published audited consolidated financial statements of the Group were made up); and
- (v) this circular.