
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Form(s) of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your securities in Gemini Investments (Holdings) Limited, you should at once hand this Composite Document and the accompanying Form(s) of Acceptance to the purchaser(s) or the transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). This Composite Document should be read in conjunction with the accompanying Form(s) of Acceptance, the contents of which form part of the terms and conditions of the Offers contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form(s) of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form(s) of Acceptance.



盛洋投資

Estate Spring International Limited
(置泉國際有限公司)

(Incorporated in the British Virgin Islands with limited liability)

Gemini Investments (Holdings) Limited
盛洋投資(控股)有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 174)

**COMPOSITE DOCUMENT RELATING TO
UNCONDITIONAL MANDATORY CASH OFFERS BY
SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF
ESTATE SPRING INTERNATIONAL LIMITED TO
ACQUIRE ALL ISSUED SHARES IN THE COMPANY
(OTHER THAN THE EXCLUDED SHARES AND THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY ESTATE SPRING INTERNATIONAL LIMITED)
AND CANCEL ALL OUTSTANDING OPTIONS OF THE COMPANY**

Financial adviser to the Offeror



SOMERLEY CAPITAL LIMITED

**Independent Financial Adviser to the
Independent Board Committee**



Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A "Letter from Somerley" containing, among other things, the details of the terms of the Offers is set out on pages 14 to 29 of this Composite Document. A "Letter from the Board" is set out on pages 30 to 43 of this Composite Document. A "Letter from the Independent Board Committee" containing its recommendations to the Independent Shareholders and the Independent Optionholders in respect of the Offers is set out on pages 44 to 46 of this Composite Document. A "Letter from the Independent Financial Adviser" containing its advice and recommendations to the Independent Board Committee in respect of the Offers is set out on pages 47 to 77 of this Composite Document.

The procedures for acceptance and settlement of the Offers are set out in Appendix I to this Composite Document and in the accompanying Form(s) of Acceptance. Acceptance of the Share Offer should be received by the Registrar and acceptance of the Option Offer should be received by the Company by no later than 4:00 p.m. on 31 December 2020 or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.

Shareholders and Optionholders should inform themselves of and observe any applicable legal, tax or regulatory requirements set out under "Important Notices" of this Composite Document. Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form(s) of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the section headed "Overseas Shareholders and Overseas Optionholders" in the "Letter from Somerley" in this Composite Document before taking any action. It is the responsibility of any Overseas Shareholders and Overseas Optionholders wishing to take any action in relation to the Share Offer and the Option Offer, respectively, to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including obtaining all governmental, exchange control or other consents which may be required and compliance with all necessary formalities or legal requirements and the payment of any issue, transfer or other taxes payable by such Overseas Shareholders or Overseas Optionholders in respect of the acceptance of the Offers (as applicable) in such jurisdiction. The Overseas Shareholders and Overseas Optionholders are advised to seek professional advice on deciding whether to accept the Offers (as applicable).

This Composite Document is issued jointly by the Offeror and the Company. The English texts of this Composite Document and the accompanying Form(s) of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

This Composite Document will remain on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.geminiinvestments.com.hk>) as long as the Offers remain open.

10 December 2020

CONTENTS

	<i>Page</i>
Expected Timetable	1
Important Notices	3
Definitions	7
Letter from Somerley	14
Letter from the Board	30
Letter from the Independent Board Committee	44
Letter from the Independent Financial Adviser	47
Appendix I — Further Terms of the Offers	I-1
Appendix II — Financial Information of the Group	II-1
Appendix III — Unaudited Pro Forma Financial Information of the Enlarged Group	III-1
Appendix IV — Property Valuation Report	IV-1
Appendix V — General Information of the Group	V-1
Appendix VI — General Information of the Offeror	VI-1
Appendix VII — Form of Option Offer Letter	VII-1

EXPECTED TIMETABLE

The timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made in the event that there is any change to the following timetable as and when appropriate. Unless otherwise specified, all the time and date references contained in this Composite Document refer to Hong Kong time and dates.

Event	Hong Kong Time and Date
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Despatch date of this Composite Document and the accompanying Form(s) of Acceptance and commencement of the Offers	Thursday, 10 December 2020
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Latest time for acceptance of the Offers on the Closing Date (<i>Note 1</i>)	4:00 p.m. on Thursday, 31 December 2020
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Closing Date (<i>Note 2</i>)	Thursday, 31 December 2020
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Announcement of the results of the Offers as at the Closing Date on the websites of the Stock Exchange and the Company	no later than 7:00 p.m. on Thursday, 31 December 2020
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Latest date for despatch of cheques for payment of the amounts due under the Offers in respect of valid acceptances received on the Closing Date (<i>Note 3</i>)	Tuesday, 12 January 2021
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Notes:

- (1) If you wish to accept the Offers, you should ensure your duly completed and signed Form(s) of Acceptance and the relevant documents **arrive** at the Registrar (for the Share Offer) and/or the Company (for the Option Offer) no later than the prescribed time. If you choose to deliver the documents by post, you should consider the timing requirements for postage.

Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

All acceptances, instructions, authorisations and undertakings given by the Shareholders in the **WHITE** Form of Share Offer Acceptance and by the Optionholders in the **PINK** Form of Option Offer Acceptance shall be irrevocable except as permitted under the Takeovers Code.

- (2) The Offers, which are unconditional in all respects, will close for acceptances at 4:00 p.m. on Thursday, 31 December 2020 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offers until such date as it may determine subject to compliance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). If the Offers are extended or revised, the announcement of such extension or revision will state the next Closing Date. Any revised Offers must be kept open for at least fourteen (14) days and shall not be closed earlier than Thursday, 14 January 2021.

EXPECTED TIMETABLE

- (3) Payment of the consideration (after deducting the seller's ad valorem stamp duty) for the Offer Shares tendered for acceptance under the Share Offer will be posted by ordinary post to the Shareholders who accept the Share Offer at their own risk, and payment of the consideration for the Options surrendered for cancellation under the Option Offer will be delivered to the office of the Company in Hong Kong at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong for collection by the Optionholders who accept the Option Offer. Payment will be made as soon as possible, but in any event within seven (7) Business Days after the date of receipt by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer) of all of the relevant documents to render each acceptance under the relevant Offers complete and valid in accordance with the Takeovers Code, this Composite Document and the relevant accompanying Form(s) of Acceptance.

Effect of bad weather on the latest time for acceptance of the Offers and/or the latest date for despatch of cheques

If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning in force or "extreme conditions" caused by super typhoons, in Hong Kong:

- (a) at any time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Offers and/or the latest date for despatch of cheques for the amounts due under the Offers in respect of valid acceptances (as the case may be), the latest time for acceptance of the Offers will remain at 4:00 p.m. on the same Business Day and/or the latest date for despatch of cheques will remain on the same Business Day; or
- (b) at any time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offers and/or the latest date for despatch of cheques for the amounts due under the Offers in respect of valid acceptances (as the case may be), the latest time for acceptance of the Offers will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m. and/or the latest date for despatch of cheques will be rescheduled to the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

IMPORTANT NOTICES

The following information is important for all Shareholders and Optionholders.

You are urged to read this entire Composite Document, including the appendices, and the Form(s) of Acceptance carefully.

- *Share Offer Price:* HK\$1.10 in cash per Offer Share.
- *Option Offer Price:* Please refer to “The Offers — The Option Offer” in the “Letter from Somerley” in this Composite Document.
- *How to accept the Offers:* Please return the duly completed and signed **WHITE** Form of Share Offer Acceptance and the relevant documents to the Registrar (for the Share Offer) and/or the **PINK** Form of Option Offer Acceptance and the relevant documents to the Company (for the Option Offer).
- *Deadline for acceptance:* The Offers will close for acceptance at 4:00 p.m. on 31 December 2020 (the Closing Date), unless otherwise revised or extended.

For details, please refer to “Appendix I — Further Terms of the Offers” to this Composite Document.

- *Settlement:* Payment of the consideration (after deducting the seller’s ad valorem stamp duty) for the Offer Shares tendered for acceptance under the Share Offer will be posted by ordinary post to the Shareholders who accept the Share Offer, and payment of the consideration for the Options surrendered for cancellation under the Option Offer will be delivered to the office of the Company in Hong Kong at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong for collection by the Optionholders who accept the Option Offer. Payment will be made as soon as possible, but in any event within seven (7) Business Days after the date of receipt of complete and valid acceptance.

IMPORTANT NOTICES

NOTICE TO OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The making of the Offers to the Shareholders or the Optionholders who, in either case, are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws or regulations of the relevant jurisdictions. The making of the Offers to such Shareholders and Optionholders and their acceptances of the Offers may be prohibited or affected by the laws or regulations of the relevant jurisdictions and it is the responsibility of each of such Shareholders and Optionholders who wishes to accept the Offers to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including any requirement for any governmental, exchange control or other consents, any filing and registration requirements, any necessary formalities, any legal or regulatory requirements and any requirement for the payment by the accepting Shareholders or, as the case may be, Optionholders of any transfer or other taxes in respect of their acceptances.

Any acceptance of the Offers by any Shareholder or Optionholder will be deemed to constitute a representation and warranty from such Shareholder or, as the case may be, Optionholder to the Offeror and the Company that all the laws and regulations of the relevant jurisdictions have been complied with and that the Share Offer can be accepted by such Shareholder, or, as the case may be, the Option Offer can be accepted by such Optionholder, lawfully under the laws and regulations of the relevant jurisdictions. Shareholders and Optionholders should consult their professional advisers if in doubt.

The Offeror, the Offeror Concert Parties, the Company, Somerley, First Shanghai, the Registrar or any of their respective beneficial owners, directors, officers, advisers, associates, agents or any other persons involved in the Offers shall be entitled to be fully indemnified and held harmless by the overseas Shareholders and Optionholders for any taxes they may be required to pay. Please see the section headed “Overseas Shareholders and Overseas Optionholders” in the “Letter from Somerley” in this Composite Document.

NOTICE TO U.S. HOLDERS OF OFFER SHARES AND/OR OPTIONS

The Offers are being made for the securities of a company incorporated in Hong Kong with limited liability and are subject to Hong Kong disclosure and other procedural requirements, which are different from those of the U.S. This Composite Document will not be filed under the laws or rules of any jurisdiction other than Hong Kong, which are different from those of the U.S.

IMPORTANT NOTICES

The financial information included in this Composite Document has been prepared in accordance with Hong Kong Financial Reporting Standards and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the U.S. The Offers will be made in the U.S. pursuant to the applicable U.S. tender offer rules or certain available exemptions or exceptions therefrom and otherwise in accordance with the requirements of the SFO. Accordingly, the Offers will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law. The receipt of cash pursuant to the Offers by a U.S. holder of the Offer Shares and/or the Options, respectively, may be a taxable transaction for U.S. federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each holder of the Offer Shares and/or the Options is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of acceptance of the Offers. U.S. holders of the Offer Shares and the Options may encounter difficulty in enforcing their rights and any claims arising out of the U.S. federal securities laws, as the Offeror and the Company is located in a country outside the U.S. and some or all of their respective officers and directors may be residents of a country other than the U.S. U.S. holders of Offer Shares and Options may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of U.S. securities laws. Further, U.S. holders of the Offer Shares and the Options may encounter difficulty in compelling a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, the Offeror hereby discloses that it or its respective affiliates, or nominees, or brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, the Shares outside the U.S., other than pursuant to the Share Offer, before or during the period in which the Share Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices, provided that any such purchase or arrangement complies with applicable law and is made outside the U.S. Any information about such purchases will be reported to the SFC and, to the extent made public by the SFC, will be available on the website of the SFC at <http://www.sfc.hk>.

IMPORTANT NOTICES

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document includes certain “forward-looking statements”. These statements are based on the current expectations of the management of the Offeror and/or the Company (as the case may be) and are naturally subject to uncertainty and changes in circumstances.

Forward-looking statements include, without limitation, statements typically containing words such as “intends”, “expects”, “anticipates”, “targets”, “estimates”, “envisages” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to, general, social, economic and political conditions in the countries in which the Group operates or other countries which have an impact on the Group’s business activities or investments, interest rates, the monetary and interest rate policies of the countries in which the Group operates, inflation or deflation, foreign exchange rates, the performance of the financial markets in the countries in which the Group operates and globally, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environments in the countries in which the Group operates and regional or general changes in asset valuations. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements.

Subject to the requirement of applicable laws, rules and regulations, including the Takeovers Code, all written and oral forward-looking statements attributable to the Offeror, the Company or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Latest Practicable Date. Subject to the requirement of applicable laws, rules and regulations, including the Takeovers Code, neither the Offeror nor the Company assumes any obligation to correct or update the forward-looking statements or opinions contained in this Composite Document.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“associated company(ies)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Charm Reliance”	Charm Reliance International Limited, a company incorporated in the BVI with limited liability and holds 12.75% of Fortune Joy
“Closing Date”	31 December 2020, being the closing date of the Offers or any subsequent closing date in the event that the Offers are extended or revised in accordance with the Takeovers Code
“Company”	Gemini Investments (Holdings) Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Stock Exchange with stock code 174
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the Sale and Purchase Agreement
“Completion Announcement”	the joint announcement dated 19 November 2020 jointly issued by the Offeror and the Company in respect of the Completion

DEFINITIONS

“Composite Document”	this composite offer and response document dated 10 December 2020 jointly issued by the Offeror and the Company in accordance with the Takeovers Code in relation to the Offers
“Convertible Preference Share(s)”	the non-voting convertible preference shares of the Company issued by the Company to the Vendor on 23 December 2014
“Deed of Cancellation”	the deed of cancellation dated 28 February 2020 executed by the Vendor in favour of the Company relating to the cancellation of 31,666,667 Convertible Preference Shares held by the Vendor
“Delight Finance”	Delight Finance International Limited, a company incorporated in the BVI with limited liability and holds 12.75% of Fortune Joy
“Director(s)”	the director(s) of the Company
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Excluded Shares”	the 157,986,500 Shares owned by the Vendor which are excluded from the Share Offer pursuant to the Irrevocable Undertaking
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form(s) of Acceptance”	collectively, the WHITE Form of Share Offer Acceptance and the PINK Form of Option Offer Acceptance

DEFINITIONS

“Fortune Joy”	Fortune Joy Ventures Limited (瑞喜創投有限公司), a company incorporated in the BVI with limited liability, which is 49% indirectly owned by Sino-Ocean Group, 12.75% owned by Charm Reliance, 12.75% owned by Delight Finance and 25.50% owned by Leading Bright
“Glory Class”	Glory Class Ventures Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Oceanland Global
“GR Realty”	Gemini-Rosemont Realty LLC, a subsidiary of the Company since 31 July 2020 which is owned by the Company as to 45%
“Group”	the Company and its subsidiaries from time to time
“HK Presstar”	Hongkong Presstar Enterprise Co., Limited, a company wholly-owned by Mr. ZHANG Li
“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 committee of the Board comprising non-executive Director, Mr. WANG Xiao and all independent non-executive Directors, namely Mr. LAW Tze Lun, Mr. LO Woon Bor, Henry and Ms. CHEN Yingshun, established for the purpose of advising the Independent Shareholders and Independent Optionholders in respect of the Offers and in particular as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers
“Independent Financial Adviser” or “First Shanghai”	First Shanghai Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, appointed by the Company as the independent financial adviser for the purpose of advising the Independent Board Committee in respect of the Offers and in particular as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers

DEFINITIONS

“Independent Optionholders”	the Optionholders other than the Offeror and the Offeror Concert Parties
“Independent Shareholders”	the Shareholders other than the Offeror and the Offeror Concert Parties
“Interim Report”	the interim report for the six months ended 30 June 2020 published by the Company on 13 August 2020
“Irrevocable Undertaking”	the irrevocable undertaking dated 14 November 2020 given by the Vendor in favour of the Offeror
“Joint Announcement”	the joint announcement dated 16 November 2020 jointly issued by the Offeror and the Company in relation to the Offers
“Last Trading Day”	13 November 2020, being the last trading day on which the Shares were traded on the Stock Exchange immediately prior to the publication of the Joint Announcement
“Latest Practicable Date”	7 December 2020, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information for inclusion in this Composite Document
“Leading Bright”	Leading Bright Investment Limited, a company incorporated in Hong Kong with limited liability and holds 25.50% of Fortune Joy
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Oceanland Global”	Oceanland Global Investment Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of Sino-Ocean Capital
“Offer Period”	the meaning ascribed to it in the Takeovers Code which commenced on 16 November 2020, being the date of the Joint Announcement, and which will end on the date on which the Offers close for acceptances

DEFINITIONS

“Offer Share(s)”	all the issued Shares other than the Excluded Shares and those already owned or agreed to be acquired by the Offeror when the Share Offer is made
“Offer Shareholder(s)”	the holder(s) of the Offer Share(s)
“Offeror”	Estate Spring International Limited (置泉國際有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of Fortune Joy
“Offeror Concert Parties”	any parties acting in concert, or presumed to be acting in concert, with the Offeror under the definition of “acting in concert” under the Takeovers Code, including but not limited to Sino-Ocean Group, the Vendor, Mr. LI Ming, Mr. WANG Honghui, Ms. CHAN Ka Man and Mr. CHEUNG Tei Sing Jamie
“Offers”	the Share Offer and the Option Offer
“Option(s)”	the share option(s) granted by the Company on 26 August 2011, 9 August 2013 and 9 March 2015 pursuant to the Share Option Scheme which entitle(s) holders thereof to subscribe for the Shares in accordance with the terms and conditions of the Share Option Scheme
“Option Offer”	the unconditional mandatory cash offer by Somerley for and on behalf of the Offeror to cancel all outstanding Options in accordance with the Takeovers Code
“Option Offer Price”	the price at which the Option Offer is made, as further described in the section headed “The Offers — The Option Offer” in the “Letter from Somerley” in this Composite Document
“Optionholder(s)”	the holder(s) of the outstanding Option(s)
“Overseas Optionholders”	Optionholders whose addresses as shown on the register of optionholders of the Company are outside Hong Kong

DEFINITIONS

“Overseas Shareholders”	Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
“ PINK Form of Option Offer Acceptance”	the PINK form of acceptance and cancellation in respect of the Option Offer accompanying this Composite Document
“PRC”	the People’s Republic of China, for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Registrar”	Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the share registrar of the Company
“Relevant Period”	the period from 16 May 2020, being the date six months preceding the date of the Joint Announcement, up to and including the Latest Practicable Date
“Sale and Purchase Agreement”	the sale and purchase agreement dated 14 November 2020 entered into between the Vendor and the Offeror in respect of the sale and purchase of the Sale Shares
“Sale Shares”	collectively, 154,518,125 Shares acquired by the Offeror from the Vendor pursuant to the Sale and Purchase Agreement; and “Sale Share” means any one of them
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Offer”	the unconditional mandatory cash offer by Somerley for and on behalf of the Offeror to acquire all issued Shares in the Company (other than the Excluded Shares and those already owned or agreed to be acquired by the Offeror) in accordance with the Takeovers Code

DEFINITIONS

“Share Offer Price”	the price at which the Share Offer is made, being HK\$1.10 per Offer Share
“Share Option Scheme”	the share option scheme of the Company approved and adopted on 23 June 2011
“Sino-Ocean Capital”	Sino-Ocean Capital Holding Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Fortune Joy
“Sino-Ocean Group”	Sino-Ocean Group Holding Limited (遠洋集團控股有限公司), a company incorporated in Hong Kong with limited liability and the ordinary shares of which are listed on the Stock Exchange with stock code 3377
“Somerley”	Somerley Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror in respect of the Offers
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trend Best”	Trend Best Investment Limited, a company wholly-owned by Mr. WANG Xiao
“U.S.”	the United States of America
“Vendor”	Grand Beauty Management Limited (盛美管理有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of Sino-Ocean Group
“WHITE Form of Share Offer Acceptance”	the WHITE form of acceptance and transfer in respect of the Share Offer accompanying this Composite Document
“%”	per cent.

LETTER FROM SOMERLEY



SOMERLEY CAPITAL LIMITED

20th Floor

China Building

29 Queen's Road Central

Hong Kong

10 December 2020

To the Offer Shareholders and the Optionholders,

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS
BY SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF
ESTATE SPRING INTERNATIONAL LIMITED
TO ACQUIRE ALL ISSUED SHARES IN THE COMPANY
(OTHER THAN THE EXCLUDED SHARES AND THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY ESTATE SPRING INTERNATIONAL LIMITED)
AND CANCEL ALL OUTSTANDING OPTIONS OF THE COMPANY**

INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement, the Offers and the Irrevocable Undertaking. Unless the context requires otherwise, terms defined in the Composite Document shall have the same meanings when used herein.

Immediately prior to Completion, each of the Offeror and the Vendor held 90,278,000 Shares and 312,504,625 Shares, respectively, representing approximately 14.29% and approximately 49.45% of the then total number of issued Shares, respectively, and the Vendor held 754,333,333 Convertible Preference Shares, representing all the issued Convertible Preference Shares.

On 19 November 2020, the Offeror and the Company jointly announced that Completion took place on 19 November 2020 and upon Completion, the Offeror's holding in the Shares increased from 90,278,000 Shares to 244,796,125 Shares, representing approximately 38.74% of the then total number of issued Shares, whereas the Vendor's holding in the Shares decreased from 312,504,625 Shares to 157,986,500 Shares, representing 25.00% of the then total number of issued Shares.

LETTER FROM SOMERLEY

Based on the above and taking into account the Irrevocable Undertaking, the Offeror is required to make mandatory general offers in cash for all the securities of the Company in issue (other than the Excluded Shares and those already owned or agreed to be acquired by the Offeror). Somerley is making the Offers for and on behalf of the Offeror.

This letter forms part of the Composite Document and sets out, among other things, details of the Offers, information on the Offeror, and the Offeror's intention in relation to the Group. Further details on the terms and the procedures for acceptance of the Offers are set out in Appendix I to the Composite Document and the accompanying Form(s) of Acceptance. The Offer Shareholders and the Optionholders are strongly advised to carefully consider the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee", the "Letter from the Independent Financial Adviser", the appendices to the Composite Document and the accompanying Form(s) of Acceptance, and to consult their own professional advisers before reaching a decision as to whether or not to accept the Offers.

THE OFFERS

Taking into account the Irrevocable Undertaking, Somerley, for and on behalf of the Offeror, is making the Share Offer pursuant to Rule 26.1 of the Takeovers Code and the Option Offer pursuant to Rule 13.5 of the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$1.10 in cash

The Option Offer

For cancellation of each outstanding Option with an exercise price of:

HK\$1.40 (2,300,000 Options in total) HK\$0.00001 in cash
HK\$0.96 (25,216,000 Options in total) HK\$0.14 in cash
HK\$1.27 (3,290,000 Options in total) HK\$0.00001 in cash

The Share Offer Price of HK\$1.10 per Offer Share is equal to the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

LETTER FROM SOMERLEY

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding Options would normally represent the difference between the exercise price of the Options and the Share Offer Price. Under the Option Offer, given that the exercise prices of 5,590,000 of the outstanding Options are above the Share Offer Price, such 5,590,000 of the outstanding Options are out-of-money and the offer price for each such outstanding Option is at a nominal value of HK\$0.00001. In respect of 25,216,000 of the outstanding Options the exercise price of which is below the Share Offer Price, the above offer price for such 25,216,000 of the outstanding Options represents the difference between the Share Offer Price and the relevant exercise price (i.e. HK\$0.96).

The Share Offer is extended to the Offer Shareholders and the Option Offer is extended to all Optionholders. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and together with all rights and benefits attaching to them as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which is paid, made or declared or agreed to be made or paid thereon or in respect thereof on or after the date on which the Offers are made, being the date of the Composite Document.

Optionholders should note that, pursuant to the Share Option Scheme, if there is an unconditional general offer made to the Shareholders, the Optionholders may within 21 days of the notice of the Company exercise the Option (to the extent which has become exercisable and not already exercised) to its full extent and after which the Options shall lapse automatically. As stated in the “Letter from the Board” contained in the Composite Document, as the Offers are unconditional, notice is hereby given to the Optionholders that the Options (all of which are exercisable) shall lapse automatically if they are not exercised within 21 days from the date of the Composite Document.

The Offers, comprising the Share Offer and the Option Offer, are unconditional in all aspects. Acceptance of the Offers shall be irrevocable and shall not be capable of being withdrawn, subject to the Takeovers Code.

Further details of the terms of the Offers and the procedures for acceptance are set out in Appendix I to the Composite Document and the accompanying Form(s) of Acceptance.

LETTER FROM SOMERLEY

COMPARISON OF VALUE

The Share Offer Price of HK\$1.10 per Offer Share represents:

- (i) a premium of approximately 26.44% over the closing price of HK\$0.87 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 47.06% over the average closing price of HK\$0.748 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 66.67% over the average closing price of HK\$0.66 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) the closing price of HK\$1.10 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (v) a discount of approximately 40.25% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$1.841 per Share (based on the net assets attributable to owners of the Company minus the Convertible Preference Shares reserve and the perpetual bond of the Company, divided by the total number of issued Shares) as at 31 December 2019, being the date to which the latest published audited financial results of the Group were made up;
- (vi) a discount of approximately 28.66% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$1.542 per Share (based on the net assets attributable to owners of the Company minus the Convertible Preference Shares reserve and the perpetual bond of the Company, divided by the total number of issued Shares) as at 30 June 2020, being the date to which the latest published unaudited financial results of the Group were made up; and
- (vii) a discount of approximately 13.45% to the adjusted unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$1.271 per Share (based on the adjusted unaudited consolidated net asset value attributable to owners of the Company, after taking into account the valuation of all real properties of the Group and its associates as at 30 September 2020 and the related tax effects, as detailed in Appendix II to the Composite Document, divided by the total number of issued Shares as at the Latest Practicable Date).

LETTER FROM SOMERLEY

HIGHEST AND LOWEST PRICES OF THE SHARES

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.12 on 26 November 2020 and 1 December 2020, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.42 on 7 October 2020.

IRREVOCABLE UNDERTAKING BY THE VENDOR

As at the Latest Practicable Date, the Vendor held 157,986,500 Shares and 754,333,333 Convertible Preference Shares. On 14 November 2020, the Vendor has given the Irrevocable Undertaking in favour of the Offeror, pursuant to which the Vendor has irrevocably undertaken to the Offeror that, among other things, (i) it will not request the Share Offer to be extended to it in respect of the Shares held by it and it will not accept the Share Offer in respect of the Shares held by it even if the Share Offer is extended to it; (ii) it has waived its right to receive and will not request any offer for the Convertible Preference Shares to be extended by the Offeror and it will not accept any such offer even if an offer is extended by the Offeror pursuant to the Offeror's obligations under the Takeovers Code relating to the Sale and Purchase Agreement; and (iii) save as contemplated under the Sale and Purchase Agreement, it will not, directly or indirectly, sell, transfer, charge, pledge or otherwise encumber or grant any option or other right over or create any derivative of or convert (in case of the Convertible Preference Shares) or otherwise deal with any of the Shares or Convertible Preference Shares held by it or any interest therein before the withdrawal or close or lapse of the Offers (whichever is earlier).

TOTAL VALUE OF THE OFFERS

As at the Latest Practicable Date, the Company has (i) 635,150,000 Shares in issue; (ii) 30,806,000 outstanding Options (which have been fully vested but not exercised); and (iii) 754,333,333 issued Convertible Preference Shares convertible into 377,166,666 Shares upon full conversion at the prevailing conversion price of HK\$6.00 per Convertible Preference Share. Save as disclosed above, the Company has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

Assuming there is no change in the issued share capital of the Company, none of the outstanding Convertible Preference Shares is converted and none of the outstanding Options is exercised prior to the close of the Offers, there would be 635,150,000 Shares in issue. On the basis of the Share Offer Price being HK\$1.10 per Share, the entire issued share capital of the Company would be valued at HK\$698,665,000.00.

LETTER FROM SOMERLEY

Assuming there is no change in the issued share capital of the Company and none of the outstanding Convertible Preference Shares is converted but all the 30,806,000 outstanding Options are fully exercised prior to the close of the Offers, there would be 665,956,000 Shares in issue. On the basis of the Share Offer Price being HK\$1.10 per Share, the entire issued share capital of the Company would be valued at HK\$732,551,600.00.

Assuming there is no change in the issued share capital of the Company and none of the outstanding Options is exercised prior to the close of the Offers, excluding the 244,796,125 Shares owned by the Offeror and the 157,986,500 Shares and 754,333,333 Convertible Preference Shares owned by the Vendor, 232,367,375 Shares will be subject to the Share Offer and 30,806,000 outstanding Options will be subject to the Option Offer, which in aggregate are valued at HK\$259,134,408.40.

CONFIRMATION OF FINANCIAL RESOURCES

Assuming all of the outstanding Options are exercised before the close of the Offers, the Company will have to issue 30,806,000 new Shares. Assuming the Share Offer, including in respect of such new Shares issued upon the exercise of such exercisable Options, is accepted in full, the maximum amount payable by the Offeror to satisfy the consideration for the Offers is HK\$289,490,712.50, which will be funded by internal resources of the Offeror. Assuming none of the outstanding Options is exercised before the close of the Offers and that the Offers are accepted in full, the maximum amount payable by the Offeror to satisfy the consideration for the Offers is HK\$259,134,408.40, which will be funded by internal resources of the Offeror.

Somerley, being the financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

NO CONDITION TO THE OFFERS

The Offers, comprising the Share Offer and the Option Offer, are unconditional in all aspects. Acceptance of the Offers shall be irrevocable and shall not be capable of being withdrawn, subject to the Takeovers Code.

EFFECT OF ACCEPTING THE OFFERS

Acceptance of the Offers will constitute a warranty to the Offeror by each person accepting it that the Shares and the Options (as the case may be) acquired under the Offers and sold by such person are free from all Encumbrances and are sold together with all rights attaching to them, including all rights to any dividend or other distribution declared, made, or paid on or after the date on which the Offers are made.

LETTER FROM SOMERLEY

By accepting the Share Offer, the relevant Offer Shareholder will be deemed to warrant that all Offer Shares to be sold by such person under the Share Offer are fully paid and free from all Encumbrances and together with all rights and benefits attaching thereto as at the date of the Composite Document or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which may be paid, made or declared or agreed to be made or paid thereon or in respect thereof on or after the date on which the Share Offer is made, being the date of despatch of the Composite Document.

By accepting the Option Offer, the relevant Optionholder will be deemed to agree to the cancellation of the Options to be tendered by such person under the Option Offer and all rights attached thereto with effect from the date on which the Option Offer are made, being the date of despatch of the Composite Document.

OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The Offeror intends to make the Offers available to all Offer Shareholders and Optionholders including the Overseas Shareholders and the Overseas Optionholders. As at the Latest Practicable Date, there was one Shareholder with registered address in Macau based on the register of members of the Company and there were Optionholders with registered address in the PRC based on the register of optionholders of the Company. However, the availability of the Offers to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction in which they reside. Overseas Shareholders and Overseas Optionholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe all applicable legal or regulatory requirements and, where necessary, seek their own legal advice. It is the responsibility of the Overseas Shareholders and Overseas Optionholders who wish to accept the Share Offer or the Option Offer (as the case may be) to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholders or Overseas Optionholders in respect of such jurisdiction).

LETTER FROM SOMERLEY

The Offeror, the Offeror Concert Parties, the Company, Somerley, First Shanghai, the Registrar or any of their respective beneficial owners, directors, officers, advisers, associates, agents or any other persons involved in the Offers shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders and the Overseas Optionholders for any taxes they may be required to pay.

Any acceptance of the Offers by any Offer Shareholder or Optionholder will be deemed to constitute a representation and warranty from such Offer Shareholder or, as the case may be, Optionholder to the Offeror and the Company that all the laws and regulations of the relevant jurisdictions have been complied with and that the Share Offer can be accepted by such Offer Shareholder, or, as the case may be, the Option Offer can be accepted by such Optionholder, lawfully under the laws and regulations of the relevant jurisdictions. Offer Shareholders and Optionholders should consult their professional advisers if in doubt.

STAMP DUTY

The seller's ad valorem stamp duty at the rate of 0.1% of (i) the consideration in respect of the acceptances of the Share Offer or (ii) if higher, the market value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) will be payable by the Offer Shareholders who accept the Share Offer insofar as their Offer Shares are registered on the Hong Kong share register of the Company. The relevant amount of stamp duty payable by the relevant Offer Shareholders will be deducted from the consideration payable to such Offer Shareholders under the Share Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the accepting Offer Shareholders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty is payable in connection with the acceptances of the Option Offer and the cancellation of the Options.

PROCEDURES FOR ACCEPTANCE

To accept any of the Offers, you should duly complete and sign the relevant accompanying Form(s) of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the relevant Offers.

LETTER FROM SOMERLEY

In respect of the Share Offer, the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be sent by post or by hand, to the Registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong marked "**Gemini Investments (Holdings) Limited – Share Offer**" on the envelope so as to reach the Registrar as soon as possible but in any event by no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.

In respect of the Option Offers, the duly completed and signed **PINK** Form of Option Offer Acceptance together with the relevant certificate(s), document(s) of title or entitlement in respect of the Options and/or any other document(s) (if applicable) should be sent by post or by hand, to Gemini Investments (Holdings) Limited at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong marked "**Gemini Investments (Holdings) Limited – Option Offer**" on the envelope so as to reach the Company as soon as possible but in any event by no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.

Your attention is drawn to "Further Terms of the Offers" as set out in Appendix I to the Composite Document and the accompanying Form(s) of Acceptance.

SETTLEMENT UNDER THE OFFERS

Payment of the consideration (after deducting the seller's ad valorem stamp duty) for the Offer Shares tendered for acceptance under the Share Offer will be posted by ordinary post to the Offer Shareholders who accept the Share Offer, and payment of the consideration for the Options surrendered for cancellation under the Option Offer will be delivered to the office of the Company in Hong Kong at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong, for collection by the Optionholders who accept the Option Offer. Payment will be made as soon as possible, but in any event within seven (7) Business Days after the date of receipt of complete and valid acceptance.

No fraction of a cent will be payable. The amount of consideration payable to an Offer Shareholder who accepts the Share Offer will be rounded up to the nearest cent, and the amount of consideration payable to an Optionholder who accepts the Option Offer will be rounded up to the nearest cent.

LETTER FROM SOMERLEY

NOMINEE REGISTRATION

To ensure equality of treatment of all Offer Shareholders, those Offer Shareholders who hold Offer Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offers.

TAXATION AND INDEPENDENT ADVICE

The Offer Shareholders and the Optionholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, the Offeror Concert Parties, the Company, Somerley, First Shanghai, the Registrar or any of their respective beneficial owners, directors, officers, advisers, associates, agents or any other persons involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability. The Offeror is an indirect wholly-owned subsidiary of Sino-Ocean Capital, which is wholly-owned by Fortune Joy. Fortune Joy is 49% indirectly owned by Sino-Ocean Group, 12.75% owned by Charm Reliance, 12.75% owned by Delight Finance and 25.50% owned by Leading Bright.

Sino-Ocean Group is a company incorporated in Hong Kong with limited liability and the ordinary shares of which are listed on the Stock Exchange with stock code 3377. Based on the 2020 interim report of Sino-Ocean Group published on the website of the Stock Exchange on 10 September 2020, as at 30 June 2020, it had no controlling shareholder, and the two largest shareholders of Sino-Ocean Group were (i) China Life Insurance Company Limited, which held approximately 29.59% of Sino-Ocean Group; and (ii) Dajia Life Insurance Co., Ltd. (大家人壽保險股份有限公司), which held approximately 29.58% of Sino-Ocean Group. Sino-Ocean Group is a leading large-scale national property developer with developments in rapidly growing Chinese cities and metropolitan regions in the PRC, including the Beijing Region, the Bohai Rim Region, the Eastern Region, the Southern Region, the Central Region, the Western Region, and in other regions. Its business scope covers residential and integrated development, property development and operation, business collaboration and customer services.

LETTER FROM SOMERLEY

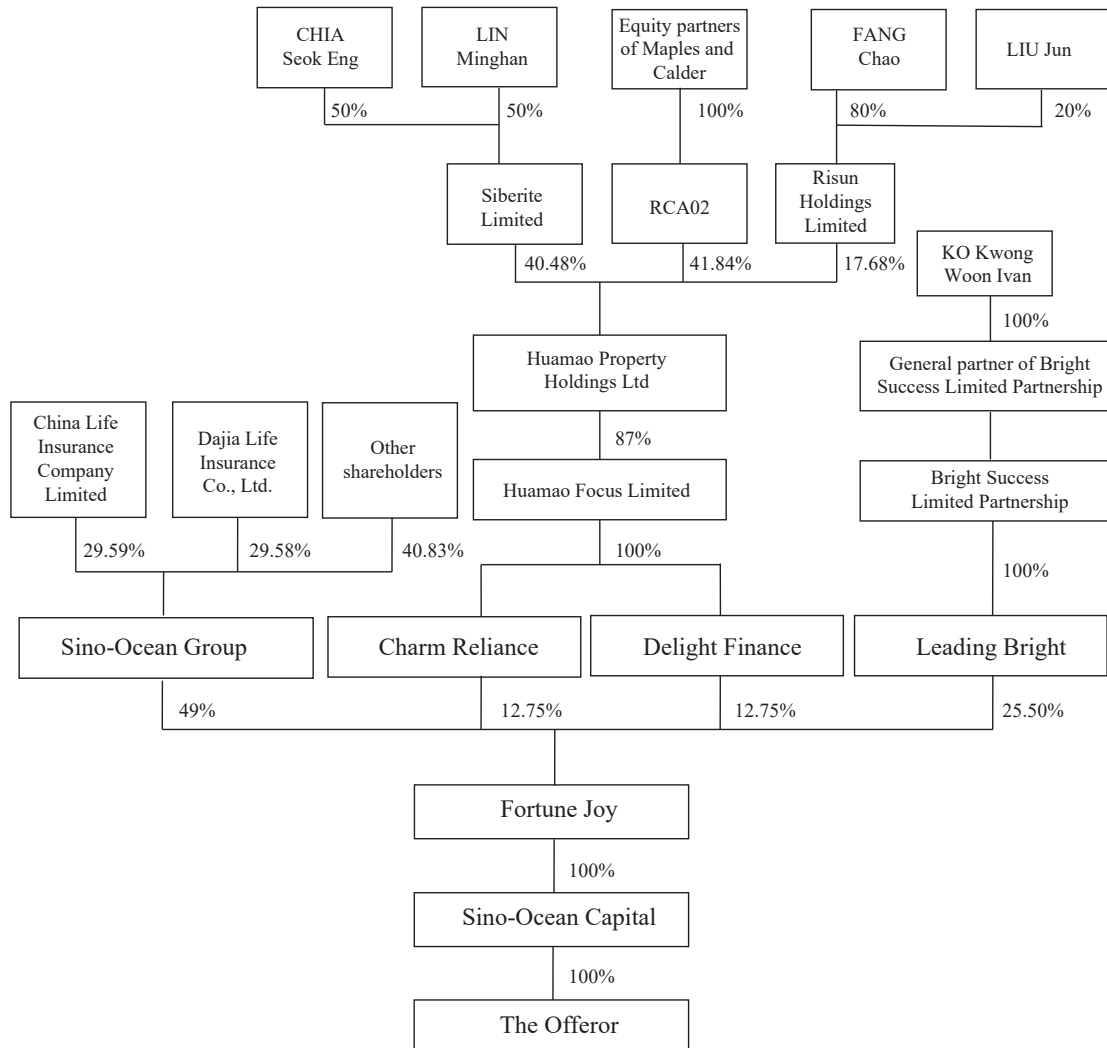
Both Charm Reliance and Delight Finance are wholly-owned by Huamao Focus Limited, which is, in turn, 87% owned by Huamao Property Holdings Ltd, which is, in turn, (i) 40.48% owned by Siberite Limited, a company incorporated in the BVI which is ultimately 50% owned by CHIA Seok Eng and 50% owned by LIN Minghan; (ii) 41.84% owned by RCA02, an entity incorporated in the Cayman Islands, which is ultimately owned by the equity partners of Maples and Calder, who are the ultimate beneficial owners of the Maples Group which, according to its website, provides legal, fiduciary, fund, regulatory and compliance and entity formation and management services; and (iii) 17.68% owned by Risun Holdings Limited, a company incorporated in Hong Kong with limited liability, which is 80% owned by FANG Chao and 20% owned by LIU Jun. Huamao Property Holdings Ltd is an investment platform which, through its establishments in Beijing, the Bohai Rim Region, Yangtze River Delta and Pearl River Delta of the PRC, is principally engaged in commercial property development and operation, focusing on large scale building complexes and high quality residential properties.

Leading Bright is wholly-owned by Bright Success Limited Partnership, the general partner of which is ultimately beneficially owned by KO Kwong Woon Ivan. Leading Bright is principally engaged in the provision of property investment management and consultancy service in the PRC, Hong Kong and Macau.

As at the Latest Practicable Date, the directors of the Offeror are Mr. WANG Honghui and Ms. CHAN Ka Man.

LETTER FROM SOMERLEY

Set out below is the simplified shareholding structure of the Offeror as at the Latest Practicable Date:



The Offeror confirms that, as at the Latest Practicable Date, the Offeror and Offeror Concert Parties hold 403,006,625 Shares in aggregate, representing approximately 63.45% of the total issued share capital of the Company, 4,000,000 Options in aggregate and 754,333,333 Convertible Preference Shares in aggregate. Save as aforesaid, as at the Latest Practicable Date, neither the Offeror nor Offeror Concert Parties hold, control or have direction over any Shares or hold any convertible securities, warrants, options or derivatives in respect of the Company.

LETTER FROM SOMERLEY

INFORMATION ON THE GROUP

Your attention is drawn to the section headed “Information on the Group” in the “Letter from the Board” as set out on pages 30 to 43 of the Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Reference is made to the announcement of the Company dated 31 July 2020 in relation to the consolidation of the operating performance and financial position of GR Realty into the financial statements of the Group under the Hong Kong Financial Reporting Standards as a result of the Group obtaining control in GR Realty.

It is the intention of the Offeror to have in-depth collaboration with the Company and GR Realty to explore business opportunities in the U.S. market in a more direct and efficient manner, and leverage on the resources and expertise that the Company and GR Realty possess outside the PRC, including assets and fund management experience, industry resources and established network, with a view to drive business synergy and improve the operational efficiency of the Group and Sino-Ocean Capital as a whole.

Upon completion of the Offers, the Offeror will conduct a review of the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made as and when appropriate in accordance with the Listing Rules.

As at the Latest Practicable Date, the Offeror has (i) no plan to cease any existing businesses of the Group or to dispose any material assets of the Group, and (ii) no intention to introduce any major changes to the businesses of the Group, including any redeployment of the fixed assets of the Group other than those in its ordinary and usual course of business, following the close of the Offers. The Offeror will review the existing capital structure and working capital requirement of the Group and if necessary, will consider different alternatives to strengthen the capital base of the Company for any future expansion.

LETTER FROM SOMERLEY

INTENTION OF THE OFFEROR WITH RESPECT TO THE COMPOSITION OF THE BOARD

The Board currently comprises three executive Directors, being Mr. SUM Pui Ying, Mr. LAI Kwok Hung, Alex, and Ms. LAM Yee Lan; two non-executive Directors, being Mr. TANG Runjiang and Mr. WANG Xiao; and three independent non-executive Directors, being Mr. LAW Tze Lun, Mr. LO Woon Bor, Henry and Ms. CHEN Yingshun.

The Offeror intends to nominate Mr. ZHOU Yue as a new non-executive Director. The proposed appointment will take effect after the posting of the Composite Document. The biographical details of Mr. ZHOU Yue are set out below:

Mr. ZHOU Yue, aged 42, is the executive deputy general manager of Sino-Ocean Capital group. Mr. ZHOU is also a director of Sino-Ocean Capital, Fortune Joy and certain subsidiaries and affiliated companies of Sino-Ocean Capital. Mr. ZHOU joined Sino-Ocean group in 2015 and served as the deputy general manager of the CEO Management Centre. Mr. ZHOU is currently the non-executive director as well as a member of the nomination committee and strategic investment committee of Beijing Capital Grand Limited, a company listed on the Stock Exchange (stock code: 1329). Mr. ZHOU graduated from Tsinghua University in 2007 and received a master's degree in Business Administration.

Mr. ZHOU has confirmed that there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate. Save as aforesaid, the Offeror has no intention to introduce any significant changes to the management of the Company, or to discontinue the employment of the existing employees of the Group, following the close of the Offers.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror has no intention to privatise the Group and intends the Company to remain listed on the Stock Exchange after the close of the Offers.

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

— a false market exists or may exist in the trading of the Shares; or

LETTER FROM SOMERLEY

— that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

In this connection, it should be noted that following the close of the Offers, there might be insufficient public float of the Shares and therefore, trading in the Shares might be suspended until sufficient public float is restored for the Shares. The Company will take appropriate steps following the close of the Offers to ensure that sufficient public float as required under the Listing Rules exists for the Shares.

The directors of the Offeror and the new director to be nominated by the Offeror and appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The steps that the Offeror may take include selling the Shares it acquires from the Share Offer to selected independent third parties or in the market. Announcement(s) will be made in this regard as and when appropriate in compliance with the Listing Rules.

COMPULSORY ACQUISITION

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired pursuant to the Offers after the close of the Offers.

GENERAL

All documents and remittances in respect of cash consideration payable for the Offer Shares tendered under the Share Offer will be sent to the accepting Offer Shareholders by ordinary post at such Offer Shareholder's own risk. These documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, or in the case of joint Offer Shareholders, to the Offer Shareholder whose name appears first in the said register of members, unless otherwise specified in the accompanying Form(s) of Acceptance completed, returned and received by the Registrar. None of the Offeror, the Offeror Concert Parties, the Company, Somerley, First Shanghai, the Registrar or any of their respective beneficial owners, directors, officers, advisers, associates, agents or any other persons involved in the Offers will be responsible for any loss in postage or delay in transmission of such documents and remittances or any other liabilities that may arise as a result thereof.

LETTER FROM SOMERLEY

ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offers set out in the appendices to the Composite Document and the accompanying Form(s) of Acceptance, which form part of the Composite Document. In addition, your attention is also drawn to the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” contained in the Composite Document.

Yours faithfully,
For and on behalf of
SOMERLEY CAPITAL LIMITED
John Wong
Director

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
Mr. LAI Kwok Hung, Alex
Ms. LAM Yee Lan

Non-executive Directors:

Mr. TANG Runjiang
Mr. WANG Xiao

Independent non-executive Directors:

Mr. LAW Tze Lun
Mr. LO Woon Bor, Henry
Ms. CHEN Yingshun

*Registered Office and
Principal Place of Business:*
Room 3902, 39th Floor
Tower One, Lippo Centre
No. 89 Queensway
Hong Kong

10 December 2020

To the Offer Shareholders and the Optionholders

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS
BY SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF
OF ESTATE SPRING INTERNATIONAL LIMITED
TO ACQUIRE ALL ISSUED SHARES IN THE COMPANY
(OTHER THAN THE EXCLUDED SHARES AND THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY ESTATE SPRING INTERNATIONAL LIMITED)
AND CANCEL ALL OUTSTANDING OPTIONS OF THE COMPANY**

1. INTRODUCTION

Reference is made to (i) the Joint Announcement dated 16 November 2020 jointly issued by the Offeror and the Company in relation to, among other things, the Sale and Purchase Agreement, the Offers and the Irrevocable Undertaking; and (ii) the

LETTER FROM THE BOARD

Completion Announcement dated 19 November 2020 jointly issued by the Offeror and the Company in respect of the Completion.

As disclosed in the Joint Announcement, the Offeror (as purchaser) and the Vendor (as vendor) entered into the Sale and Purchase Agreement, pursuant to which the Offeror has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell, the Sale Shares (representing approximately 24.45% of the total number of issued Shares as at the date of the Joint Announcement and at Completion), free from Encumbrances together with all rights attaching to them on or after the completion date of the Sale and Purchase Agreement, for a total consideration of HK\$169,969,937.50 (equivalent to HK\$1.10 per Sale Share).

As at the Latest Practicable Date, (i) the Vendor is an indirect wholly-owned subsidiary of Sino-Ocean Group and hence an associated company of Sino-Ocean Group; and (ii) the Offeror is an indirect wholly-owned subsidiary of Fortune Joy, which is in turn indirectly owned by Sino-Ocean Group as to 49% and hence the Offeror is an associated company of Sino-Ocean Group. Therefore, both the Vendor and the Offeror are associated companies of each other and are presumed to be parties acting in concert pursuant to class (1) presumption under the definition of “acting in concert” under the Takeovers Code.

As disclosed in the Completion Announcement, Completion took place on 19 November 2020. Pursuant to the Sale and Purchase Agreement, the Offeror acquired the Sale Shares (representing approximately 24.45% of the total number of issued Shares as at the date of the Joint Announcement and at Completion). Immediately before Completion, each of (i) the Vendor and (ii) the Offeror held 312,504,625 and 90,278,000 Shares, respectively, representing approximately 49.45% and approximately 14.29% of the then total number of issued Shares, respectively, and the Vendor held 754,333,333 Convertible Preference Shares (representing all the issued Convertible Preference Shares). Immediately upon Completion and as at the date of the Completion Announcement, (i) the Vendor, (ii) the Offeror, and (iii) the Offeror and the Offeror Concert Parties held 157,986,500, 244,796,125 and 403,006,625 Shares, respectively, representing 25.00%, approximately 38.74% and approximately 63.78% of the then total number of issued Shares, respectively, and the Vendor held 754,333,333 Convertible Preference Shares (representing all the issued Convertible Preference Shares). Therefore, Somerley, on behalf of the Offeror, makes the Share Offer pursuant to Rule 26.1 of the Takeovers Code and the Option Offer pursuant to Rule 13.5 of the Takeovers Code.

LETTER FROM THE BOARD

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things: (i) the terms and conditions of the Offers; (ii) the expected timetable of the Offers; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders and the Independent Optionholders in respect of the Offers; and (iv) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offers.

2. THE OFFERS

As set out in the “Letter from Somerley” in this Composite Document:

Taking into account the Irrevocable Undertaking, Somerley, for and on behalf of the Offeror, is making the Share Offer pursuant to Rule 26.1 of the Takeovers Code and the Option Offer pursuant to Rule 13.5 of the Takeovers Code on the following basis:

The Share Offer

For each Offer Share HK\$1.10 in cash

The Option Offer

For cancellation of each outstanding Option with an exercise price of:

HK\$1.40 (2,300,000 Options in total) HK\$0.00001 in cash

HK\$0.96 (25,216,000 Options in total) HK\$0.14 in cash

HK\$1.27 (3,290,000 Options in total) HK\$0.00001 in cash

The Share Offer Price of HK\$1.10 per Offer Share is equal to the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding Options would normally represent the difference between the exercise price of the Options and the Share Offer Price. Under the Option Offer, given that the exercise prices of 5,590,000 of the outstanding Options are above the Share Offer Price, such 5,590,000 of the outstanding Options

LETTER FROM THE BOARD

are out-of-money and the offer price for each such outstanding Option is at a nominal value of HK\$0.00001. In respect of 25,216,000 of the outstanding Options the exercise price of which is below the Share Offer Price, the above offer price for such 25,216,000 of the outstanding Options represents the difference between the Share Offer Price and the relevant exercise price (i.e. HK\$0.96).

The Share Offer is extended to the Offer Shareholders and the Option Offer is extended to all Optionholders. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and together with all rights and benefits attaching to them as at the date of this Composite Document or subsequently becoming attached to them, including but not limited to the right to receive all dividends, distributions and any return of capital, if any, which is paid, made or declared or agreed to be made or paid thereon or in respect thereof on or after the date on which the Offers are made, being the date of this Composite Document.

Optionholders should note that, pursuant to the Share Option Scheme, if there is an unconditional general offer made to the Shareholders, the Optionholders may within 21 days of the notice of the Company exercise the Option (to the extent which has become exercisable and not already exercised) to its full extent and after which the Options shall lapse automatically. As the Offers are unconditional, notice is hereby given to the Optionholders that the Options (all of which are exercisable) shall lapse automatically if they are not exercised within 21 days from the date of this Composite Document.

The Offers, comprising the Share Offer and the Option Offer, are unconditional in all aspects. Acceptance of the Offers shall be irrevocable and shall not be capable of being withdrawn, subject to the Takeovers Code.

Further details of the terms of the Offers and the procedures for acceptance are set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance.

LETTER FROM THE BOARD

Comparison of value

The Share Offer Price of HK\$1.10 per Offer Share represents:

- (i) a premium of approximately 26.44% over the closing price of HK\$0.87 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 47.06% over the average closing prices of HK\$0.748 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 66.67% over the average closing prices of HK\$0.66 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (iv) the closing price of HK\$1.10 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (v) a discount of approximately 40.25% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$1.841 per Share (based on the net assets attributable to owners of the Company minus the Convertible Preference Shares reserve and the perpetual bond of the Company, divided by the total number of issued Shares) as at 31 December 2019, being the date to which the latest published audited financial results of the Group were made up;
- (vi) a discount of approximately 28.66% to the unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$1.542 per Share (based on the net assets attributable to owners of the Company minus the Convertible Preference Shares reserve and the perpetual bond of the Company, divided by the total number of issued Shares) as at 30 June 2020, being the date to which the latest published unaudited financial results of the Group were made up; and

LETTER FROM THE BOARD

- (vii) a discount of approximately 13.45% to the adjusted unaudited consolidated net asset value attributable to the owners of the Company of approximately HK\$1.271 per Share (based on the adjusted unaudited consolidated net asset value attributable to owners of the Company, after taking into account the valuation of all real properties of the Group and its associates as at 30 September 2020 and the related tax effects, as detailed in Appendix II to this Composite Document, divided by the total number of issued Shares as at the Latest Practicable Date).

Highest and lowest prices of the Shares

During the Relevant Period, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$1.12 on 26 November 2020 and 1 December 2020, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.42 on 7 October 2020.

Irrevocable Undertaking by the Vendor

As at the Latest Practicable Date, the Vendor held 157,986,500 Shares and 754,333,333 Convertible Preference Shares. On 14 November 2020, the Vendor has given the Irrevocable Undertaking in favour of the Offeror, pursuant to which the Vendor has irrevocably undertaken to the Offeror that, among other things, (i) it will not request the Share Offer to be extended to it in respect of the Shares held by it and it will not accept the Share Offer in respect of the Shares held by it even if the Share Offer is extended to it; (ii) it has waived its right to receive and will not request any offer for the Convertible Preference Shares to be extended by the Offeror and it will not accept any such offer even if an offer is extended by the Offeror pursuant to the Offeror's obligations under the Takeovers Code relating to the Sale and Purchase Agreement; and (iii) save as contemplated under the Sale and Purchase Agreement, it will not, directly or indirectly, sell, transfer, charge, pledge or otherwise encumber or grant any option or other right over or create any derivative of or convert (in case of the Convertible Preference Shares) or otherwise deal with any of the Shares or Convertible Preference Shares held by it or any interest therein before the withdrawal or close or lapse of the Offers (whichever is earlier).

No condition to the Offers

The Offers, comprising the Share Offer and the Option Offer, are unconditional in all aspects. Acceptance of the Offers shall be irrevocable and shall not be capable of being withdrawn, subject to the Takeovers Code.

LETTER FROM THE BOARD

3. TOTAL VALUE OF THE OFFERS

As at the Latest Practicable Date, the Company has (i) 635,150,000 Shares in issue; (ii) 30,806,000 outstanding Options (which have been fully vested but not exercised); and (iii) 754,333,333 issued Convertible Preference Shares convertible into 377,166,666 Shares upon full conversion at the prevailing conversion price of HK\$6.00 per Convertible Preference Share. Save as disclosed above, the Company has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

Assuming there is no change in the issued share capital of the Company, none of the outstanding Convertible Preference Shares is converted and none of the outstanding Options is exercised prior to the close of the Offers, there would be 635,150,000 Shares in issue. On the basis of the Share Offer Price being HK\$1.10 per Share, the entire issued share capital of the Company would be valued at HK\$698,665,000.00.

Assuming there is no change in the issued share capital of the Company and none of the outstanding Convertible Preference Shares is converted but all the 30,806,000 outstanding Options are fully exercised prior to the close of the Offers, there would be 665,956,000 Shares in issue. On the basis of the Share Offer Price being HK\$1.10 per Share, the entire issued share capital of the Company would be valued at HK\$732,551,600.00.

Assuming there is no change in the issued share capital of the Company and none of the outstanding Options is exercised prior to the close of the Offers, excluding the 244,796,125 Shares owned by the Offeror and the 157,986,500 Shares and 754,333,333 Convertible Preference Shares owned by the Vendor, 232,367,375 Shares will be subject to the Share Offer and 30,806,000 outstanding Options will be subject to the Option Offer, which in aggregate are valued at HK\$259,134,408.40.

Assuming all of the outstanding Options are exercised before the close of the Offers, the Company will have to issue 30,806,000 new Shares. Assuming the Share Offer, including in respect of such new Shares issued upon the exercise of such exercisable Options, is accepted in full, the maximum amount payable by the Offeror to satisfy the consideration for the Offers is HK\$289,490,712.50. Assuming none of the outstanding Options is exercised before the close of the Offers and that the Offers are accepted in full, the maximum amount payable by the Offeror to satisfy the consideration for the Offers is HK\$259,134,408.40.

LETTER FROM THE BOARD

4. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Board has established the Independent Board Committee comprising non-executive Director, Mr. WANG Xiao and all independent non-executive Directors, namely Mr. LAW Tze Lun, Mr. LO Woon Bor, Henry and Ms. CHEN Yingshun, to advise (i) the Independent Shareholders as to whether the terms of the Share Offer are fair and reasonable and as to its acceptance; and (ii) the Independent Optionholders as to whether the terms of the Option Offer are fair and reasonable and as to its acceptance.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee should comprise all the non-executive Directors who have no direct or indirect interest in the Offers other than as holders of the Shares and/or the Options. Mr. TANG Runjiang, a non-executive Director, holds senior management position with Sino-Ocean Capital and is a director of certain subsidiaries of Sino-Ocean Capital and Sino-Ocean Group respectively, therefore he is not considered to be independent for the purpose of making a recommendation to the Independent Shareholders and Independent Optionholders in respect of the Offers and is not part of the Independent Board Committee.

Reference is made to the announcement of the Company dated 3 April 2020 in relation to, among other things, the subscription of 45,139,000 Shares by Trend Best, a company wholly-owned by Mr. WANG Xiao, a non-executive Director. As disclosed in the announcement, Trend Best has provided a lock-up undertaking to the Company that it shall remain as the sole beneficial owner of those 45,139,000 Shares for a period of 270 days. As such, notwithstanding the recommendation to be given by the Independent Board Committee in respect of the Offers in this Composite Document, Trend Best is not allowed to accept the Share Offer in respect of the aforementioned 45,139,000 Shares.

First Shanghai has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are fair and reasonable and as to their acceptance. The Independent Board Committee has approved the appointment of First Shanghai as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code.

LETTER FROM THE BOARD

5. INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed “Intention of the Offeror in relation to the Group” in the “Letter from Somerley” in this Composite Document which sets out the intention of the Offeror in relation to the Group.

The Board is aware of the Offeror’s intention as set out in the section headed “Intention of the Offeror in relation to the Group” in the “Letter from Somerley” in this Composite Document that, among others, upon completion of the Offers, the Offeror will conduct a review of the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Other than as disclosed in the “Letter from Somerley” and as at the Latest Practicable Date, the Offeror has (i) no plan to cease any existing businesses of the Group or to dispose any material assets of the Group; and (ii) no intention to introduce any major changes to the businesses of the Group, including any redeployment of the fixed assets of the Group other than those in its ordinary and usual course of business, following the close of the Offers.

6. INTENTION OF THE OFFEROR WITH RESPECT TO THE COMPOSITION OF THE BOARD

Your attention is drawn to the section headed “Intention of the Offeror with respect to the composition of the Board” in the “Letter from Somerley” in this Composite Document. The Offeror intends to nominate Mr. ZHOU Yue as a new non-executive Director. The proposed appointment will take effect after the posting of this Composite Document. The biographical details of Mr. ZHOU Yue are set out below:

Mr. ZHOU Yue, aged 42, is the executive deputy general manager of Sino-Ocean Capital group. Mr. ZHOU is also a director of Sino-Ocean Capital, Fortune Joy and certain subsidiaries and affiliated companies of Sino-Ocean Capital. Mr. ZHOU joined Sino-Ocean group in 2015 and served as the deputy general manager of the CEO Management Centre. Mr. ZHOU is currently the non-executive director as well as a member of the nomination committee and strategic investment committee of Beijing Capital Grand Limited, a company listed on the Stock Exchange (stock code: 1329). Mr. ZHOU graduated from Tsinghua University in 2007 and received a master’s degree in Business Administration.

LETTER FROM THE BOARD

Mr. ZHOU has confirmed that there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate. Save as aforesaid, the Offeror has no intention to introduce any significant changes to the management of the Company, or to discontinue the employment of the existing employees of the Group, following the close of the Offers.

7. INFORMATION ON THE OFFEROR

Your attention is drawn to the sections headed “Information on the Offeror” in the “Letter from Somerley” in this Composite Document for information on the Offeror.

8. SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately before the Offers are made (assuming none of the outstanding Convertible Preference Shares has been converted but all the outstanding Options have been exercised and there being no other change in the total number of issued Shares):

LETTER FROM THE BOARD

	As at the Latest Practicable Date		Immediately before the Offers are made (assuming none of the outstanding Convertible Preference Shares has been converted but all the outstanding Options has been exercised)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
The Offeror and Offeror Concert Parties				
Offeror	244,796,125	38.54	244,796,125	36.76
Vendor	157,986,500 ^{Note 1}	24.87	157,986,500 ^{Note 1}	23.72
Other Offeror Concert Parties ^{Note 2}	224,000	0.04	4,224,000 ^{Note 3}	0.63
Subtotal	403,006,625	63.45	407,006,625	61.12
Directors				
SUM Pui Ying ^{Note 4}	—	—	18,000,000 ^{Note 5}	2.70
LAI Kwok Hung, Alex	—	—	3,500,000 ^{Note 6}	0.53
WANG Xiao	46,465,000 ^{Note 7}	7.32	46,465,000 ^{Note 7}	6.98
Other substantial Shareholder				
HK Presstar ^{Note 8}	45,139,000	7.11	45,139,000	6.78
Other public Shareholders	140,539,375	22.13	145,845,375 ^{Note 9}	21.90
Total	635,150,000	100	665,956,000	100

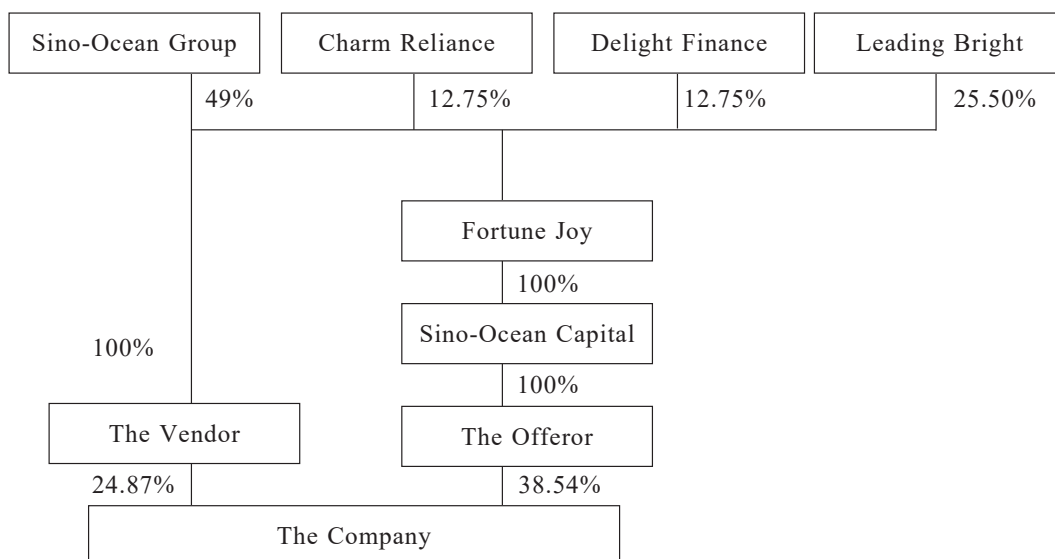
Notes:

- These Shares comprise 157,986,500 Shares (namely the Excluded Shares). The Vendor also held 754,333,333 Convertible Preference Shares convertible into 377,166,666 Shares upon full conversion at the prevailing conversion price of HK\$6.00 per Convertible Preference Share. Please refer to the paragraph headed “Irrevocable Undertaking by the Vendor” in this letter for the undertakings given by the Vendor in relation to these Shares and Convertible Preference Shares.
- Other Offeror Concert Parties comprise: (i) Mr. WANG Honghui, who is a director of each of the Offeror, Sino-Ocean Capital, Fortune Joy and Sino-Ocean Group; (ii) Ms. CHAN Ka Man, who is a director of the Offeror; (iii) Mr. LI Ming, who resigned as a Director on 30 July 2020 and, as at the Latest Practicable Date, is a director of each of Sino-Ocean Capital, Fortune Joy and Sino-Ocean Group; and (iv) Mr. CHEUNG Tei Sing Jamie, who is an executive director of Somerley Capital Holdings Limited (the parent company of Somerley, which is the financial adviser to the Offeror in respect of the Offers).

LETTER FROM THE BOARD

3. These Shares comprise (i) an aggregate of 224,000 Shares held by Mr. WANG Honghui, Ms. CHAN Ka Man and Mr. CHEUNG Tei Sing Jamie; and (ii) 4,000,000 Shares upon the exercise of all the outstanding Options at the exercise price of HK\$0.96 per Share held by Mr. LI Ming (exercise period: 9 August 2013 – 22 June 2021).
4. Mr. SUM Pui Ying is also the Chief Financial Officer of Sino-Ocean Group.
5. These Shares comprise (i) 2,000,000 Shares upon the exercise of all the outstanding Options at the exercise price of HK\$1.40 per Share (exercise period: 26 August 2011 – 22 June 2021); and (ii) 16,000,000 Shares upon the exercise of all the outstanding Options at the exercise price of HK\$0.96 per Share (exercise period: 9 August 2013 – 22 June 2021), held by Mr. SUM Pui Ying.
6. These Shares comprise (i) 3,000,000 Shares upon the exercise of all the outstanding Options at the exercise price of HK\$0.96 per Share (exercise period: 9 August 2013 – 22 June 2021); and (ii) 500,000 Shares upon the exercise of all the outstanding Options at the exercise price of HK\$1.27 per Share (exercise period: 9 March 2015 – 22 June 2021), held by Mr. LAI Kwok Hung, Alex.
7. These Shares comprise (i) 45,139,000 Shares held by Trend Best, a company wholly-owned by Mr. WANG Xiao and (ii) 1,326,000 Shares beneficially held by Mr. WANG Xiao.
8. HK Presstar is wholly-owned by Mr. ZHANG Li.
9. These Shares comprise (i) 140,539,375 Shares held by the other public Shareholders and (ii) 5,306,000 Shares upon the exercise of all the outstanding Options (comprising (a) 300,000 Shares upon the exercise of all the outstanding Options at the exercise price of HK\$1.40 per Share; (b) 2,216,000 Shares upon the exercise of all the outstanding Options at the exercise price of HK\$0.96 per Share; and (c) 2,790,000 Shares upon the exercise of all the outstanding Options at the exercise price of HK\$1.27 per Share).
10. The above calculations were based on percentages rounded up to the nearest 2 decimal places. As such, the rounding difference may cause a slight change in the actual shareholding.

Set out below is the simplified shareholding structure of the Company as at the Latest Practicable Date:



LETTER FROM THE BOARD

9. INFORMATION ON THE GROUP

The Company is an investment holding company incorporated in Hong Kong with limited liability. The Group is principally engaged in investment in fund platform, fund investments, property investment and development and securities investment businesses.

Your attention is also drawn to the financial information of the Group set out in “Appendix II — Financial Information of the Group” and general information of the Group set out in “Appendix V — General Information of the Group” to this Composite Document.

10. MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market;

it will consider exercising its discretion to suspend dealings in the Shares.

As disclosed in the section headed “Maintaining the Listing Status of the Company” in the “Letter from Somerley” in this Composite Document, the Offeror intends the Company to remain listed on the Stock Exchange. In this connection, it should be noted that following the close of the Offers, there might be insufficient public float of the Shares and therefore, trading in the Shares might be suspended until sufficient public float is restored for the Shares. The Company will take appropriate steps following the close of the Offers to ensure that sufficient public float as required under the Listing Rules exists for the Shares.

The directors of the Offeror and the new director to be nominated by the Offeror and appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

LETTER FROM THE BOARD

11. ADDITIONAL INFORMATION

You are advised to read the “Letter from Somerley”, “Appendix I — Further Terms of the Offers” to this Composite Document and the accompanying Form(s) of Acceptance for information relating to the Offers, the acceptance and settlement procedures of the Offers, the making of the Offers to the Overseas Shareholders and the Overseas Optionholders and taxation. Your attention is also drawn to the additional information contained in the appendices to this Composite Document.

12. RECOMMENDATIONS

Your attention is also drawn to the letter from the Independent Board Committee addressed to the Independent Shareholders and Independent Optionholders, the full text of which is set out on pages 44 to 46 of this Composite Document, and the letter from the Independent Financial Adviser addressed to the Independent Board Committee, the full text of which is set out on pages 47 to 77 of this Composite Document. You are advised to read both letters and the other information contained in this Composite Document carefully before taking any action in respect of the Offers.

The Offer Shareholders and the Optionholders are recommended to consult their own professional advisers as to the tax implications that may arise from accepting the Offers.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

10 December 2020

To the Independent Shareholders and Independent Optionholders

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS
BY SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF
ESTATE SPRING INTERNATIONAL LIMITED
TO ACQUIRE ALL ISSUED SHARES IN THE COMPANY
(OTHER THAN THE EXCLUDED SHARES AND THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY ESTATE SPRING INTERNATIONAL LIMITED)
AND CANCEL ALL OUTSTANDING OPTIONS OF THE COMPANY**

We refer to the Composite Document dated 10 December 2020 jointly issued by the Offeror and the Company, of which this letter forms part. Unless specified otherwise, terms used herein shall have the same meanings as those defined in the Composite Document.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offers and to advise you as to whether, in our opinion, the terms of the Offers are fair and reasonable so far as the Independent Shareholders and the Independent Optionholders are concerned and to make a recommendation as to acceptance of the Offers.

First Shanghai has been appointed as the Independent Financial Adviser to advise us in respect of the terms of the Offers and as to acceptance of the Offers. Your attention is drawn to the “Letter from the Independent Financial Adviser” as set out in the Composite Document containing its advice to us and the principal factors and reasons taken into account by it in arriving at such advice.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the “Letter from Somerley” and “Letter from the Board” as set out in the Composite Document as well as the additional information set out in the appendices to the Composite Document.

RECOMMENDATION

Having considered the terms of the Offers, the information contained in the Composite Document and the principal factors and reasons considered by, and the independent advice of First Shanghai, as set out in its letter of advice, we consider that (i) the terms of the Share Offer are fair and reasonable so far as the Independent Shareholders are concerned, and (ii) the terms of the Option Offer are fair and reasonable so far as the Independent Optionholders are concerned. Accordingly, we recommend that (i) the Independent Shareholders to accept the Share Offer and (ii) the Independent Optionholders to accept the Option Offer.

However, for those Independent Shareholders and Independent Optionholders who are considering to realise all or part of their holdings in the Shares and/or Options, they should monitor the price movement of Shares until near the end of the Offer Period. Having regard to their own circumstances and investment objectives, the Independent Shareholders should consider selling their Shares in the open market, and the Independent Optionholders should consider exercising their Options and then selling the resulting Shares in the open market, rather than accepting the Offers, if the proceeds from the sale of the Shares in the open market (after deducting all transaction cost) would exceed the net proceeds receivable under the Offers. The Independent Optionholders are also reminded that there will be a time lag between the exercise of the Options and the receipt of the resulting Shares due to the time required for the administrative procedures for processing the exercise of the Options. Accordingly, Independent Optionholders who wish to exercise their Options should be mindful of the possible price fluctuations of Shares during such time lag.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Notwithstanding our recommendation, you should consider carefully the terms of the Offers and your own individual circumstances and investment objectives before deciding whether to accept or not to accept the Offers. If in doubt, you should consult your own professional advisers for professional advice. You are strongly recommended to read the full text of the “Letter from the Independent Financial Adviser” as set out in the Composite Document.

Yours faithfully,
For and on behalf of the
Independent Board Committee
Gemini Investments (Holdings) Limited

Mr. WANG Xiao
Non-executive Director

Mr. LAW Tze Lun
Independent Non-executive Director

Mr. LO Woon Bor, Henry
Independent Non-executive Director

Ms. CHEN Yingshun
Independent Non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter received from the Independent Financial Adviser setting out its advice to the Independent Board Committee and the Independent Shareholders and Independent Optionholders in relation to the Offers, which has been prepared for the purpose of inclusion in this Composite Document.



10 December 2020

*To the Independent Board Committee,
the Independent Shareholders and
the Independent Optionholders*

Gemini Investments (Holdings) Limited
Room 3902, 39th Floor
Tower One, Lippo Centre
No. 89 Queensway
Hong Kong

Dear Sirs,

**UNCONDITIONAL MANDATORY CASH OFFERS
BY SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF
ESTATE SPRING INTERNATIONAL LIMITED
TO ACQUIRE ALL ISSUED SHARES IN THE COMPANY
(OTHER THAN THE EXCLUDED SHARES AND THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY ESTATE SPRING INTERNATIONAL LIMITED)
AND CANCEL ALL OUTSTANDING OPTIONS OF THE COMPANY**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee, which in turn provides recommendation to the Independent Shareholders and the Independent Optionholders, in relation to the Offers (being the Share Offer and the Option Offer), details of which are set out in the Composite Document dated 10 December 2020, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Somerley is making the Offers, for and on behalf of the Offeror, on the following basis:

The Share Offer

For each Offer Share HK\$1.10 in cash

The Share Offer Price of HK\$1.10 per Offer Share is equal to the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

As at the Latest Practicable Date, there are 635,150,000 Shares in issue, of which the Offeror and the Offeror Concert Parties collectively hold a total of 403,006,625 Shares, representing approximately 63.45% of the issued share capital of the Company.

The Option Offer

For cancellation of each outstanding Option with an exercise price of:

HK\$1.40 (2,300,000 Options in total)	HK\$0.00001 in cash
HK\$0.96 (25,216,000 Options in total)	HK\$0.14 in cash
HK\$1.27 (3,290,000 Options in total)	HK\$0.00001 in cash

As at the Latest Practicable Date, there are 30,806,000 outstanding Options (corresponding to 30,806,000 new Shares), of which Mr. LI Ming (being a director of each of Sino-Ocean Capital, Fortune Joy and Sino-Ocean Group), who is an Offeror Concert Party, holds 4,000,000 Options.

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding Options would normally represent the difference between the exercise price of the Options and the Share Offer Price. Under the Option Offer, given that the exercise prices of 5,590,000 of the outstanding Options are above the Share Offer Price, such 5,590,000 of the outstanding Options are out-of-money and the offer price for each such outstanding Option is at a nominal value of HK\$0.00001. In respect of 25,216,000 of the outstanding Options, the exercise price of which is below the Share Offer Price, the above offer price for such 25,216,000 of the outstanding Options represents the difference between the Share Offer Price and the relevant exercise price (i.e. HK\$0.96).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Assuming all of the outstanding Options are exercised before the close of the Offers, the Company will have to issue 30,806,000 new Shares. Assuming the Share Offer, including in respect of such new Shares issued upon the exercise of such exercisable Options, is accepted in full, the maximum amount payable by the Offeror to satisfy the consideration for the Offers is HK\$289,490,712.50, which will be funded by internal resources of the Offeror. Assuming none of the outstanding Options is exercised before the close of the Offers and that the Offers are accepted in full, the maximum amount payable by the Offeror to satisfy the consideration for the Offers is HK\$259,134,408.40, which will be funded by internal resources of the Offeror.

The Offers, comprising the Share Offer and the Option Offer, are unconditional in all aspects. Acceptance of the Offers shall be irrevocable and shall not be capable of being withdrawn, subject to the Takeovers Code.

THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising non-executive Director, namely Mr. WANG Xiao, and all independent non-executive Directors, namely Mr. LAW Tze Lun, Mr. LO Woon Bor, Henry and Ms. CHEN Yingshun, has been established by the Board to advise (i) the Independent Shareholders as to whether the terms of the Share Offer are fair and reasonable and as to its acceptance; and (ii) the Independent Optionholders as to whether the terms of the Option Offer are fair and reasonable and as to their acceptance.

We, First Shanghai, have been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee on the Offers, and such appointment has been approved by the Independent Board Committee.

OUR INDEPENDENCE

The Independent Shareholders should note that, within the past two years from the Latest Practicable Date, we were engaged as the independent financial advisers by the Company for the following two occasions:

1. the provision of independence financial advice to the then independent board committee and independent shareholders of the Company in respect of a connected transaction involving subscription of new shares under specific mandate as detailed in the circular of the Company dated 28 April 2020; and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. the provision of independence financial advice to the Company as to whether the capital reduction involving cancellation of Convertible Preference Shares would trigger an adjusting event for its outstanding Options in June 2020.

Given (i) our independent roles in these two previous engagements and this current engagement; (ii) none of the members of our parent group is a direct party to the Sale and Purchase Agreement and the Offers; and (iii) our fees for these two previous engagements and this current engagement collectively represented an insignificant percentage of revenue of our parent group, we consider that the said previous engagements would not affect our independence to form our opinion in respect of the Offers, and that we are independent pursuant to Rule 13.84 of the Listing Rules and our appointment by the Independent Board Committee is in compliance with Rule 2 of the Takeovers Code.

Save as disclosed in the above, as at the Latest Practicable Date, we did not have any relationship with, or any interest in, the Company or any other parties that could reasonably be regarded as relevant to our independence.

BASIS OF OUR ADVICE

In formulating our opinion and advice, we have relied on the information and facts supplied, and the opinions expressed, by the Directors, which we have assumed to be true, accurate and complete at the time when they were made and continue to be so as at the Latest Practicable Date, and should there be any material changes to our opinion after the Latest Practicable Date and up to the end of the Offer Period, the Independent Board Committee, the Independent Shareholders and the Independent Optionholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have also sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and that the information which we have received is sufficient to enable us to reach our opinion and provide the advice set out in this letter. We have no reason to doubt the truth and accuracy of the information provided to us or to believe that any material facts have been omitted or withheld. We have also assumed that all representations contained or referred to in the Composite Document were true at the date of the Composite Document. However, we have not conducted any independent investigation into the businesses and affairs of the Group.

We have not considered the tax implications on the Independent Shareholders and the Independent Optionholders who accept the Offers since these depend on their individual circumstances. In particular, the Independent Shareholders and the Independent Optionholders who are overseas residents or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In formulating our opinion, we have also made reference to some comparable companies and the subject companies of the Comparable Offers (as defined hereafter), which are listed on the Main Board of the Stock Exchange for analysis purpose and the relevant information was obtained from the website of the Stock Exchange (www.hkex.com.hk). We have assumed the truthfulness and accuracy of the information available to us regarding the Comparable Offers. We have not, however, carried out any independent verification of the information available to us regarding the subject companies of the Comparable Offers, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of these companies. Our opinion is necessarily based upon the financial, economic, market, regulatory and other conditions as they existed on, and the facts, information, representations, and opinions made available to us as of the Latest Practicable Date. The Independent Shareholders and the Independent Optionholders are advised to refer to the paragraph headed “Material Changes” in the Appendix II to the Composite Document for the details of certain material changes of the Group after 31 December 2019 and up to the Latest Practicable Date.

The Directors jointly and severally accept full responsibility for the accuracy of information disclosed and confirm, having made all reasonable enquiries that, to the best of their knowledge, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In assessing the Offers and in giving our recommendations to the Independent Board Committee, which in turn provides recommendation to the Independent Shareholders and the Independent Optionholders, we have taken into account the following principal factors and reasons:

1. Background of the Group

The Company is an investment holding company incorporated in Hong Kong with limited liability.

The Group is principally engaged in investment in fund platform, fund investments, property investment and development and securities investment businesses.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Historical financial performance and prospects of the Group

2.1 Overview

For the past five financial years ended 31 December (“FY(s)”) 2019, (i) the scale of the average annual revenue of the Group was around HK\$93.3 million; (ii) the Group recorded net losses for four out of these five years; and (iii) the cashflow of the Group relied on, among other sources, cash advance from an intermediate holding company and cash inflows from subsidiary disposal.

2.2 Review of recent operating performance

Set out below is a summary of the consolidated financial information of the Group for the two FYs 2018 and 2019 and the six months ended 30 June 2020 as extracted from the Company’s annual report for the FY 2019 (the “**Annual Report**”) and interim report for the six months ended 30 June 2020 (the “**Interim Report**”):

	For the FY		For the six months ended 30 June	
	2018	2019	2019	2020
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	189,815	115,499	60,448	56,603
Profit/ (loss) before income tax	43,397	(52,648)	(157,389)	(103,280)
Profit/ (loss) for the year	30,733	(51,961)	(162,451)	(103,577)
Profit/ (loss) attributable to owners of the Company	12,229	(94,713)	(181,747)	(126,623)

For the FY 2019 versus FY 2018

As disclosed in the Annual Report, during the FY 2019, the Group recorded revenue of approximately HK\$115.5 million (FY 2018: approximately HK\$189.8 million). The annual decrease in revenue by approximately HK\$74.3 million was mainly due to there being no dividend income derived from the Group’s fund investments during the FY 2019 as a result of the conservative dividend policy of its fund investments in the FY 2019 as compared to that of the FY 2018 (FY 2018: dividend income from fund investments was approximately HK\$84.7 million). Although there was an increase in rental

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

revenue of approximately 22% during the FY 2019, which was principally contributed by the full-year rental revenue from an equity investment acquired by the Group in the first half of the FY 2018 which owns a premier office campus in the heart of San Francisco Peninsula, California, the U.S., such increase in rental revenue has been more than off-set by the above decrease in dividend income.

During the FY 2019, the Group recorded a loss attributable to its owners of approximately HK\$94.7 million (FY 2018: a profit attributable to owners of the Company of approximately HK\$12.2 million).

For the six months ended 30 June 2020 versus the six months ended 30 June 2019

During the six months ended 30 June 2020, the Group had limited revenue of approximately HK\$56.6 million, representing a slight decrease of approximately 6.3% when compared to that of approximately HK\$60.4 million for the corresponding period in the FY 2019, which was mainly generated from rental income.

During the six months ended 30 June 2020, the Group recorded a loss attributable to its owners of approximately HK\$126.6 million, representing a decrease by approximately 30.3% when compared to that of approximately HK\$181.7 million for the corresponding period in FY 2019, mainly due to the (i) reversal of impairment loss on financial assets of approximately HK\$34.9 million for the six months ended 30 June 2020 when compared to a provision for the same of approximately HK\$54.5 million for the corresponding period in FY 2019; and (ii) the decrease in loss of approximately HK\$39.5 million arising from changes in fair value of financial assets a fair value through profit or loss, which was partially off-set by the increase in loss of approximately HK\$45.5 million arising from changes in fair value of financial instruments held for trading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2.3 *Review of recent financial and cash flow position*

Set out below is the summary of the consolidated financial position of the Group as at 31 December 2018 and 2019 and 30 June 2020 as extracted from the Annual Report and the Interim Report:

	As at 31 December		As at
	2018	2019	30 June
	(Audited)	(Audited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000
Non-current assets	5,038,856	4,666,111	4,524,403
Current assets	1,530,608	2,336,808	2,632,255
Total assets	6,569,464	7,002,919	7,156,658
Non-current liabilities	(446,756)	(454,437)	(450,089)
Current liabilities	(316,843)	(801,635)	(898,505)
Total liabilities	(763,599)	(1,256,072)	(1,348,594)
Total equity	5,805,865	5,746,847	5,808,064
Equity attributable to the owners of the Company (also known as net asset value of the Group)	5,529,034	5,446,083	5,494,769
Cash and bank balances	816,569	975,181	922,082
Net current assets	1,213,765	1,535,173	1,733,750
Current ratio	4.8 times	2.9 times	2.9 times
Gearing ratio (i.e. being calculated as the aggregate borrowings divided by the net asset value of the Group)	7.7%	12.3%	14.0%
Net gearing ratio (i.e. being calculated as the aggregate borrowings, net of cash and bank balances, divided by the net asset value of the Group)	Nil	Nil	Nil

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	For the FY		For the six months ended 30 June 2020
	2018	2019	
	(Audited)	(Audited)	(Unaudited)
	HK\$'000	HK\$'000	HK\$'000
Net cash flows generated from/ (used in) operating activities	65,005	(337,280)	(323,687)
Net cash flows from investing activities	161,325	34,548	14,651
Net cash flows (used in)/ generated from financing activities	(874,233)	463,465	253,739

As at 31 December 2019 versus 31 December 2018

As at 31 December 2019, the Group had current assets of approximately HK\$2,336.8 million (2018: approximately HK\$1,530.6 million), and current liabilities of approximately HK\$801.6 million (2018: approximately HK\$316.8 million), representing net current assets and current ratio of approximately HK\$1,535.2 million (2018: approximately HK\$1,213.8 million) and 2.9 times (2018: approximately 4.8 times), respectively. The Group's current ratio was well above 1.0 times as at 31 December 2018 and 2019, indicating that the Group's liquidity was relatively healthy. As at 31 December 2019, the Group had cash and bank balances of approximately HK\$975.2 million (2018: approximately HK\$816.6 million).

The Group's total borrowings amounted to approximately HK\$672.6 million as at 31 December 2019 (2018: approximately HK\$425.6 million), which comprised bank loans of approximately HK\$664.3 million (2018: approximately HK\$425.3 million), lease liabilities of approximately HK\$8.3 million (2018: nil) and obligation under finance lease of nil (2018: approximately HK\$0.3 million).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group's net gearing ratio is calculated based on total borrowings less cash resources divided by total shareholders' equity. As at 31 December 2019, the Group's total cash resources (including bank balances and cash and short-term bank deposits) amounted to approximately HK\$975.2 million (2018: approximately HK\$816.6 million), which was sufficient to pay off its all bank borrowings with a principal amount of approximately HK\$664.3 million (2018: approximately HK\$425.3 million). Therefore, the Group did not have any gearing on a net debt basis as at 31 December 2018 and 2019.

As at 30 June 2020 versus 31 December 2019

As at 30 June 2020, the Group had current assets of approximately HK\$2,632.3 million (31 December 2019: approximately HK\$2,336.8 million), and current liabilities of approximately HK\$898.5 million (31 December 2019: approximately HK\$801.6 million), representing net current assets and current ratio of approximately HK\$1,733.8 million (31 December 2019: approximately HK\$1,535.2 million) and 2.9 times (31 December 2019: approximately 2.9 times), respectively. The Group's current ratio was well above 1.0 times as at 31 December 2019 and 30 June 2020, indicating that the Group's liquidity was relatively healthy. As at 30 June 2020, the Group had cash and bank balances of approximately HK\$922.1 million (31 December 2019: approximately HK\$975.2 million).

The Group's total borrowings amounted to approximately HK\$767.5 million as at 30 June 2020 (31 December 2019: approximately HK\$672.6 million), which comprised bank loans of approximately HK\$761.9 million (31 December 2019: approximately HK\$664.3 million) and lease liabilities of approximately HK\$5.6 million (31 December 2019: approximately HK\$8.3 million).

The Group's net gearing ratio is calculated based on total borrowings less cash resources divided by total shareholders' equity. As at 30 June 2020, the Group's total cash resources (including bank balances and cash and short-term bank deposits) amounted to approximately HK\$922.1 million (31 December 2019: approximately HK\$975.2 million), which was sufficient to pay off its all bank borrowings with a principal amount of approximately HK\$761.9 million (31 December 2019: approximately HK\$664.3 million). Therefore, the Group did not have any gearing on a net debt basis as at 31 December 2019 and 30 June 2020.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Independent Shareholders and the Independent Optionholders should also note that, on 31 July 2020, the Group entered into an agreement which the Group obtained control in GR Realty and, while the Group's underlying equity interest in GR Realty (i.e. 45%) remains unchanged, GR Realty shall be reclassified from being a joint venture to being a subsidiary of the Company after the date of the agreement. For further details of the reclassification, please refer to the disclosure in the announcement of the Company dated 31 July 2020 and Appendix III to the Composite Document.

2.4 Industry and business outlook

The Company has maintained a healthy financial position, but, as stated in the Interim Report, (i) the unexpected outbreak of novel coronavirus (“COVID-19”) posed certain harm to the global production and demand, which in turn brought heavy burden on the global economy with unpredictable consequences; and (ii) suffering from the setback brought by the COVID-19 pandemic, 2020 is doomed to be an uneasy year, inevitably upsetting the global economy in particular China and the U.S..

We note that the properties held by the Group are substantial to the assets of the Group. However, we also note that, with reference to Appendix II to the Composite Document, the Group would have recorded a significant fair value loss of approximately HK\$161.4 million (or HK\$146.0 million, after taking into account the related tax effects) attributable to the Group arising from the valuation of all real properties of the Group as at 30 September 2020 based on the property valuation report in Appendix IV to the Composite Document.

We have also discussed with the management of the Group (the “**Management**”) on the latest industry and business prospects of the Group following the publication of the Interim Report, where we understand that COVID-19 has brought significant adverse impact and volatility to the industry and the global economy (including Hong Kong and the U.S.) and is expected to continue to cast significant uncertainties to the value of and the rental income from the properties of the Group, which are primarily office properties, in Hong Kong and the U.S. in the upcoming future, given, among other things, (i) COVID-19 might lead to the closure of businesses and thus the reduction in demand of offices; and (ii) COVID-19 might reduce household income due to unemployment and reduce spending power and desire on properties. In this regard, in respect of office properties, we have further reviewed an industry research report titled “Global Office Impact Study & Recovery Timing”

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

dated September 2020 and published by Cushman & Wakefield, which is a global real estate services firm listed on the New York Stock Exchange. We understood from the industry research report that (i) the COVID-19 recession would result in office-using job losses, higher vacancy, and would place downward pressure on rental rates; (ii) office leasing fundamentals would be significantly damaged in the near-term; and (iii) globally, rents would bottom in the first quarter in 2022 and return to pre-crisis peak levels in 2025. In addition, in respect of residential properties, we have reviewed an article titled “COVID-19 and Global City Residential Markets” dated November 2020 and published by Savills plc, which is a global real estate services provider listed on the London Stock Exchange. We understood from the article that, in respect of the global residential properties market, (i) second waves of COVID-19 do pose a risk; (ii) property prices usually lag transaction volumes, so it is likely too soon to have realised the full impact; and (iii) although substantial price falls are unlikely, as unemployment rises and stimulus measures end, this could put pressure on prices.

2.5 Conclusion

Taking into account (i) the track record of the Group of recording net losses for four out of the past five FYs; (ii) the financial performance of the Group deteriorated from FY 2018 to FY 2019 and continued to record net loss for the six months ended 30 June 2020; (iii) there would be a significant fair value loss attributable to the Group arising from the valuation of all real properties of the Group as at 30 September 2020; and (iv) the adverse impacts brought forward by COVID-19 to the global economy, which cast significant uncertainties to the value of and the income from the properties of the Group, we consider the prospects and outlook of the business of the Group continues to be uncertain and challenging going forward.

3. Background and intention of the Offeror

3.1 Background of the Offeror

The Offeror is an investment holding company incorporated in the BVI with limited liability. The Offeror is an indirect wholly-owned subsidiary of Sino-Ocean Capital, which is wholly-owned by Fortune Joy. Fortune Joy is 49% indirectly owned by Sino-Ocean Group, 12.75% owned by Charm Reliance, 12.75% owned by Delight Finance and 25.50% owned by Leading Bright.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Sino-Ocean Group is a company incorporated in Hong Kong with limited liability and the ordinary shares of which are listed on the Stock Exchange with stock code 3377. Based on the 2020 interim report of Sino-Ocean Group published on the website of the Stock Exchange on 10 September 2020, as at 30 June 2020, it had no controlling shareholder, and the two largest shareholders of Sino-Ocean Group were (i) China Life Insurance Company Limited, which holds approximately 29.59% of Sino-Ocean Group; and (ii) Dajia Life Insurance Co., Ltd. (大家人壽保險股份有限公司), which holds approximately 29.58% of Sino-Ocean Group. Sino-Ocean Group is a leading large-scale national property developer with developments in rapidly growing Chinese cities and metropolitan regions in the PRC, including the Beijing Region, the Bohai Rim Region, the Eastern Region, the Southern Region, the Central Region, the Western Region, and in other regions. Its business scope covers residential and integrated development, property development and operation, business collaboration and customer services.

Both Charm Reliance and Delight Finance are wholly-owned by Huamao Focus Limited, which is, in turn, 87% owned by Huamao Property Holdings Ltd, which is, in turn, (i) 40.48% owned by Siberite Limited, a company incorporated in the BVI which is ultimately 50% owned by CHIA Seok Eng and 50% owned by LIN Minghan; (ii) 41.84% owned by RCA02, an entity incorporated in the Cayman Islands, which is ultimately owned by the equity partners of Maples and Calder, who are the ultimate beneficial owners of the Maples Group which, according to its website, provides legal, fiduciary, fund, regulatory and compliance and entity formation and management services; and (iii) 17.68% owned by Risun Holdings Limited, a company incorporated in Hong Kong with limited liability, which is 80% owned by FANG Chao and 20% owned by LIU Jun. Huamao Property Holdings Ltd is an investment platform which, through its establishments in Beijing, the Bohai Rim Region, Yangtze River Delta and Pearl River Delta of the PRC, is principally engaged in commercial property development and operation, focusing on large scale building complexes and high quality residential properties.

Leading Bright is wholly-owned by Bright Success Limited Partnership, the general partner of which is ultimately beneficially owned by KO Kwong Woon Ivan. Leading Bright is principally engaged in the provision of property investment management and consultancy service in the PRC, Hong Kong and Macau.

3.2 Intention of the Offeror in relation to the Group

Reference is made to the announcement of the Company dated 31 July 2020 in relation to the consolidation of the operating performance and financial position of GR Realty into the financial statements of the Group under the Hong Kong Financial Reporting Standards as a result of the Group obtaining control in GR Realty. It is the intention of the Offeror to have in-depth collaboration with the Company and GR Realty to explore business opportunities in the U.S. market in a more direct and efficient manner, and leverage on the resources and expertise that the Company and GR Realty possess outside the PRC, including assets and fund management experience, industry resources and established network, with a view to drive business synergy and improve the operational efficiency of the Group and Sino-Ocean Capital as a whole.

Upon completion of the Offers, the Offeror will conduct a review of the existing principal businesses and the financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the results of the review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made as and when appropriate in accordance with the Listing Rules. As at the Latest Practicable Date, the Offeror has no plan to cease any existing businesses of the Group or to dispose any material assets of the Group. The Offeror will review the existing capital structure and working capital requirement of the Group and if necessary, will consider different alternatives to strengthen the capital base of the Company for any future expansion.

The Board currently comprises three executive Directors, being Mr. SUM Pui Ying, Mr. LAI Kwok Hung, Alex, and Ms. LAM Yee Lan; two non-executive Directors, being Mr. TANG Runjiang and Mr. WANG Xiao; and three independent non-executive Directors, being Mr. LAW Tze Lun, Mr. LO Woon Bor, Henry and Ms. CHEN Yingshun.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Offeror intends to nominate Mr. ZHOU Yue as a new non-executive Director of the Company. The proposed appointment will take effect after the positing of the Composite Document. The biographical details of Mr. ZHOU Yue are set out below:

Mr. ZHOU Yue, aged 42, is the executive deputy general manager of Sino-Ocean Capital group. Mr. ZHOU is also a director of Sino-Ocean Capital, Fortune Joy and certain subsidiaries and affiliated companies of Sino-Ocean Capital. Mr. ZHOU joined Sino-Ocean group in 2015 and served as the deputy general manager of the CEO Management Centre. Mr. ZHOU is currently the non-executive director as well as a member of the nomination committee and strategic investment committee of Beijing Capital Grand Limited, a company listed on the Stock Exchange (stock code: 1329). Mr. ZHOU graduated from Tsinghua University in 2007 and received a master's degree in Business Administration.

Mr. ZHOU has confirmed that there is no other information which is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Any changes to the Board will be made in compliance with the Takeovers Code and the Listing Rules and further announcement will be made by the Company as and when appropriate. Save as aforesaid, the Offeror has no intention to introduce any significant changes to the management of the Company, or to discontinue the employment of the existing employees of the Group, following the close of the Offers.

4. Principal terms of the Offers

4.1 The Share Offer

Somerley is making the Share Offer at the Offer Price of HK\$1.10 per Offer Share, for and on behalf of the Offeror, which is equal to the purchase price per Sale Share payable by the Offeror under the Sale and Purchase Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

To assess the fairness and reasonableness of the Share Offer Price at HK\$1.10 per Offer Share, we set out the following analyses for illustrative purpose:

	Price/ value per Share approximately HK\$	Premium/ (discount) over/ to at approximately %
(i) The closing price as quoted on the Stock Exchange on the Last Trading Day, being 13 November 2020, which was the last trading day prior to the release of Company's announcement dated 16 November 2020 in respect of, among others, the Offers	0.870	26.44
(ii) The average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day	0.748	47.06
(iii) The average closing price of the Shares as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day	0.660	66.67
(iv) The average closing prices of the Shares as quoted on the Stock Exchange for the recent 12 months from 1 November 2019 up to and including the Last Trading Day (the “ Review Period ”)	0.528	108.33

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Price/ value per Share approximately HK\$	Premium/ (discount) over/ to at approximately %
(v) The Group's audited consolidated net asset value attributable to the owners of the Company (based on the net assets attributable to owners of the Company of approximately HK\$5,446,083,000, minus the Convertible Preference Shares reserve of approximately HK\$2,355,533,000 and the perpetual bond of the Company of approximately HK\$2,259,504,000 (<i>see note below</i>), divided by the total number of 451,390,000 issued Shares) as at 31 December 2019, being the date to which the latest published audited financial results of the Group were made up	1.841	(40.25)
(vi) The Group's unaudited consolidated net asset value attributable to the owners of the Company (based on the net assets attributable to owners of the Company of approximately HK\$5,494,769,000, minus the Convertible Preference Shares reserve of approximately HK\$2,260,565,000 and the perpetual bond of the Company of approximately HK\$2,259,504,000 (<i>see note below</i>), divided by the total number of 631,946,000 issued Shares) as at 30 June 2020, being the date to which the latest published unaudited financial results of the Group were made up	1.542	(28.66)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

	Price/ value per Share approximately HK\$	Premium/ (discount) over/ to at approximately %
(vii) The Group's adjusted unaudited consolidated net asset value attributable to the owners of the Company (based on the adjusted unaudited consolidated net asset value attributable to owners of the Company, after taking into account the valuation of all real properties of the Group and its associates as at 30 September 2020 and the related tax effects, as detailed in Appendix II to the Composite Document, divided by the total number of issued Shares as at the Latest Practicable Date)	1.271	(13.45)
(viii) The closing price of the Shares as quoted on the Stock Exchange as at the Latest Practicable Date	1.100	—

Note: As disclosed in the Annual Report, the perpetual bond of about HK\$2,259.5 million as at 31 December 2019 and 30 June 2020 confers a right to receive distribution at 0.01% per annum on the principal amount and has no fixed redemption date. The Company may elect to cancel or defer (in whole or in part) any distribution accrued on the perpetual bond at its sole and absolute discretion. The Company may elect to redeem (in whole but not in part) the perpetual bond at 100% of the outstanding principal amount, together with any distribution accrued thereon, on the date falling 10 years after the date of issue of the perpetual bond or any distribution payment date thereafter. The perpetual bond constitutes direct, unconditional, unsubordinated and unsecured obligations of the Company and ranks in priority over any Shares or Convertible Preference Shares in respect of any payment in the event of liquidation, dissolution or winding up (whether voluntary or involuntary) of the Company. The perpetual bond is classified as an equity of the Company. Given (i) the Convertible Preference Shares reserve is attributable to the holders of the Convertible Preference Shares; and (ii) the perpetual bond is attributable to the holders of the perpetual bond, we consider it is reasonable and usual to deduct the Convertible Preference Shares reserve and the perpetual bond for the purpose of deriving the net asset value attributable to the ordinary Shareholders.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4.1.1 Historical price performance of the Shares

Solely for illustration purposes, we consider that it is relevant to compare the closing price level of the Shares traded on the Stock Exchange during the Review Period (being approximately the most recent 12-month period) against the Share Offer Price. The historical performance of the Share prices during the Review Period is summarized as follow:

	Highest closing price <i>HK\$</i>	Lowest closing price <i>HK\$</i>	Average daily closing price <i>HK\$</i>	Number of trading days in each month
2019				
November	0.610	0.520	0.573	21
December	0.560	0.520	0.547	20
2020				
January	0.600	0.540	0.567	20
February	0.590	0.530	0.556	20
March	0.590	0.445	0.511	22
April	0.580	0.495	0.533	19
May	0.530	0.490	0.511	20
June	0.550	0.480	0.503	21
July	0.500	0.470	0.483	22
August	0.520	0.500	0.516	21
September	0.510	0.450	0.472	22
October	0.540	0.420	0.506	18
November (up to the Last Trading Day)	0.870	0.510	0.660	10
November (after the Last Trading Day and up to the end of the month)	1.120	1.070	1.093	11
December (up to the Latest Practicable Date)	1.120	1.100	1.106	5

Source: the website of the Stock Exchange (www.hkex.com.hk)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

During the Review Period, the lowest and highest closing price of the Shares were HK\$0.42 per Share recorded on 7 October 2020 and HK\$0.87 per Share on 13 November 2020, respectively; whilst the lowest daily traded price was HK\$0.39 per Share recorded 24 March 2020. The average daily closing price of the Shares during the Review Period was HK\$0.528 per Share. The Share Offer Price of HK\$1.10 per Offer Share represents (i) a significant premium of approximately 161.9% from the lowest closing price; (ii) a considerable premium of approximately 26.4% from the highest closing price; and (iii) a significant premium of approximately 108.3% from the average daily closing price during the Review Period. As such, the Share Offer Price of HK\$1.10 per Offer Share is well above the closing prices of the Shares throughout the Review Period.

During the period from 5 November 2019 to 7 October 2020, the closing price of the Shares demonstrated an overall declining trend and decreased from HK\$0.61 per Share to HK\$0.42 per Share. Nonetheless, the closing price of the Shares demonstrated an uprising trend afterwards and rose to HK\$0.87 per Share on the Last Trading Day of 13 November 2020.

In view of the fluctuation in the Share price during the Review Period, we have discussed with the Directors regarding the possible reasons, and we were advised that, the Directors were not aware of any particular matters which might possibly have a material impact on the Share prices apart from the publications made by the Company on the website of the Stock Exchange, including (i) the announcement dated 28 February 2020 regarding the proposed capital reduction involving cancellation of Convertible Preference Shares; (ii) the announcement dated 3 April 2020 regarding three share subscriptions by two independent third parties and/or a connected person, which were subsequently completed on 17 April and 27 May 2020, respectively; (iii) the inside information announcement dated 31 July 2020 in respect of the consolidation of GR Realty into the Group's consolidated financial statements; and (iv) the annual and interim results announcements and reports of the Company. We have reviewed these publications and we are not aware of any other matters that were price sensitive in nature. We believe the prevailing Share price level reflects the Group's latest and actual operating performance, financial position and business prospects and outlook and shall be a reliable and meaningful benchmark for the purpose of making reference in analysing the fairness and reasonableness of the Share Offer Price.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We also note that the Share price maintained at around the level of the Share Offer Price following the Last Trading Day, where such price level may be attributable to the Joint Announcement relating to the Offers and may not be sustainable following the close of the Offers.

4.1.2 Historical trading volume of the Shares

The average daily trading volume of the Shares and the respective percentages of such trading volume as compared to (i) the total number of issued Shares; and (ii) the total number of issued Shares held by the public for each month during the Review Period are tabulated as follows:

			% of average daily trading volume of the Shares to the average total issued Shares (Note 1)	% of average daily trading volume of the Shares to average public float Shares (Note 2)	
	Total monthly trading volume of the Shares	Average trading volume of the Shares per trading day during the month			Number of trading days in each month
2019					
November	1,012,000	48,190	0.0107%	0.0347%	21
December	292,000	14,600	0.0032%	0.0105%	20
2020					
January	2,104,000	105,200	0.0233%	0.0757%	20
February	464,000	23,200	0.0051%	0.0167%	20
March	1,004,000	45,636	0.0101%	0.0329%	22
April	1,744,000	91,789	0.0169%	0.0401%	19
May	322,000	16,100	0.0025%	0.0070%	20
June	970,000	46,190	0.0073%	0.0202%	21
July	256,000	11,636	0.0018%	0.0051%	22
August	304,000	14,476	0.0023%	0.0063%	21
September	434,000	19,727	0.0031%	0.0086%	22
October	1,302,000	72,333	0.0114%	0.0316%	18

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

			% of average daily trading volume of the Shares to the average total issued Shares (Note 1)	% of average daily trading volume of the Shares to average public float Shares (Note 2)	
	Total monthly trading volume of the Shares	Average trading volume of the Shares per trading day during the month			Number of trading days in each month
November (up to the Last Trading Day)	7,032,000	703,200	0.1113%	0.3069%	10
November (after the Last Trading Day and up to the end of the month)	30,342,000	2,758,364	0.4343%	1.1871%	11
December (up to the Latest Practicable Date)	1,424,000	284,800	0.0448%	0.1226%	5

Notes:

1. The total number of Shares in issue was based on 451,390,000 Shares from November 2019 to March 2020, 541,668,000 Shares for April 2020, 631,946,000 Shares from May 2020 to the Last Trading Day, and 635,150,000 Shares from the Last Trading Day up to the Latest Practicable Date.
2. The number of Shares held in public hands was based on (i) 138,885,375 Shares from November 2019 to March 2020 (after excluding the 312,504,625 Shares held by Grand Beauty Management Limited (“**Grand Beauty**”), being the Company’s immediate holding company); (ii) 229,163,375 Shares for April 2020 (after excluding the 312,504,625 Shares held by Grand Beauty); (iii) 229,163,375 Shares from May 2020 to the Last Trading Day (after excluding the aggregate of 402,782,625 Shares held by Grand Beauty and the Offeror); and (iv) 232,367,375 Shares from the Last Trading Day up to the Latest Practicable Date (after excluding the aggregate of 402,782,625 Shares held by Grand Beauty and the Offeror).

Source: the website of the Stock Exchange (www.hkex.com.hk)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on our independent research and analysis, the percentage of average daily trading volume of the Shares per month during the Review Period ranged from approximately 0.0018% to 0.1113%, while the average daily trading volume of the Shares had accounted for merely 0.0180% of the total number of the issued Shares throughout the Review Period. If only those Shares held by public Shareholders, i.e. the free float, are considered in calculating the percentage of average daily trading volume of the Shares per month during the Review Period, the percentage would range from approximately 0.0051% to 0.3069%. Moreover, we note that 123 out of the 256 trading days during the Review Period recorded no trading transaction.

Based on the aforesaid, we consider the overall trading volume of the Shares was extremely thin during the Review Period. Accordingly, the Independent Shareholders may find it difficult to dispose of a large volume of Shares in the open market in a short period of time without exerting downward pressure on the price of the Shares. Therefore, the Share Offer provides a viable alternative exit for the Independent Shareholders, particularly for those who hold a large volume of Shares, to realise their investments in the Company.

4.1.3 Comparison of market valuation with other listed issuers

In assessing the fairness and reasonableness of the Share Offer Price, it is a general practice to review the price ratios (such as price to earnings or price to book ratios) of comparable companies listed on the Stock Exchange that are principally engaged in similar business activities. However, based on our independent review and our discussion with the Management, we understand that none of the companies listed on the Stock Exchange are comparable with the Company after taking into account the Group's (i) limited scale of revenue, net asset value and market capitalization; (ii) loss-making operating and financial performance in recent FYs; and (iii) revenue is primarily derived from investing in various securities and generating investment income, which are substantially conducted through a real estate fund platform in the U.S..

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Nonetheless, we have conducted a comparable analysis through identifying companies listed on the Stock Exchange which announced general offers to acquire all issued shares (excluding partial offer) during the recent period commencing from 1 July 2020 up to the Last Trading Day, which we consider to be an appropriate period with sufficient number of comparable offers to reflect the recent market sentiment. Based on the aforesaid, we have, to the best of our effort by searching through published information on the Stock Exchange's website, identified an exhaustive list of 12 comparable transactions which involve all general offers announced during the period (the “**Comparable Offers**”). It should be noted that the Comparable Offers may have different principal businesses, market capitalisation, profitability and financial positions as compared to those of the Company, therefore the analysis of the Comparable Offers below is set out for illustrative purpose only, serving as an additional reference for the Independent Shareholders and the Independent Optionholders.

For each of the 12 Comparable Offers identified, we have compared the premium/ (discount) of its offer price over/ (to) (i) the respective closing price on the last trading day; (ii) the average closing price for the last five consecutive trading days prior to the date of the corresponding announcement; and (iii) the audited/ unaudited net asset value published in their consolidated financial statements as at their latest year/ period end dates summarized in the following table:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of announcement	Company name (Stock code)	Offer price HK\$	Premium/ (discount) over/to the average closing price of the shares for the last five consecutive trading days prior to the release of the corresponding announcement			Premium/ (discount) over/to the audited/ unaudited net asset value published in their consolidated financial statements as at their latest year/ period end dates
			Premium/ (discount) over/to the closing price of the shares as at the last trading day prior to the date of the announcement	the average closing price of the shares for the last five consecutive trading days prior to the release of the corresponding announcement	%	%
13/11/2020	CAR Inc. 神州租車有限公司 (699)	4.0	17.99	22.32	102.88	
29/10/2020	Milestone Builder Holdings Limited 進階發展集團有限公司 (1667)	0.28125	(3.02)	7.76	116.35	
20/10/2020	Midland IC&I Limited 美聯工商舖有限公司 (459)	0.09587	(0.14)	0.28	(83.98)	
18/10/2020	Sun Art Retail Group Limited 高鑫零售有限公司 (6808)	8.1	2.14	1.00	186.03	
27/9/2020	China Zhongdi Dairy Holdings Company Limited 中國中地乳業控股有限公司 (1492)	1.132	11.0	16.9	16.6	
24/9/2020	AMVIG Holdings Limited 澳科控股有限公司 (2300)	2.18	51.39	51.39	(45.91)	
21/9/2020	Macau Legend Development Limited 澳門勵駿創建有限公司 (1680)	1.05	9.38	14.13	(5.41)	
17/9/2020	The Cross-Harbour (Holdings) Limited 港通控股有限公司 (32)	14.00	42.40	44.50	(30.7)	
16/9/2020	Get Nice Financial Group Limited 結好金融集團有限公司 (1469)	0.17	5.59	9.82	(69.95)	
10/9/2020	Kwan On Holdings Limited 均安控股有限公司 (1559)	0.22	41.94	45.70	(32.52)	

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of announcement	Company name (Stock code)	Offer price	corresponding announcement	corresponding announcement	Premium/ (discount) over/to the audited/ unaudited net asset value published in their consolidated financial statements as at their latest
					Premium/ (discount) over/to the closing price of the shares for the last five consecutive trading days prior to the release of the corresponding announcement
		HK\$	%	%	%
6/9/2020	YuanShengTai Dairy Farm Limited 原生態牧業有限公司 (1431)	0.63	1.600	6.10	(38.8)
17/7/2020	CST Group Limited 中譽集團有限公司 (985)	0.028	12.00	16.67	(64.82)
		Maximum	51.39	51.39	186.03
		Average	16.02	19.71	4.15
		Median	10.19	15.40	(31.61)
		Minimum	(3.02)	0.28	(83.98)
16/11/2020	The Company (174)	1.10	26.44	47.06	(28.66)

Source: the Stock Exchange's website at www.hkex.com.hk

As indicated in the above table setting out the statistics of the Comparable Offers, we noted the following:

- (i) the considerable premium of approximately 26.44% over the closing price on the Last Trading Day represented by the Share Offer Price is above the average premium of approximately 16.02% and the median premium of approximately 10.19% in respect of those represented by the Comparable Offers;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) the significant premium of approximately 47.06% over the 5-day average closing price for the last five trading days up to and including the Last Trading Day represented by the Share Offer Price is above the average premium of approximately 19.71% and the median premium of approximately 15.40% in respect of those represented by the Comparable Offers; and
- (iii) the discount of approximately 28.66% to the Group's unaudited consolidated net asset value per Share of HK\$1.542 represented by the Share Offer Price is above the median discount of approximately 31.61% in respect of those represented by the Comparable Offers.

4.1.4 Assessment of the Share Offer Price

We note that the Share Offer Price represents a discount to the net asset value per Share, however, after taking into account (i) the Share Offer Price of HK\$1.10 per Offer Share is well above the market trading prices of the Shares throughout the Review Period, where the highest closing price was HK\$0.87 per Share and the average daily closing price was approximately HK\$0.528 per Share; (ii) the track record of the financial performance of the Group, where the Group incurred net losses in four FYs out of the past five FYs and the six months ended 30 June 2020; (iii) the prospects and outlook of the Group is expected to remain uncertain and challenging in the upcoming period; (iv) the Company has not declared and distributed any cash dividend for the past ten FYs since the FY 2010; (v) the overall trading volume of the Shares was extremely thin during the Review Period; (vi) our above analysis of the Comparable Offers; (vii) the Shares in the recent period have been trading at prices representing discounts to the net asset value per Share; and (viii) the recent actual trading price of the Shares (particularly for the period before the publication of the Joint Announcement), which illustrates the market valuation of the Shares, is a more meaningful benchmark than the net asset value per Share (being an historical accounting figure) for the assessment of the Share Offer Price, we consider the Share Offer Price at HK\$1.10 to be fair and reasonable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4.2 *The Option Offer*

As set out in the “Letter from Somerley” of the Composite Document, as at the Latest Practicable Date, there were a total of 30,806,000 outstanding Options entitling the Optionholders to subscribe for the sum of 30,806,000 new Shares at the exercise price of HK\$0.96, HK\$1.27 or HK\$1.40 per Share, as the case maybe, which were issued by the Company pursuant to the Share Option Scheme adopted on 23 June 2011.

Somerley is making the Option Offer, for and on behalf of the Offeror, on the following basis:

For cancellation of each outstanding Option with an exercise price of:

HK\$1.40 (2,300,000 Options in total)	HK\$0.00001 in cash
HK\$0.96 (25,216,000 Options in total)	HK\$0.14 in cash
HK\$1.27 (3,290,000 Options in total)	HK\$0.00001 in cash

We understand that the “see-through” price (representing the difference between the offer price for ordinary shares and any given exercise price of the convertible instrument) is adopted for the Option Offer and we also understand the “see-through” price as commonly adopted for convertible instrument in conjunction with a general offer for ordinary shares.

On such basis, 5,590,000 Options out of the aggregate outstanding 30,806,000 Options subject to the Option Offer would not command any positive sum of “see-through” price, as the Share Offer Price of HK\$1.10 per Offer Share payable under the Share Offer is lower than the exercise prices of HK\$1.27 or HK\$1.40 per Share, as the case maybe, for the Options subject to the Option Offer. In general, it would be unwise for the Independent Optionholders to exercise the Options, and pay for the necessary subscription money, at HK\$1.27 or HK\$1.40 per Share, as the case maybe, prior to the close of the Offers, and in turn accept the Share Offer in exchange for the Share Offer Price at HK\$1.10 in cash for each Share; so it shall be fair and reasonable so far as the Independent Optionholders are concerned to accept the Option Offer by receiving the nominal offer price at HK\$0.00001 in cash for each outstanding Option, even though which is a negligible amount, because the Options are “out-of-the-money” and therefore has no value in substance.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In respect of the 25,216,000 outstanding Options with an exercise price of HK\$0.96 per Share, which is below the Share Offer Price of HK\$1.10, the Offeror will pay HK\$0.14 for each outstanding Option, representing the difference between the Share Offer Price of HK\$1.10 and the relevant exercise price (i.e. HK\$0.96), to the Independent Optionholders.

In addition, the Independent Optionholders should note that, pursuant to the Share Option Scheme, if there is an unconditional general offer made to the Shareholders, the Optionholders may within 21 days of the notice of the Company exercise the Option (to the extent which has become exercisable and not already exercised) to its full extent and after which the Options shall lapse automatically. As the Offers are unconditional, the Options (all of which are exercisable) shall lapse automatically if they are not exercised within 21 days from the date of the Composite Document.

Based on the aforesaid, we advise the Independent Board Committee to recommend the Independent Optionholders to accept the Option Offer.

On the other hand, for those Independent Optionholders who wish to retain some or all of their Options and/or exercise some or all of their subscription rights under the Options and retain their Shares thereupon as they are attracted by and confident in the prospects and/or the management of the Group or otherwise, they should carefully consider the intention of the Offeror in relation to the Group, details of which are set out in the “Letter from Somerley” of the Composite Document.

RECOMMENDATION

The Share Offer

Taking into consideration the above-mentioned principal factors and reasons of the Share Offer, in particular:

- the Share Offer Price of HK\$1.10 per Offer Share is well above the market trading prices of the Shares throughout the Review Period, where the highest closing price was HK\$0.87 per Share and the average daily closing price was approximately HK\$0.528 per Share;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- the Group incurred net losses for four out of the past five FYs from 2015 to 2019 and the six months ended 30 June 2020;
- the prospects and outlook of the Group would remain uncertain and challenging in the near future in view of (i) the historical financial performance of the Group; and (ii) COVID-19 has brought significant adverse impact and volatility to the global economy as discussed with the Management;
- the Company has not declared and distributed any cash dividends for many years since the FY 2010;
- the overall trading volume of the Shares had been extremely thin during the Review Period; and
- despite the value of the properties held by the Group is substantial to the assets of the Group and the Share Offer Price represents a discount to the net asset value per Share (as adjusted by the property valuation set out in Appendix IV to the Composite Document), (i) we note that the Shares in the recent period have been trading at prices representing discounts to the net asset value per Share; and (ii) we consider the recent actual trading price of the Shares (particularly for the period before the publication of the Joint Announcement), which illustrates the market valuation of the Shares, to be a more meaningful benchmark than the net asset value per Share (being an historical accounting figure) for the assessment of the Share Offer Price,

we are of the opinion that the terms of the Share Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to accept the Share Offer.

The Option Offer

Taking into consideration the above-mentioned principal factors and reasons of the Option Offer, in particular:

- the adoption of “see-through” price (i.e. the difference between the Share Offer Price and the exercise price of the Options);
- the Share Offer Price is fair and reasonable; and
- as the Offers are unconditional, the Options (all of which are exercisable) shall lapse automatically if they are not exercised within 21 days from the date of the Composite Document,

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

we are of the opinion that the terms of the Option Offer are fair and reasonable so far as the Independent Optionholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Optionholders to accept the Option Offer.

The Independent Shareholders and the Independent Optionholders, in particular those who intend to accept the Offers, are reminded to note the recent fluctuation in the Share price after the release of the Joint Announcement, and that there is no guarantee that the current market price will or will not sustain, and will or will not be higher than the Share Offer Price during and after the close of the Offers. The Independent Shareholders and the Independent Optionholders who intend to accept the Offers are also reminded to closely monitor the market price and the liquidity of the Shares during the Offer Period for acceptance and shall, having regard to their own circumstances, consider exercising the Options and/or selling the Shares (as the case may be) in the open market, instead of accepting the Offers, if the net proceeds from the sale of such Shares would be higher than that receivable under the Offers.

In addition, as different Shareholders and Optionholders would have different investment criteria, objectives, risk preference and tolerance level and/or circumstances, we would recommend any Independent Shareholder and Independent Optionholder who may require advice in relation to any aspect of the Composite Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser.

Yours faithfully,
For and on behalf of
First Shanghai Capital Limited
Nicholas Cheng
Director

Note:

Mr. Nicholas Cheng has been the Responsible Officer of Type 6 (advising on corporate finance) regulated activity under the SFO, and has extensive experience in corporate finance industry. He has participated in the provision of independent financial advisory services for, and completed, numerous transactions involving companies listed in Hong Kong.

1. PROCEDURES FOR ACCEPTANCE

To accept any of the Offers, you should duly complete and sign the relevant accompanying Form(s) of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the relevant Offers.

1.1 The Share Offer

- (a) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in your name, and you wish to accept the Share Offer in respect of your Offer Shares (whether in full or in part), you must deliver the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer, by post or by hand, to the Registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, marked "**Gemini Investments (Holdings) Limited — Share Offer**" on the envelope so as to reach the Registrar as soon as possible but in any event by no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your Offer Shares (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the **WHITE** Form of Share

Offer Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares tendered for acceptance to the Registrar; or

- (ii) arrange for the Offer Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer to the Registrar; or
 - (iii) if your Offer Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
 - (iv) if your Offer Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or the CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If you have lodged transfer(s) of any of your Offer Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Share Offer in respect of those Offer Shares, you should nevertheless duly complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Registrar together with the transfer receipt(s), if any, duly signed by yourself.

Such action will constitute an irrevocable authority to the Offeror and/or Somerley and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance.

- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Offer Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of any of your Offer Shares, the **WHITE** Form of Share Offer Acceptance should nevertheless be duly completed, signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares or that it is/they are not readily available. If you subsequently find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Offer Shares, you should also write to the Registrar for a form of letter of indemnity which, when completed and signed in accordance with the instructions given, should be provided to the Registrar. The Offeror has absolute discretion to decide whether any Offer Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

- (e) Acceptance of the Share Offer will be treated as valid only if the duly completed and signed **WHITE** Form of Share Offer Acceptance is received by the Registrar by no later than 4:00 p.m. (Hong Kong time) on the Closing Date and the Registrar has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
 - (i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the number of Offer Shares for which you intend to accept the Share Offer and, if that/those share certificate(s) and/or any other document(s) of title is/are not in your name, such other document(s) (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Offer Shares; or
 - (ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Offer Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or
 - (iii) certified by the Registrar or the Stock Exchange.
- (f) If the **WHITE** Form of Share Offer Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.
- (g) No acknowledgement of receipt of any **WHITE** Form of Share Offer Acceptance and/or share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares tendered for acceptance will be given.
- (h) The address of the Registrar, Tricor Standard Limited, is at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

1.2 The Option Offer

- (a) If you are an Optionholder and you wish to accept the Option Offer in respect of your Options, you must deliver the duly completed and signed **PINK** Form of Option Offer Acceptance together with the relevant certificate(s), document(s) of title or entitlement in respect of the Options and/or any other document(s) (if applicable) evidencing the grant of the Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) for your holding of the Options or if applicable, for not less than the number of the Options in respect of which you intend to accept the Option Offer, by post or by hand, to Gemini Investments (Holdings) Limited at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong marked “**Gemini Investments (Holdings) Limited — Option Offer**” on the envelope so as to reach the Company as soon as possible but in any event by no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.
- (b) If the **PINK** Form of Option Offer Acceptance is executed by a person other than the registered Optionholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Company must be produced.
- (c) No acknowledgement of receipt of any **PINK** Form of Option Offer Acceptance and/or the relevant certificate(s), document(s) of title or entitlement in respect of your Options and/or any other document(s) (if applicable) evidencing the grant of the Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (d) The address of the Company and the office of the Company in Hong Kong is at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong.

2. SETTLEMENT UNDER THE OFFERS**2.1 The Share Offer**

Provided that a duly completed and signed **WHITE** Form of Share Offer Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Offer Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Registrar by no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code, a cheque from the Offeror for the amount due to each of the Offer Shareholders who accepts the Share Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him/her/it under the Share Offer will be despatched to such Offer Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days after the date of receipt of a duly completed and signed **WHITE** Form of Share Offer Acceptance together with all of the relevant document(s) by the Registrar to render such acceptance under the Share Offer valid.

Settlement of the consideration to which any Offer Shareholder is entitled under the Share Offer will be implemented in full in accordance with its terms (save in respect of the payment of the seller's ad valorem stamp duty) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Offer Shareholder.

No fraction of a cent will be payable and the amount of consideration payable to an Offer Shareholder who accepts the Share Offer will be rounded up to the nearest cent.

Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and will be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

2.2 The Option Offer

Provided that a duly completed and signed **PINK** Form of Option Offer Acceptance and the relevant certificate(s), document(s) of title or entitlement in respect of the Options and/or any other document(s) (if applicable) evidencing the grant of the Options to the relevant Optionholder (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Company no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code, payment of the consideration for the Options surrendered for cancellation under the Option Offer will be made by cheque and will be available for collection at the office of the Company in each case, within seven (7) Business Days after the date of receipt of a duly completed and signed **PINK** Form of Option Offer Acceptance together with all the relevant document(s) by the Company to render such acceptance, surrender and cancellation under the Option Offer valid. Payments will be made in Hong Kong dollars. Settlement of the consideration to which any Optionholder is entitled to under the Option Offer will be implemented in full in accordance with its terms, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Optionholder.

No fraction of a cent will be payable and the amount of consideration payable to an Optionholder who accepts the Option Offer will be rounded up to the nearest cent.

Cheque(s) not presented for payment within six months from the date of issue of the relevant cheque(s) will not be honoured and will be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

3. ACCEPTANCE PERIOD AND REVISIONS

Unless the Offers are revised or extended in accordance with the Takeovers Code, to be valid, the **WHITE** Form of Share Offer Acceptance must be received by the Registrar and the **PINK** Form of Option Offer Acceptance must be received by the Company, in each case, in accordance with the instructions printed thereon and in this Composite Document by no later than 4:00 p.m. (Hong Kong time) on the Closing Date.

If the Offers are revised or extended, the Offeror will issue an announcement in relation to such revision or extension of the Offers, which announcement will state the next Closing Date. There is no obligation on the Offeror to extend the Offers. If, in the course of the Offers, the Offeror revises the terms of the Offers, all of the Offer Shareholders and the Optionholders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms. Any revised Offers must be kept open for at least fourteen (14) days, and shall not be closed earlier than 14 January 2021. In any case where the Offers are revised, and the consideration offered under each of the revised Offers does not represent on such date a reduction in the value of the Offers in its original or any previously revised form(s), the benefit of such revised Offers will be made available as set out herein to acceptors of the Offers in its original or any previously revised form(s) (hereinafter called “**previous acceptor(s)**”). The execution by, or on behalf of, a previous acceptor of any Form of Acceptance shall be deemed to constitute acceptance of the Offers as so revised.

If the Closing Date is extended, any reference in this Composite Document and in the Form(s) of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent Closing Date.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Shareholders, those Shareholders who hold Offer Shares as nominee on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Share Offer. Acceptance of the Share Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Offer Shares it has indicated in the **WHITE** Form of Share Offer Acceptance is the aggregate number of Offer Shares for which such nominee has received authorisations from the beneficial owners to accept the Share Offer on their behalf.

5. ANNOUNCEMENTS

By 6:00 p.m. on the Closing Date (or such later time(s) and/or date(s) as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision or extension of the Offers. The Offeror must publish an announcement in accordance with the Listing Rules and the Takeovers Code on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offers. The announcement will state the following:

- (a) the total number of Offer Shares and Options for which acceptances of the Offers have been received;
- (b) the total number of Offer Shares and Options held, controlled or directed by the Offeror and the Offeror Concert Parties before the Offer Period;
- (c) the total number of Offer Shares and Options acquired or agreed to be acquired or cancelled during the Offer Period by the Offeror and the Offeror Concert Parties; and
- (d) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and any Offeror Concert Party has borrowed or lent, save for any borrowed Offer Shares which have been either on-lent or sold.

The announcement will specify the percentages of the issued share capital, and the percentages of voting rights, represented by these numbers of Offer Shares.

In computing the total number of Offer Shares and Options represented by acceptances, only valid acceptances that are complete, in good order and fulfil the conditions set out in this Appendix I, and which have been received by the Registrar (in respect of the Share Offer) or the Company (in respect of the Option Offer) by no later than 4:00 p.m. (Hong Kong time) on the Closing Date, being the latest time and date for acceptance of the Offers, unless the Offers are extended or revised with the consent of the Executive, shall be included.

As required under the Takeovers Code, all announcements in relation to the Offers will be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

If the Offeror, the Offeror Concert Parties or their respective advisers make any statement during the Offer Period about the level of acceptances or the number or percentage of accepting Offer Shareholders or Optionholders, the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.

6. RIGHT OF WITHDRAWAL

As the Offers are unconditional in all respects, acceptances of the Offers tendered by the Offer Shareholders and the Optionholders, respectively, shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the paragraph below.

Under Rule 19.2 of the Takeovers Code, if the Offeror is unable to comply with the requirements set out in section headed “Announcements” in this Appendix I above, the Executive may require that the holders of Offer Shares and Options who have tendered acceptances to the relevant Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that section are met. In such case, where the Offer Shareholders and/or the Optionholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or the certificate(s) of the Options and/or other document(s) of the title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant Offer Shareholders and/or Optionholders at their own risk.

7. HONG KONG STAMP DUTY

Seller’s ad valorem stamp duty at the rate of 0.1% of (i) the consideration in respect of the acceptances of the Share Offer or (ii) if higher, the market value of the Offer Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) will be payable by the Offer Shareholders who accept the Share Offer insofar as their Offer Shares are registered on the Hong Kong share register of the Company. The relevant amount of stamp duty payable by the relevant Offer Shareholders will be deducted from the consideration payable to such Offer Shareholders under the Share Offer. The Offeror will arrange for payment of the seller’s ad valorem stamp duty on behalf of the accepting Offer Shareholders in connection with the acceptance of the Share Offer and the transfer of the Offer Shares.

No stamp duty is payable in connection with the acceptances of the Option Offer and the cancellation of the Options.

8. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, share certificate(s), transfer receipt(s), document(s) of title or entitlement in respect of the Options and/or documentary evidence of authority (and/or any satisfactory indemnity or indemnities required in respect thereof) and/or cheques to settle the consideration payable under the Offers if delivered by or sent to or from the Offer Shareholders or the Optionholders or their designated agents by post, shall be posted at their own risk, and none of the Offeror, the Company, Somerley or any of their respective directors, the Registrar or any other parties involved in the Offers and any of their respective agents accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form(s) of Acceptance form part of the terms of the Offers.
- (c) The accidental omission to despatch this Composite Document and/or Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.
- (d) The Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of any person will constitute the agreement of such person that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Offers.
- (e) Due execution of the Form(s) of Acceptance will constitute an authority to the Offeror, Somerley or such person or persons as the Offeror may direct, to complete, amend and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Offer Shares and/or cancelling the Options in respect of which such person or persons has/have accepted the Offers.

- (f) Acceptance of the Offers by any person will be deemed to constitute a representation and warranty by such person or persons to:
 - (i) the Offeror, the Company and Somerley, that the Offer Shares sold by such person or persons to the Offeror are free from all Encumbrances and are sold together with all rights attaching to them as at the date of this Composite Document or subsequently becoming attached to them, including the right to receive all dividends and distributions, if any, declared, made or paid on or after the date of this Composite Document.
 - (ii) the Offeror, the Company and their respective advisers, including Somerley, the financial adviser to the Offeror in respect of the Offers, that if such Offer Shareholder/Optionholder accepting the Share Offer/Option Offer is a citizen, resident or national of a jurisdiction outside Hong Kong, he/she has observed and is permitted under all applicable laws and regulations to which such overseas Offer Shareholder/Optionholder is subject to receive and accept the Share Offer/Option Offer and any revision thereof, and that he/she has obtained all requisite governmental, exchange control or other consents and made all registrations or filings required in compliance with all necessary formalities and regulatory or legal requirements, and all requirements for the payment by the accepting Offer Shareholders or, as the case may be, Optionholders of any transfer or other taxes in respect of their acceptances, and that he/she has not taken or omitted to take any action which will or may result in the Offeror, the Company or their respective advisers, including Somerley, the financial adviser to the Offeror, or any other person acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Offers or his/her acceptance thereof, and such acceptance, surrender and/or cancellation shall be valid and binding in accordance with all applicable laws and regulations.
- (g) The acceptance of the Option Offer by any Optionholder will be deemed to constitute a warranty by such person that the Options and all rights attaching thereto are cancelled with effect from the date on which the Option Offer is made, being the date of this Composite Document.
- (h) Reference to any of the Offers in this Composite Document and in the Form(s) of Acceptance shall include any extension and/or revision thereof.

- (i) In making their decisions with regard to the Offers, the Offer Shareholders and the Optionholders should rely on their own examination of the Offeror, the Group and the terms of the Offers, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein, together with the Form(s) of Acceptance shall not be construed as any legal or business advice on the part of the Offeror, the Company and/or Somerley. The Offer Shareholders and the Optionholders should consult their own professional advisers for professional advice.
- (j) The English texts of this Composite Document and the accompanying Form(s) of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation in case of inconsistency.
- (k) The Offers are made in accordance with the Takeovers Code.

APPENDIX II FINANCIAL INFORMATION OF THE GROUP

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Set out below is a summary of the audited consolidated financial results of the Group for each of the three financial years ended 31 December 2017, 2018 and 2019 and the unaudited consolidated financial results of the Group for the six months ended 30 June 2020, as extracted from the annual reports of the Company for the years ended 31 December 2017, 2018 and 2019 and the interim report of the Company for the six months ended 30 June 2020, respectively.

	For the six months ended 30 June 2020 (unaudited) HK\$'000	For the year ended 31 December		
		2019 (audited) HK\$'000	2018 (audited) HK\$'000	2017 (audited) HK\$'000
Revenue	56,603	115,499	189,815	55,565
Profit/(loss) before income tax	(103,280)	(52,648)	43,397	(72,341)
Profit/(loss) for the year/period attributable to				
— owners of the Company	(126,623)	(94,713)	12,229	(87,018)
— non-controlling interests	23,046	42,752	18,504	N/A
Total comprehensive income/(loss) for the year/period attributable to				
— owners of the Company	(131,644)	(82,499)	14,352	16,695
— non-controlling interests	23,046	42,752	18,504	N/A
Income tax credit/(expense)	(297)	687	(12,664)	(14,677)
Earnings/(loss) per Share				
— basic (HK dollars)	(0.25)	(0.21)	0.03	(0.19)
— diluted (HK dollars)	(0.25)	(0.21)	0.01	N/A
Dividend per Share	N/A	N/A	N/A	N/A

The auditor's reports issued by BDO Limited in respect of the Group's audited consolidated financial statements for each of the years ended 31 December 2017, 2018 and 2019 did not contain any modified opinion, emphasis of matter and material uncertainty related to going concern.

2. CONSOLIDATED FINANCIAL INFORMATION

The audited consolidated financial statements of the Group, together with the accompanying notes to the consolidated financial statements, for each of the three financial years ended 31 December 2017, 2018 and 2019 are disclosed in the annual reports of the Company for the financial years ended 31 December 2017, 31 December 2018 and 31 December 2019, respectively. The unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2020, together with the accompanying notes to the condensed consolidated financial statements, are disclosed in the Company's interim report for the six months ended 30 June 2020. The said annual reports and interim report are published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<https://www.geminiinvestments.com.hk>).

Annual report for the year ended 31 December 2017 (pages 67 to 162):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0315/ltn20180315554.pdf>

Annual report for the year ended 31 December 2018 (pages 73 to 195):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0312/ltn20190312337.pdf>

Annual report for the year ended 31 December 2019 (pages 81 to 193):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0317/2020031700465.pdf>

Interim report for the six months ended 30 June 2020 (pages 17 to 54):

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0813/2020081300812.pdf>

The audited consolidated financial statements of the Group for each of the three financial years ended 31 December 2017, 2018 and 2019 and the unaudited condensed consolidated interim financial statements of the Group for the six months ended 30 June 2020 (but not any other part of the annual reports of the Company for the years ended 31 December 2017, 2018 and 2019 and the interim report of the Company for the six months ended 30 June 2020 in which they respectively appear) are incorporated by reference into this Composite Document and form part of this Composite Document.

3. UNAUDITED PRO FORMA FINANCIAL INFORMATION

As disclosed in the announcement of the Company dated 31 July 2020, GR Realty has been classified as a subsidiary of the Company after 31 July 2020, which is after the date to which the latest published unaudited condensed consolidated financial statements of the Group were made up. For the purpose of providing the Shareholders and Optionholders with the financial position of the current Group, the unaudited pro forma financial information of the enlarged Group (which includes GR Realty) is set out in Appendix III to this Composite Document.

4. INDEBTEDNESS

As at the close of business on 31 October 2020, being the most recent practicable date for the purpose of the statement of indebtedness prior to the printing of this Composite Document, the Group had the following indebtedness:

	HK\$'000
Borrowings:	
Bank borrowings	7,370,026
Lines of credit	170,557
Notes payable	768,851
Loan from a shareholder	891,549
	<u>9,200,983</u>
Lease liabilities	<u>112,426</u>
Amount due to a shareholder	<u>488,763</u>
Total	<u><u>9,802,172</u></u>

(a) Borrowings**(i) Bank borrowings and lines of credit**

The Group had secured and guaranteed bank borrowings and lines of credit of approximately HK\$6,940,277,000 and HK\$170,557,000 respectively, secured bank borrowings of approximately HK\$11,109,000, unsecured and guaranteed bank borrowings of approximately HK\$418,640,000. The above secured bank borrowings and lines of credit are secured by the Group's certain investment properties and pledged bank deposits.

(ii) *Notes payable*

The Group had secured and unguaranteed notes payable of approximately HK\$768,851,000, which are secured by share charges of certain subsidiaries of the Group.

(iii) *Loan from a shareholder*

The Group had loan from Vendor of approximately HK\$891,549,000, which is unsecured and unguaranteed.

(b) Lease liabilities

The Group had lease liabilities of approximately HK\$112,426,000 relating to ground leases, office equipment and office premises leased by the Group as lessee.

(c) Amount due to a shareholder

The Group had amount due to Sino-Ocean Land (Hong Kong) Limited, indirect wholly-owned subsidiary of Sino-Ocean Group of approximately HK\$488,763,000, which is unsecured and unguaranteed.

Save as aforesaid or as otherwise disclosed above, and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, as of 31 October 2020, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

5. MATERIAL CHANGES

The Directors confirmed that, save and except as disclosed below, there was no material change in the financial and trading position or outlook of the Group since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Group have been made up) and up to the Latest Practicable Date:

- (i) as disclosed in the Company's announcement dated 28 February 2020 and the Interim Report, the Company entered into the Deed of Cancellation with the Vendor, a then controlling Shareholder and at the Latest Practicable Date, a

substantial Shareholder and an indirect wholly-owned subsidiary of Sino-Ocean Group to cancel 31,666,667 Convertible Preference Shares held by the Vendor, representing approximately 4.03% of all the Convertible Preference Shares then in issue (the “**Capital Reduction**”). The Capital Reduction became effective on 4 June 2020, and a credit in the amount of approximately HK\$95.0 million had arisen from the Capital Reduction and been transferred and credited to a capital reduction reserve account of the Company, which would be available to set off against any losses of the Company and/or to make distribution to the Shareholders in the future, when appropriate. Upon completion of the Capital Reduction, the Group’s net equity/ net asset value attributable to Shareholders had been enhanced by approximately HK\$95.0 million as a result;

- (ii) as disclosed in the Company’s respective announcements dated 3 April 2020, 17 April 2020 and 27 May 2020 and the Interim Report, the Company entered into three share subscription agreements with (i) HK Presstar and Trend Best, which were then independent third parties of the Company, each subscribing for 45,139,000 new Shares at HK\$1.00 per subscription Share; and (ii) Glory Class (holding company of the Offeror) for subscribing for 90,278,000 new Shares, at HK\$1.00 per subscription Share, which were completed in April and May 2020, respectively. The Shares subscribed by Glory Class were taken up by the Offeror at completion. The three share subscriptions brought in net cash proceeds of and enhanced the capital base by approximately HK\$180 million to the Company;
- (iii) as disclosed in the Company’s announcement dated 31 July 2020, the Group entered into an agreement with other members of GR Realty, by which the Group has obtained control in GR Realty while its underlying equity interest therein remains unchanged at 45.0% thereof, GR Realty shall then be reclassified from being a joint venture to being a subsidiary of the Company thereafter. GR Realty was originally equity-accounted for in the Group’s consolidated financial statements using the equity method in accordance with the Hong Kong Financial Reporting Standards (the “**HKFRS**”), but its operating performance and financial position will then be consolidated into the financial statements of the Group under the HKFRS thereafter. As a consequence, the Group’s consolidated revenue, income, expenses, assets and liabilities would be expanded line by line accordingly since then, but the net asset value attributable to the owners of the Company would not change in material respect. Please refer to the unaudited pro forma financial information of the enlarged Group as disclosed in Appendix III to this Composite Document for fuller details of the corresponding changes; and

- (iv) as disclosed in the financial information of the Group in Appendix II to this Composite Document, there would be a significant net fair value loss of approximately HK\$161.4 million (or HK\$146.0 million after taking into account the related tax effects thereon) attributable to the Group arising from the valuation of all real properties of the Group as at 30 September 2020 based on the property valuation report in Appendix IV to this Composite Document.

6. PROPERTY INTERESTS AND ADJUSTED NET ASSET VALUE

The valuation of all real properties of the Group as at 30 September 2020 have been conducted by BMI Appraisals Limited, the independent professional valuer appointed by the Company. The market value of the all real properties of the Group as at 30 September 2020 was approximately HK\$12,973,041,000 (including real properties held by associates of the Group for investment) in respect of the following categories of property interests:

	HK\$'000 <i>(Note 1)</i>
Real properties held for investment by the Group	11,168,143
Real properties held for owner-occupation by the Group	44,175
Real property held by the Group under development	785,850
Real properties held by the Group for future development	648,675
Real properties held by the associates of the Group for investment	<u>326,198</u>
	<u><u>12,973,041</u></u>

APPENDIX II FINANCIAL INFORMATION OF THE GROUP

By taking into account the effect of fair value loss attributable to the Group arising from the valuation of all real properties of the Group as set out in Appendix IV to this Composite Document, set out below is the calculation of the adjusted unaudited consolidated net asset value attributable to the owners of the Company:

	HK\$'000
Unaudited consolidated net asset value attributable to the owners of the Company (<i>Note 2</i>)	953,051
<i>Adjustments:</i>	
— Fair value loss attributable to the Group arising from the valuation of all real properties of the Group as at 30 September 2020 based on the property valuation report in Appendix IV to this Composite Document (<i>Note 3</i>)	(161,420)
— Net deferred tax on fair value loss attributable to the Group on all real properties of the Group as at 30 September 2020 (<i>Note 4</i>)	15,416
	<hr/>
Adjusted unaudited consolidated net asset value attributable to the owners of the Company	807,047
	<hr/> <hr/>
Adjusted unaudited consolidated net asset value attributable to the owners of the Company per Share (<i>Note 5</i>)	HK\$1.271
	<hr/> <hr/>

Notes:

- (1) Amounts expressed in US\$ have been translated into HK\$ at an exchange rate of 7.75.
- (2) The amount is extracted from the unaudited pro forma consolidated statement of financial position of the enlarged Group as at 30 June 2020 as disclosed in Appendix III to this Composite Document (based on the net assets attributable to owners of the Company minus the Convertible Preference Shares reserve and the perpetual bond of the Company).
- (3) The fair value loss attributable to the Group represents the decrease in the market value of all real properties of the Group as at 30 September 2020 as compared to their corresponding net book value as at 30 September 2020 (representing the net book value as at 30 June 2020 plus construction cost incurred during the period from 1 July 2020 to 30 September 2020 less depreciation/amortisation for the period from 1 July 2020 to 30 September 2020, if applicable).
- (4) This represents the potential federal and state tax attributable to the fair value loss attributable to the Group on all real properties of the Group. The federal tax is calculated at tax rate of 21%, while state tax is calculated at the rates applicable in the respective state in which GR Realty and its subsidiaries operate.
- (5) The adjusted unaudited consolidated net asset value attributable to the owners of the Company per Share is arrived at on the basis of 635,150,000 Shares in issue as at the Latest Practicable Date.

I. THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP ILLUSTRATING THE EFFECT OF CONSOLIDATION OF GR REALTY

References are made to the announcements of Gemini Investments (Holdings) Limited (the “**Company**”) dated 31 December 2014, 22 August 2015 and 31 July 2020 and the circular of the Company dated 23 June 2015 (the “**Circular**”) in relation to, among others, subscription of 45% membership interests in Gemini-Rosemont Realty LLC (“**NewSub**” or “**GR Realty**”). Capitalised terms used herein shall have the same meanings as defined in the Circular unless the context requires otherwise.

Pursuant to the agreement dated 31 July 2020 (the “**Agreement**”) entered into among Gemini-Rosemont Realty Holdings LLC, a wholly owned subsidiary of the Company and other members of GR Realty in relation to the revision of provisions regarding proceedings of the Operating Committee in NewSub Operating Agreement, a summary of key provisions of the Agreement is set out below:

- the Operating Committee shall comprise six managers, (i) three of whom shall be appointed by the Company as Class A Member; (ii) one of whom shall be appointed by Neutron Property Fund Limited (“**NPFL**”) as Class A Member; (iii) one of whom shall be appointed by NPFL as Class B Member; and (iv) one of whom shall be appointed by the Management Entity as Class B Member;
- all actions of the Operating Committee require the approval of simple majority vote of the managers; and
- in the event of a deadlock in respect of any actions of the Operating Committee, the managers designated by a majority in interest of the Class A Members shall determine such action.

As a result of the Agreement, the Company and together with its subsidiaries (the “**Group**”) has obtained control in GR Realty. The Group’s underlying equity interest in GR Realty (i.e. 45%) remains unchanged.

The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) of the enlarged group ((the “**Enlarged Group**”), comprising the Group and GR Realty) comprising (a) the unaudited pro forma consolidated statement of financial position of the Enlarged Group as at 30 June 2020; and (b) the unaudited pro forma consolidated income statement of the Enlarged Group for the year ended 31 December 2019, which have been prepared in accordance with Rule 4.29 of the Listing Rules for the purpose of illustrating the financial impact of consolidation of GR Realty on the financial position of the Enlarged Group as if consolidation of GR Realty had taken place on 30 June 2020 and the results of the Enlarged Group for the year ended 31 December 2019 as if consolidation of GR Realty had taken place on 1 January 2019.

The Unaudited Pro Forma Financial Information has been prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2020 and the audited consolidated income statement of the Group for the financial year ended 31 December 2019 as extracted from the published interim report and annual report of the Group for the six months ended 30 June 2020 and for the year ended 31 December 2019 respectively, after making pro forma adjustments as summarised in the accompanying notes that are directly attributable to consolidation of GR Realty, factually supportable and clearly identified as to those have/have no continuing effect on the Group.

The accompanying Unaudited Pro Forma Information has been prepared by the directors of the Company (the “**Directors**”) for illustrative purpose only and is based on certain assumptions, estimates, uncertainties and other currently available information. Accordingly, and because of its nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position or income statement of the Group following the completion of consolidation of GR Realty. Further, the Unaudited Pro Forma Financial Information of the Enlarged Group does not purport to predict the Group’s future financial position or income statement.

The Unaudited Pro Forma Financial Information of the Enlarged Group should be read in conjunction with the historical financial information of the Group as set out in Appendix II to this Composite Document and other financial information included elsewhere in this Composite Document.

APPENDIX III
**UNAUDITED PRO FORMA
FINANCIAL INFORMATION OF THE ENLARGED GROUP**
**(A) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF
FINANCIAL POSITION OF THE ENLARGED GROUP**

	Pro forma adjustments					
	Unaudited consolidated statement of financial position of the Group as at 30 June 2020	Unaudited consolidated statement of financial position of GR Realty as at 30 June 2020	Other pro forma adjustments			Unaudited pro forma consolidated statement of financial position of the Enlarged Group as at 30 June 2020
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000
Non-current assets						
Investment properties	1,516,356	10,067,173	—	—	—	11,583,529
Property, plant and equipment	8,634	57,888	—	—	—	66,522
Interests in joint ventures and associates	798,091	6,743	(798,091)	—	—	6,743
Financial assets at fair value through profit or loss	2,190,535	1,008	—	—	—	2,191,543
Amounts due from related companies	—	744	—	—	—	744
Deposits, prepayments and other receivables	—	159,092	—	—	—	159,092
Restricted bank deposits	1,112	—	—	—	—	1,112
Tax recoverable	—	—	49,660	—	—	49,660
Deferred tax assets	9,675	—	214,204	—	—	223,879
	<u>4,524,403</u>	<u>10,292,648</u>	<u>(534,227)</u>	<u>—</u>	<u>—</u>	<u>14,282,824</u>
Current assets						
Deposits, prepayments and other receivables	50,072	113,163	—	—	—	163,235
Properties under development	772,803	543,650	—	—	—	1,316,453
Loan receivables	406,180	—	—	(406,180)	—	—
Financial instruments held for trading	465,325	—	—	—	—	465,325
Amounts due from related companies	—	1,015	—	—	—	1,015
Restricted bank deposits	15,793	269,930	—	—	—	285,723
Cash and bank balances	922,082	682,505	—	—	—	1,604,587
	<u>2,632,255</u>	<u>1,610,263</u>	<u>—</u>	<u>(406,180)</u>	<u>—</u>	<u>3,836,338</u>

APPENDIX III
**UNAUDITED PRO FORMA
FINANCIAL INFORMATION OF THE ENLARGED GROUP**

		Pro forma adjustments				
	Unaudited consolidated statement of financial position of the Group as at 30 June 2020 HK\$'000 (Note 1)	Unaudited consolidated statement of financial position of GR Realty as at 30 June 2020 HK\$'000 (Note 2)	Other pro forma adjustments			Unaudited pro forma consolidated statement of financial position of the Enlarged Group as at 30 June 2020 HK\$'000
			HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	
Current liabilities						
Other payables and accrued charges	58,512	621,549	—	—	1,500	681,561
Amount due to an intermediate holding company	491,465	—	—	—	—	491,465
Financial instruments held for trading	1,158	3,449	—	—	—	4,607
Taxation payable	1,634	—	—	—	—	1,634
Other financial liabilities	—	117,713	—	—	—	117,713
Borrowings	345,736	3,498,757	—	(432,106)	—	3,412,387
	898,505	4,241,468	—	(432,106)	1,500	4,709,367
Net current assets/(liabilities)	1,733,750	(2,631,205)	—	25,926	(1,500)	(873,029)
Total assets less current liabilities	6,258,153	7,661,443	(534,227)	25,926	(1,500)	13,409,795
Capital and reserves						
Share capital	366,009	—	—	—	—	366,009
Reserves	5,128,760	628,369	(674,444)	25,926	(1,500)	5,107,111
Equity attributable to owners of the Company	5,494,769	628,369	(674,444)	25,926	(1,500)	5,473,120
Non-controlling interests	313,295	1,268,054	256,333	—	—	1,837,682
Total equity	5,808,064	1,896,423	(418,111)	25,926	(1,500)	7,310,802
Non-current liabilities						
Other payables and accrued charges	—	28,351	—	—	—	28,351
Amounts due to related companies	—	7,580	—	—	—	7,580
Deferred tax liabilities	28,331	—	—	—	—	28,331
Other financial liabilities	—	284,338	(116,116)	—	—	168,222
Borrowings	421,758	5,444,751	—	—	—	5,866,509
	450,089	5,765,020	(116,116)	—	—	6,098,993
Total equity and non-current liabilities	6,258,153	7,661,443	(534,227)	25,926	(1,500)	13,409,795

APPENDIX III

UNAUDITED PRO FORMA
FINANCIAL INFORMATION OF THE ENLARGED GROUP

(B) UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT OF
THE ENLARGED GROUP

	Pro forma adjustments						Unaudited pro forma consolidated income statement of the Enlarged Group for the year ended 31 December 2019
	Audited consolidated income statement of the Group for the year ended 31 December 2019	Audited consolidated income statement of GR Realty for the year ended 31 December 2019	Other pro forma adjustments				
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000 (Note 6)	HK\$'000
Revenue	115,499	1,185,444	—	(4,654)	—	—	1,296,289
Other income	35,961	23,533	—	(25,552)	—	—	33,942
Employee costs	(25,542)	(128,614)	—	—	—	—	(154,156)
Depreciation	(3,231)	(6,131)	—	—	—	—	(9,362)
Other expenses	(102,973)	(703,495)	(25,975)	4,654	(1,500)	—	(829,289)
Loss arising from changes in fair value of financial instruments held for trading	(4,270)	—	—	—	—	—	(4,270)
Gain arising from changes in fair value of financial asset at fair value through profit or loss	23,217	—	—	—	—	—	23,217
(Loss)/gain arising from changes in fair value of investment properties	(14,289)	125,606	—	—	—	—	111,317
(Provision for)/reversal of impairment loss on financial assets	(58,659)	—	—	60,787	—	—	2,128
Share of results of joint ventures and associates	(1,150)	539	—	—	—	1,150	539
Finance costs	(17,211)	(561,043)	—	25,552	—	—	(552,702)
Gain arising from disposal of investment properties	—	25,923	—	—	—	—	25,923
Loss attributable to limited partners interest	—	182,880	—	—	—	(31,781)	151,099
(Loss)/profit before income tax	(52,648)	144,642	(25,975)	60,787	(1,500)	(30,631)	94,675
Income tax credit/(expenses)	687	(1,328)	—	—	—	10,678	10,037
(Loss)/profit for the year	(51,961)	143,314	(25,975)	60,787	(1,500)	(19,953)	104,712

APPENDIX III
**UNAUDITED PRO FORMA
FINANCIAL INFORMATION OF THE ENLARGED GROUP**

	Pro forma adjustments						Unaudited pro forma consolidated income statement of the Enlarged Group for the year ended 31 December 2019
	Audited consolidated income statement of the Group for the year ended 31 December 2019	Audited consolidated income statement of GR Realty for the year ended 31 December 2019	Other pro forma adjustments				
	HK\$'000 (Note 1)	HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	HK\$'000 (Note 5)	HK\$'000 (Note 6)	HK\$'000
(Loss)/profit for the year attributable to:							
Owners of the Company	(94,713)	33,696	(25,975)	60,787	(1,500)	(33,696)	(61,401)
Non-controlling interests	42,752	109,618	—	—	—	13,743	166,113
	<u>(51,961)</u>	<u>143,314</u>	<u>(25,975)</u>	<u>60,787</u>	<u>(1,500)</u>	<u>(19,953)</u>	<u>104,712</u>
Other comprehensive income							
Item that may be reclassified subsequently to profit or loss							
Exchange differences arising on translation of foreign operations	(8,042)	—	—	—	—	—	(8,042)
Item that will not be reclassified to profit or loss							
Gain on revaluation of properties upon transfer of property, plant and equipment to investment properties	20,256	—	—	—	—	—	20,256
Other comprehensive income for the year	12,214	—	—	—	—	—	12,214
Total comprehensive income for the year	<u>(39,747)</u>	<u>143,314</u>	<u>(25,975)</u>	<u>60,787</u>	<u>(1,500)</u>	<u>(19,953)</u>	<u>116,926</u>
Total comprehensive income attributable to:							
Owners of the Company	(82,499)	33,696	(25,975)	60,787	(1,500)	(33,696)	(49,187)
Non-controlling interests	42,752	109,618	—	—	—	13,743	166,113
	<u>(39,747)</u>	<u>143,314</u>	<u>(25,975)</u>	<u>60,787</u>	<u>(1,500)</u>	<u>(19,953)</u>	<u>116,926</u>

**(C) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION
TO THE ENLARGED GROUP**

1. The unaudited consolidated statement of financial position of the Group as of 30 June 2020 and the audited consolidated income statement of the Group for the year ended 31 December 2019 are extracted without adjustment from the published interim report and annual report of the Company for the six months ended 30 June 2020 and for the year ended 31 December 2019 respectively.
2. The unaudited consolidated statement of financial position of GR Realty as of 30 June 2020 is extracted from the management accounts of GR Realty, which is presented in United States dollars (“US\$”) and translated to Hong Kong dollars (“HK\$”) using an exchange rate of 7.7504:1. The consolidated income statement of GR Realty for the year ended 31 December 2019 is extracted from the audited financial statements of GR Realty, which is presented in US\$ and translated to HK\$ using an exchange rate of 7.8104:1.
3. Upon the effective of the Agreements, GR Realty and its subsidiaries become subsidiaries of the Group. Accordingly, the pre-existing investments in GR Realty previously classified as interests in joint ventures are required to be revaluated to its fair value and the Group shall consolidate the fair value of the identifiable net assets of GR Realty. The major assets of GR Realty are investment properties located in the United States of America (the “U.S.”), and the fair values of these investment properties have been recorded in the unaudited management accounts of GR Realty. Thus, the Directors consider that the net assets value in the unaudited management accounts of GR Realty approximate to the fair value of the identifiable net assets of GR Realty.

The adjustments represent (i) the elimination of the reserves of GR Realty amounted to approximately HK\$628,369,000 upon the completion of the Agreement and recognition of the difference between the pre-existing investments in GR Realty and its fair value of approximately HK\$46,075,000 (for the year ended 31 December 2019: HK\$25,975,000); (ii) recognition of non-controlling interests of approximately HK\$256,333,000 attributable to non-controlling shareholders of GR Realty; (iii) derecognition of the interest in joint ventures for the Group’s interest in GR Realty of approximately

HK\$798,091,000; (iv) elimination of limited partner interest (“**LP Interest**”) of Rosemont WTC Denver GPM LLC (“**WTC Denver**”) and Rosemont Diversified Portfolio II LP (“**DP II**”) held by the Group of approximately HK\$116,116,000 included in other financial liabilities of GR Realty; and (v) recognition of deferred tax assets of approximately HK\$214,204,000 and tax recoverable of approximately HK\$49,660,000.

The deferred tax assets mainly arose from unused tax losses of GR Realty, temporary differences on unearned rental income and provision for deductible expenses. The Group recognised deferred tax assets in respect of tax losses to the extent that it is probable that taxable profits would be available against which those deductible temporary differences and unused tax losses could be utilised in the foreseeable future.

Tax recoverable represents the federal, state and local taxes prepaid and recoverable by the Group for its portion of member interest in GR Realty. In U.S., the corporate members report their allocable share of the GR Realty tax basis income, gains, deductions, losses and credits in their tax return.

The income tax was computed using applicable federal tax rate of 21% and state and local taxes rates applicable in the respective state in which GR Realty and its subsidiaries operate.

Before the consolidation of GR Realty, the deferred tax assets and tax recoverable were recorded in interests in joint ventures in the consolidated financial statement of the Group. After consolidation of GR Realty, the deferred tax assets and tax recoverable are separately disclosed in the unaudited pro forma consolidated statement of financial position of the Enlarged Group as at 30 June 2020.

Because the fair value of the net assets acquired equals to the fair value of the pre-existing investments in GR Realty, no goodwill is recognised from consolidation of GR Realty.

4. The adjustments represent elimination of related parties transactions and balances between the Group and GR Realty as follows:
- (a) Borrowings from Gemini to GR Realty were interest bearing at rates ranging from 5%-6%. The borrowings and related provision for expected credit losses as of 30 June 2020 amounted to approximately HK\$432,106,000 and HK\$25,926,000 respectively are eliminated in the unaudited pro forma consolidated statement of financial position of the Enlarged Group as at 30 June 2020. The related provision for expected credit losses for the year ended 31 December 2019 of approximately HK\$60,787,000 are reversed in the unaudited pro forma consolidated income statement of the Enlarged Group for the year ended 31 December 2019.
 - (b) Apart from the borrowings mentioned above, interest income of approximately HK\$25,552,000 are charged to GR Realty for the year ended 31 December 2019.
 - (c) Asset management fee and building management fee of approximately HK\$4,654,000 in aggregate are charged to the Group by GR Realty for the management services on the investment properties held by the Group in the U.S..

The pro forma adjustments in relation to elimination of related parties transactions is expected to have a continuing effect on the consolidated income statement of the Enlarged Group in subsequent years.

5. The adjustment represents the estimated professional fees and transaction costs of approximately HK\$1,500,000 payable by the Company in connection with the Agreement, which are assumed to be due upon completion of the Agreement. This pro forma adjustment is not expected to have a continuing effect on the consolidated income statement of the Enlarged Group in subsequent years.

6. The adjustments represent elimination of share of results of joint ventures amounted to approximately HK\$1,150,000 arising from GR Realty in the unaudited pro forma consolidated income statement of the Enlarged Group for the year ended 31 December 2019 as if GR Realty became a subsidiary of the Group as at 1 January 2019. This pro forma adjustment is not expected to have a continuing effect on the consolidated income statement of the Enlarged Group in subsequent years.

Share of result of joint ventures arising from WTC and DP II amounted to approximately HK\$31,781,000 was recognised as loss attributable to limited partners interest in the consolidated financial statement of GR Realty, and is eliminated in the profit/(loss) attributable to owners of the Company in the unaudited pro forma consolidated income statement of the Enlarged Group for the year ended 31 December 2019.

Income tax credit of approximately HK\$10,678,000 represented deferred income taxes in the U.S. incurred by the Group for its holding of GR Realty's interests. It was previously included in the share of results of joint ventures of the Group and is now recognised separately under income tax credit in the unaudited pro forma consolidated income statement of the Enlarged Group for the year ended 31 December 2019.

**II. ACCOUNTANTS' REPORT ON THE UNAUDITED PRO FORMA
FINANCIAL INFORMATION OF THE ENLARGED GROUP**

The following is the text of a report from BDO Limited, the independent reporting accountants, in respect of the unaudited pro forma financial information of the Enlarged Group as set out in this Appendix and prepared for the sole purpose of inclusion in this Composite Document.

The Board of Directors
Gemini Investments (Holdings) Limited
Room 3902, 39th Floor
Tower One, Lippo Centre
No. 89 Queensway
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Gemini Investments (Holdings) Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) prepared by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2020 and unaudited pro forma consolidated income statement for the year ended 31 December 2019, and related notes as set out on pages III-1 to III-10 of the composite document (the “**Composite Document**”) issued by the Company dated 10 December 2020 (the “**Unaudited Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-1 to III-10 of the Composite Document.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact in respect of consolidation of Gemini-Rosemont Realty LLC (“**GR Realty**”) on the Group’s financial position as at 30 June 2020 as if consolidation of GR Realty had taken place on 30 June 2020 and the Group’s income statements for the year ended 31 December 2019 as if consolidation of GR Realty had taken place on 1 January 2019. As part of this process, information about the Group’s financial position and income statement has been extracted by the Directors from the Group’s consolidated financial statements for the period ended 30 June 2020 and for the year ended 31 December 2019, on which an interim report and an audit report were published on 30 July 2020 and 28 February 2020 respectively.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Composite Document is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of consolidation of GR Realty at 30 June 2020 or 1 January 2019 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants
Hong Kong

10 December 2020

The following is the text of a letter, summary of values and valuation certificates, prepared for the purpose of incorporation in this Composite Document received from BMI Appraisals Limited, an independent valuer, in connection with its valuations as at 30 September 2020 of the real properties located in Hong Kong and the United States of America.

BMI APPRAISALS

BMI Appraisals Limited 中和邦盟評估有限公司

Suite 01-08, 27th Floor, Shui On Centre, 6-8 Harbour Road, Wanchai, Hong Kong
香港灣仔港灣道6-8號瑞安中心27樓2701-2708室
Tel 電話 : (852) 2593 9678 Fax 傳真 : (852) 2802 0863
Email 電郵 : enquiry@bmintelligence.com Website 網址 : www.bmi-appraisals.com

10 December 2020

Gemini Investments (Holdings) Limited

Room 3902, 39th Floor
Tower One, Lippo Centre
No. 89 Queensway
Hong Kong

Dear Sirs,

INSTRUCTIONS

We refer to the instructions from Gemini Investments (Holdings) Limited (the “**Company**”) for us to value the real properties held by the Company, its subsidiaries (together referred to as the “**Group**”) and the associates of the Group located in Hong Kong and the United States of America (the “**USA**”). We confirm that we have conducted inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the real properties as at 30 September 2020 (the “**Valuation Date**”).

BASIS OF VALUATION

Our valuations of the real properties have been based on the Market value, which is defined by the Hong Kong Institute of Surveyors as “the estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. The market value is also understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

PROPERTY CATEGORIZATION

In the course of our valuations, the real properties are categorized into the following groups:

- Group I — Real properties held by the Group for investment in Hong Kong
- Group II — Real properties held by the Group for investment in the USA
- Group III — Real properties held by the Group for owner-occupation in the USA
- Group IV — Real property held by the Group under development in the USA
- Group V — Real properties held by the Group for future development in the USA
- Group VI — Real properties held by the associates of the Group for investment in the USA

VALUATION METHODOLOGIES

In valuing real property nos. 1 to 39 & 41 to 45, we have valued them on market basis by the Comparison Approach assuming sale in their existing states with the benefit of vacant possession and by making reference to comparable sale information as available in the relevant market. Appropriate adjustments have then been made to account for the differences between the real properties and the comparables in terms of time, location, age, size and other relevant factors.

In valuing certain portions of the real properties, which are held under existing tenancies, we have also cross-checked our valuations by Investment Approach by capitalizing the net rental income of the rented portions of the real properties being held under existing tenancies with due allowance for the reversionary values of such portions.

In valuing real property no. 40 which is under construction, we have assumed that the real property will be developed and completed in accordance with the latest development proposal provided to us. We have adopted the Comparison Approach by making reference to the comparable sale information as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the Valuation Date and the remainder of the cost and fees expected to be incurred for completing the development.

TITLE INVESTIGATION

We have caused land searches and searches to the tax records for the real properties in Hong Kong and the USA respectively. We have also been provided with extracts or copies of title documents and tenancy information and have been advised by the Group that no further relevant documents have been produced. However, we have neither examined the original documents to verify ownership nor to ascertain the existence of any amendment documents, which do not appear on the extracts or copies handed to us. All documents have been used for reference only.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the real properties are sold in the market in their existing states without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which might serve to affect the values of the real properties. In addition, no account has been taken of any option or right of pre-emption concerning or effecting sale of the real properties and no forced sale situation in any manner is assumed in our valuations.

VALUATION CONSIDERATIONS

For real property nos. 9 to 12, we have relied on the Group's confirmation that there have been no material changes to the physical attributes and the uses of such real properties or the nature of interests being valued or the nature of their locations, since the previous inspections conducted in January 2019 and January 2020. Thus, no re-inspections of such real properties were conducted. For the remaining real properties, the inspections had been conducted between September and November of 2020 by Man Lam (MRICS, MHKIS), Andy Lee (MRICS, MHKIS), Edmund Cheng (MRICS, MHKIS) for those located in Hong Kong and Matthew Sloan (MAI), TC Chen (PhD), Betty Lo (MBA), Oiyan Leung (BA), Mandy Guo (BSc), Jill Shih (BSc), Jason Merritt (BA), Richard Ko (MA), Michael Vargas (MAI) for those located in the USA.

We have inspected the real properties externally and where possible, the interior of the real properties. In the course of our inspections, we did not note any serious defects. However, no structural surveys have been made. We are, therefore, unable to report whether the real properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

In the course of our valuations, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, site/floor areas, identification of the real properties and any other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the site/floor areas in respect of the real properties but have assumed that the site/floor areas shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on the Company's confirmation that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowances have been made in our valuations for any charges, mortgages or amounts owing on the real properties or for any expenses or taxation, which may be incurred in effecting a sale.

In the course of our valuations, we have not taken into account any encumbrances, restrictions and outgoings of an onerous nature of the real properties, which would affect their values.

For the purpose of compliance with Rule 11.3 of The Code on Takeovers and Mergers and Share Buy-backs and as advised by the Group, the potential tax liabilities which may arise from the sale of the real properties include:

- Profits tax at 16.5% on gain (minus any profit which is capital in nature) for the real properties in Hong Kong;
- Stamp duty at progressive rates from 1.5% to 8.5% on the transaction amount (of which both the seller and the buyer are jointly and severally liable) for the real properties in Hong Kong; and
- Profits tax on the profit from the sale at a federal rate on corporation of 21% for the real properties in the USA.

As advised by the Group, the likelihood of any potential tax liability for the real properties being crystalized is remote as the Group and its associate companies have no intention to sell these real properties.

Our valuations have been prepared in accordance with The HKIS Valuation Standards (2017 Edition) published by The Hong Kong Institute of Surveyors, The RICS Valuation — Global Standards published by The Royal Institution of Chartered Surveyors (“**RICS**”) and the International Valuation Standards (IVS) published by The International Valuation Standards Council.

Our valuations have been prepared under the generally accepted valuation procedures and are in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The Code on Takeovers and Mergers and Share Buy-backs issued by The Securities and Futures Commission.

The outbreak of the Novel Coronavirus (“**COVID-19**”), declared by the World Health Organization as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the Valuation Date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinion of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuations are therefore reported on the basis of “material valuation uncertainty” as per RICS Valuation Technical and Performance Standard (“**VPS**”) 3 and RICS Valuation Practice Guidance — Application (“**VPGA**”) 10 of the RICS Red Book Global. Consequently, less certainty — and a higher degree of caution — should be attached to our valuations than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuations of the real properties under frequent review.

REMARKS

Unless otherwise stated, all money amounts stated herein are in Hong Kong Dollars (“**HK\$**”) and United States Dollars (“**US\$**”). No allowances have been made for any exchange transfers.

Our Summary of Values and the Valuation Certificates are attached herewith.

Yours faithfully,
For and on behalf of
BMI APPRAISALS LIMITED

Dr. Tony C.H. Cheng

*BSc, MUD, MBA (Finance), MSc (Eng),
PhD (Econ), FAIA, FIPA, SIFM, FCIM,
FRSS, MASCE, MHKIE, MHKIS, MIET,
MIEEE, MASME, MISE*

Managing Director

Joannau W.F. Chan

BSc., MSc., MRICS, MHKIS, RPS(GP)

Senior Director

Notes:

Dr. Tony C.H. Cheng is a member of the Hong Kong Institute of Surveyors (General Practice) who has over 28 years' experience in valuations of real properties in Hong Kong and over 20 years' experience in valuations of real properties in the USA.

Ms. Joannau W.F. Chan is a member of the Hong Kong Institute of Surveyors (General Practice) who has over 28 years' experience in valuations of real properties in Hong Kong and over 8 years' experience in valuations of real properties in the USA.

SUMMARY OF VALUES**Group I — Real properties held by the Group for investment in Hong Kong**

No.	Real property	Market value in existing state as at 30 September 2020 HK\$
1.	Unit Nos. 10, 11 & 12 on 23 rd Floor, Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong	84,800,000
2.	Unit No. 3604B on 36 th Floor, Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong	66,200,000
3.	Unit No. 3701 on 37 th Floor, Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong	65,200,000
4.	Unit No. 3702A on 37 th Floor, Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong	29,700,000
5.	Unit Nos. 2119-2120 on 21 st Floor, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong	64,100,000

No.	Real property	Market value in existing state as at 30 September 2020 HK\$
6.	Unit Nos. 2704-2705 on 27 th Floor, West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong	89,900,000
7.	Flat H on 41 st Floor of Block 9 and Carparking Space No. D80 on Podium Level 1 (North), Tung Chung Crescent, No. 2 Mei Tung Street, Tung Chung, Lantau Island, New Territories, Hong Kong	12,200,000
8.	Duplex Flat H on 48 th Floor with Flat Roof of Block 8, Tung Chung Crescent, No. 2 Mei Tung Street, Tung Chung, Lantau Island, New Territories, Hong Kong	17,100,000
		<hr/> Total: <u><u>429,200,000</u></u>

Group II — Real properties held by the Group for investment in the USA

No.	Real property	Market value
		in existing state as at 30 September 2020 US\$
9.	19 Residential Units located at 15 William Street, Manhattan, New York 10004, The USA	21,770,000
10.	3211 Shannon Road, Durham, North Carolina 27707, The USA	21,000,000
11.	500 and 600 Clipper Drive, Belmont, California 94002, The USA	91,500,000
12.	1100, 1110, 1120 112th Avenue, Bellevue, Washington 98004, The USA	290,300,000
13.	1625 & 1675 Broadway, Denver, Colorado 80202, The USA	127,300,000
14.	2420-2490 West 26th Avenue, Denver, Colorado 80211, The USA	55,000,000
15.	610 West Ash Street, San Diego, California 92101, The USA	48,300,000

No.	Real property	Market value
		in existing state as at 30 September 2020 US\$
16.	3380-3420 Central Expressway, Santa Clara, California 95051, The USA	174,100,000
17.	1401 North Turner Street, Hobbs, Lea County, New Mexico 88240, The USA	3,700,000
18.	6301 Indian School Road NE, Albuquerque, New Mexico 87110, The USA	7,700,000
19.	320 Gold Avenue SW, Albuquerque, New Mexico 87102, The USA	5,500,000
20.	6100 Seagull Street, Albuquerque, New Mexico 87109, The USA	3,000,000
21.	17111 & 17177 Preston Road, Dallas, Texas 75248, The USA	14,190,000
22.	545 East John Carpenter Freeway, Dallas, Texas 75062, The USA	67,630,000
23.	1160 Dairy Ashford Road, Houston, Texas 77079, The USA	5,190,000

No.	Real property	Market value
		in existing state as at 30 September 2020 US\$
24.	12000 Aerospace Avenue, Houston, Texas 77034, The USA	7,900,000
25.	11767 Katy Freeway, Houston, Texas 77079, The USA	17,000,000
26.	11757 Katy Freeway, Houston, Texas 77079, The USA	44,600,000
27.	1235 North Loop West, Houston, Texas 77008, The USA	15,500,000
28.	1610 Woodstead Court & 10200 Grogan's Mill Road, Houston, Texas 77380, The USA	25,100,000
29.	2455 Northeast Loop 410, San Antonio, Texas 78217, The USA	13,010,000
30.	16414 San Pedro Avenue, San Antonio, Texas 78232, The USA	13,680,000

No.	Real property	Market value
		in existing state as at 30 September 2020 US\$
31.	2551 & 2553 Dulles View Drive, Herndon, Virginia 20171, The USA	73,000,000
32.	15, 22 & 25 Century Boulevard, Nashville, Tennessee 37214, The USA	57,300,000
33.	700 South Illinois Avenue, Oak Ridge, Tennessee 37830, The USA	2,200,000
34.	401 Edwards Street, Shreveport, Louisiana 71101, The USA	13,700,000
35.	301 East Main Street, Lexington, Kentucky 40507, The USA	7,500,000
36.	1819 5th Avenue North, Birmingham, Alabama 35203, The USA	58,200,000
37.	6100 & 6120 South Yale Avenue, Tulsa, Oklahoma 74136, The USA	100,800,000
		<hr/>
Total:		1,385,670,000

Group III — Real properties held by the Group for owner-occupation in the USA

No.	Real property	Market value
		in existing state as at 30 September 2020
		<i>US\$</i>
38.	330 Garfield Street, Santa Fe, New Mexico 87501, The USA	4,800,000
39.	320 Garfield Street, Santa Fe, New Mexico 87501, The USA	900,000
		<hr/>
Total:		5,700,000
		<hr/> <hr/>

Group IV — Real property held by the Group under development in the USA

No.	Real property	Market value
		in existing state as at 30 September 2020
		<i>US\$</i>
40.	531-537 & 539 Avenue of the Americas, Manhattan, New York 10011, The USA	101,400,000
		<hr/>
Total:		101,400,000
		<hr/> <hr/>

Group V — Real properties held by the Group for future development in the USA

No.	Real property	Market value
		in existing state as at 30 September 2020 US\$
41.	167-171 North First Street, Brooklyn, New York 11211, The USA	20,400,000
42.	38, 42-48 Second Avenue, Manhattan, New York 10003 The USA	63,300,000
		<hr/>
		Total: 83,700,000
		<hr/> <hr/>

Group VI — Real properties held by the associates of the Group for investment in the USA

No.	Real property	Market value
		in existing state as at 30 September 2020 US\$
43.	555, 625 & 650 North Carriage Parkway, Wichita, Kansas 67208, The USA	3,300,000
44.	301 North Main Street, Baton Rouge, Louisiana 70801, The USA	33,300,000
45.	3223 South Loop 289, Lubbock, Texas 79423, The USA	5,490,000
		<hr/>
		Total: 42,090,000
		<hr/> <hr/>

VALUATION CERTIFICATE

Group I — Real properties held by the Group for investment in Hong Kong

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 HK\$
1.	Unit Nos. 10, 11 & 12 on 23 rd Floor, Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong A total of 184/1,000 th of 1,289/102,750 th equal and undivided shares of and in Inland Lot No. 8615	The real property comprises 3 office units on the 23 rd Floor of a 38-storey office building completed in about 1987. The total gross floor area of the real property is approximately 3,203 sq.ft. The real property is held under Conditions of Sale No. UB11720 for a term of 75 years renewable for a further term of 75 years commencing on 15 February 1984.	As at the Valuation Date, Unit No. 12 of the real property was subject to a tenancy for a term expiring on 15 January 2022 with a monthly rent of HK\$80,000 exclusive of rates, management fee and air-conditioning charges, whilst Unit Nos. 10 and 11 of real property were vacant and available for lease.	84,800,000

Notes:

- The real property is located in Central district of Hong Kong which is within 5 minutes' walking distance to the MTR Admiralty Station. The immediate locality is a commercial area.
- The registered owner of the real property is Billion Thrive Limited (億暉有限公司) vide Memorial No. 12041902090029 dated 26 March 2012.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about HK\$20,000 to HK\$31,000 per sq.ft.
- Billion Thrive Limited is a wholly-owned subsidiary of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 HK\$
2.	Unit No. 3604B on 36 th Floor, Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong 1,270/10,000 th of 1,366/102,750 th equal and undivided shares of and in Inland Lot No. 8615	The real property comprises an office unit on the 36 th Floor of a 38-storey office building completed in about 1987. The gross floor area of the real property is approximately 2,412 sq.ft. The real property is held under Conditions of Sale No. UB11720 for a term of 75 years renewable for a further term of 75 years commencing on 15 February 1984.	As at the Valuation Date, the real property was subject to a tenancy for a term expiring on 8 April 2022 with a monthly rent of HK\$132,000 exclusive of rates, management fee and air-conditioning charges.	66,200,000

Notes:

1. The real property is located in Central district of Hong Kong which is within 5 minutes' walking distance to the MTR Admiralty Station. The immediate locality is a commercial area.
2. The registered owner of the real property is Precise Bloom Limited (精旺有限公司) vide Memorial No. 13080701980035 dated 16 July 2013.
3. In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about HK\$20,000 to HK\$31,000 per sq.ft.
4. Precise Bloom Limited is a wholly-owned subsidiary of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 HK\$
3.	Unit No. 3701 on 37 th Floor, Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong 147/1,000 th of 1,156/102,750 th equal and undivided shares of and in Inland Lot No. 8615	The real property comprises an office unit on the 37 th Floor of a 38-storey office building completed in about 1987. The gross floor area of the real property is approximately 2,388 sq.ft. The real property is held under Conditions of Sale No. UB11720 for a term of 75 years renewable for a further term of 75 years commencing on 15 February 1984.	As at the Valuation Date, the real property was subject to a tenancy for a term expiring on 9 April 2021 with a monthly rent of HK\$167,160 exclusive of rates, management fee and air-conditioning charges.	65,200,000

Notes:

1. The real property is located in Central district of Hong Kong which is within 5 minutes' walking distance to the MTR Admiralty Station. The immediate locality is a commercial area.
2. The registered owner is Talent Elite Holdings Limited (翹楚控股有限公司) vide Memorial No. 12071001850031 dated 20 June 2012.
3. In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about HK\$20,000 to HK\$31,000 per sq.ft.
4. Talent Elite Holdings Limited is a wholly-owned subsidiary of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 HK\$
4.	Unit No. 3702A on 37 th Floor, Tower Two, Lippo Centre, No. 89 Queensway, Hong Kong 74/1,000 th of 1,156/102,750 th equal and undivided shares of and in Inland Lot No. 8615	The real property comprises an office unit on the 37 th Floor of a 38-storey office building completed in about 1987. The gross floor area of the real property is approximately 1,195 sq.ft. The real property is held under Conditions of Sale No. UB11720 for a term of 75 years renewable for a further term of 75 years commencing on 15 February 1984.	As at the Valuation Date, the real property was subject to a tenancy for a term expiring on 30 September 2021 with a monthly rent of HK\$60,000 exclusive of rates, management fee and air-conditioning charges.	29,700,000

Notes:

1. The real property is located in Central district of Hong Kong which is within 5 minutes' walking distance to the MTR Admiralty Station. The immediate locality is a commercial area.
2. The registered owner is Keen Superior Holdings Limited (建高控股有限公司) vide Memorial No. 12071101480024 dated 20 June 2012.
3. In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about HK\$20,000 to HK\$31,000 per sq.ft.
4. Keen Superior Holdings Limited is a wholly-owned subsidiary of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 HK\$
5.	Unit Nos. 2119-2120 on 21 st Floor, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong A total of 41/33,888 th equal and undivided shares of and in Inland Lot No. 8517	The real property comprises 2 office units on the 21 st Floor of a 30-storey office building completed in about 1985. The total gross floor area of the real property is approximately 2,930 sq.ft. The real property is held under Conditions of Grant No. UB11612 for a term of 75 years renewable for a further term of 75 years commencing on 31 December 1980.	As at the Valuation Date, the real property was subject to a tenancy for a term expiring on 17 September 2021 with a monthly rent of HK\$190,000 exclusive of rates, management fee and air-conditioning charges.	64,100,000

Notes:

1. The real property is located in Sheung Wan district of Hong Kong which is within 5 minutes' walking distance to the MTR Sheung Wan Station. The immediate locality is a commercial area.
2. The registered owner of the real property is Jian Feng Holdings Limited (建鋒控股有限公司) vide Memorial No. 12043001900059 dated 10 April 2012.
3. In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about HK\$23,000 to HK\$25,000 per sq.ft.
4. Jian Feng Holdings Limited is a wholly-owned subsidiary of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 HK\$
6.	Unit Nos. 2704-2705 on 27 th Floor, West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong A total of 63/33,888 th equal and undivided shares of and in Inland Lot No. 8517	The real property comprises 2 office units on the 27 th Floor of a 30-storey office building completed in about 1985. The total gross floor area of the real property is approximately 3,881 sq.ft. The real property is held under Conditions of Grant No. UB11612 for a term of 75 years renewable for a further term of 75 years commencing on 31 December 1980.	As at the Valuation Date, Unit No. 2704 of the real property was subject to a tenancy for a term expiring on 22 September 2021 with a monthly rent of HK\$70,000 exclusive of rates, management fee and air-conditioning charges, whilst Unit No. 2705 of the real property was vacant and available for lease.	89,900,000

Notes:

- The real property is located in Sheung Wan district of Hong Kong which is within 5 minutes' walking distance to the MTR Sheung Wan Station. The immediate locality is a commercial area.
- The registered owner of the real property is Ultimate Ventures Holdings Limited (卓貿控股有限公司) vide Memorial No. 12111201010051 dated 19 October 2012.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about HK\$23,000 to HK\$25,000 per sq.ft.
- Ultimate Ventures Holdings Limited is a wholly-owned subsidiary of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 HK\$
7.	Flat H on 41 st Floor of Block 9 and Carparking Space No. D80 on Podium Level 1 (North), Tung Chung Crescent, No. 2 Mei Tung Street, Tung Chung, Lantau Island, New Territories, Hong Kong A total of 98/263,293 rd equal and undivided shares of and in Tung Chung Town Lot No. 1	The real property comprises a residential unit on the 41 st Floor of a 42-storey residential tower together with 1 car parking space situated within a residential development with 8 towers completed in about 1999. The gross floor area of the residential unit of the real property is approximately 1,154 sq.ft. and its saleable area is approximately 859 sq.ft. plus a bay window of approximately 52 sq.ft. The real property is held under New Grant No. 7973 for a term commencing on 16 August 1995 and expiring on 30 June 2047.	As at the Valuation Date, the residential unit of the real property was subject to a tenancy for a term expiring on 15 December 2021 with a monthly rent of HK\$20,800 exclusive of government rent, rates and management fee, whilst the car parking space was vacant and available for lease.	12,200,000

Notes:

- The real property is located in Tung Chung district of Hong Kong which is within 5 minutes' walking distance to the MTR Tung Chung Station. The immediate locality is a residential area.
- Re: Flat H on 41st Floor of Block 9
The registered owner of the real property is Keen Discovery Limited (健發有限公司) vide Memorial No. 18051700590046 dated 25 April 2018 at a consideration of HK\$11,000,000.

Re: Carparking Space No. D80
The registered owner of the real property is Charm City Global Limited (創城環球有限公司) vide Memorial No. 18041102590026 dated 6 April 2018 at a consideration of HK\$1,800,000.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. For the residential unit, the unit rates of these sale information range from about HK\$11,000 to HK\$14,000 per sq.ft. Whereas, for the car parking space, the unit rates of these sale information range from about HK\$1,200,000 to HK\$1,700,000 per car parking space.
- Keen Discovery Limited and Charm City Global Limited are wholly-owned subsidiaries of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 HK\$
8.	Duplex Flat H on 48 th Floor with Flat Roof of Block 8, Tung Chung Crescent, No. 2 Mei Tung Street, Tung Chung, Lantau Island, New Territories, Hong Kong 121/263,293 rd equal and undivided shares of and in Tung Chung Town Lot No. 1	The real property comprises a duplex residential unit on the 47 th & 48 th Floors of a 41-storey residential tower situated within a residential development with 8 towers completed in about 1999. The gross floor area of the real property is approximately 1,646 sq.ft. and its saleable area is approximately 1,283 sq.ft. plus a flat roof of approximately 198 sq.ft. The real property is held under New Grant No. 7973 for a term commencing on 16 August 1995 and expiring on 30 June 2047.	As at the Valuation Date, the real property was subject to a tenancy for a term expiring on 24 October 2021 with a monthly rent of HK\$41,000 inclusive of government rent, rates and management fee plus an amount of HK\$2,500 for the settlement of charges of water, electricity and gas.	17,100,000

Notes:

1. The real property is located in Tung Chung district of Hong Kong which is within 5 minutes' walking distance to the MTR Tung Chung Station. The immediate locality is a residential area.
2. The registered owner of the real property is Splendid Benefit Limited (澤亮有限公司) vide Memorial No. 18101600610018 dated 5 October 2018 at a consideration of HK\$19,500,000.
3. In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about HK\$11,000 to HK\$14,000 per sq.ft.
4. Splendid Benefit Limited is a wholly-owned subsidiary of the Group.

VALUATION CERTIFICATE

Group II — Real properties held by the Group for investment in the USA

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
9.	19 Residential Units located at 15 William Street, Manhattan, New York 10004, The USA	<p>The real property comprises 19 residential units on various floor levels of a 47-storey residential building completed in about 2008.</p> <p>The total floor area of the real property is approximately 16,553 sq.ft.</p> <p>The real property is held in fee simple.</p>	As at the Valuation Date, portions of the real property with a total floor area of approximately 15,855 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 September 2021 at a total monthly rent of approximately US\$88,555 exclusive of rates, management fee and air-conditioning charges, whilst the remaining portions of the real property were vacant and available for lease.	21,770,000

Notes:

- The real property is located in the heart of the Financial District of New York which is about 40 minutes' driving distance to the John F. Kennedy International Airport.
- Re: 26C, 28D, 29C, 30D & 32G
The registered owner of these units of the real property is Grandeur New Global II LLC.

Re: 31F, 32F, 33E, 34G & 35E
The registered owner of these units of the real property is Shine Victory II LLC.

Re: 16G, 20A, 20B, 21D, 25G, 26G, 34B, 35C & 37C
The registered owner of these units of the real property is Dawn City Global II LLC.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$1,098 to US\$1,648 per sq.ft.
- Grandeur New Global II LLC, Shine Victory II LLC and Dawn City Global II LLC are wholly-owned subsidiaries of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenures	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
10.	3211 Shannon Road, Durham, North Carolina 27707, The USA	<p>The real property comprises a 6-storey office building with outdoor courtyard and car parking spaces completed in about 1998.</p> <p>The total floor area of the real property is approximately 145,950 sq.ft.</p> <p>The real property is held in fee simple.</p>	<p>As at the Valuation Date, portions of the real property with a total net rentable area of approximately 97,682 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 November 2030 at a total monthly rent of approximately US\$189,101 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	21,000,000

Notes:

1. The real property is located at the eastern side of Shannon Road and bounded by the University Drive to its north and Martin Luther King Junior Parkway to its south in the district of Valley Run, Durham, which is about 20 minutes' driving distance to the Raleigh Durham International Airport.
2. The registered owner of the real property is Southcourt Operating LLC.
3. In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$159 to US\$209 per sq.ft.
4. Southcourt Operating LLC is a wholly-owned subsidiary of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$										
11.	500 and 600 Clipper Drive, Belmont, California 94002, The USA	<p>The real property comprises two blocks of 3-storey office buildings known as 500 Clipper Drive (the “West Wing”) and 600 Clipper Drive (the “East Wing”) together with 471 surface parking stalls which were completed in between 1995 and 2000.</p> <p>The total floor area of the office buildings of the real property is approximately 158,596 sq.ft. and the breakdowns of which are tabulated as below:</p> <table><tr><th colspan="2">Floor Area</th></tr><tr><th>Building(s)</th><th>(sq.ft.)</th></tr><tr><td>West Wing</td><td>39,762</td></tr><tr><td>East Wing</td><td>118,834</td></tr><tr><td>Total:</td><td>158,596</td></tr></table> <p>The real property is held in fee simple.</p>	Floor Area		Building(s)	(sq.ft.)	West Wing	39,762	East Wing	118,834	Total:	158,596	As at the Valuation Date, the real property with a total net rentable area of approximately 158,596 sq.ft. was subject to a tenancy for a term expiring on 31 December 2025 at a total monthly rent of approximately US\$509,265 exclusive of operating expenses.	91,500,000
Floor Area														
Building(s)	(sq.ft.)													
West Wing	39,762													
East Wing	118,834													
Total:	158,596													

Notes:

- The real property is located on the border of Belmont and Redwood Shores, along Highway 101 on the north line of Clipper Drive in Belmont, California, which is about 15 minutes’ driving distance to the San Francisco International Airport.
- The registered owner of the real property is 600 Clipper Operating LLC.
- The real property is subject to a Deed of Trust in favor of JP Morgan Chase Bank.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$420 to US\$950 per sq.ft.
- 600 Clipper Operating LLC is a subsidiary of 600 Clipper GP LLC, a wholly-owned subsidiary of the Group. 600 Clipper Operating LLC’s ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 20% effective interest.
- As per the information provided by the Group, 600 Clipper GP LLC, a wholly-owned subsidiary of the Group, is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of 600 Clipper Operating LLC, which demonstrates the Group’s power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that 600 Clipper GP LLC would have performance bonus based on the performance return of 600 Clipper Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage 600 Clipper GP LLC owns. As the Group could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under Hong Kong Financial Reporting Standard 10 (“HKFRS 10”) and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$										
12.	1100, 1110, 1120 112 th Avenue, Bellevue, Washington 98004, The USA	<p>The real property comprises three blocks of 6-storey office buildings with a 4-level basement car park which were completed in about 2001.</p> <p>The total floor area of the office buildings of the real property is approximately 481,581 sq.ft. and the breakdowns of which are tabulated as below:</p> <table><tr><th>Building No.</th><th>Floor Area (sq.ft.)</th></tr><tr><td>1</td><td>134,200</td></tr><tr><td>2</td><td>173,798</td></tr><tr><td>3</td><td>173,583</td></tr><tr><td>Total:</td><td>481,581</td></tr></table> <p>The real property is held in fee simple.</p>	Building No.	Floor Area (sq.ft.)	1	134,200	2	173,798	3	173,583	Total:	481,581	<p>As at the Valuation Date, portions of the real property with a total net rentable area of approximately 480,187 sq.ft. were subject to tenancies for various terms with the latest expiry date on 31 March 2030 at a total monthly rent of approximately US\$1,177,792 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	290,300,000
Building No.	Floor Area (sq.ft.)													
1	134,200													
2	173,798													
3	173,583													
Total:	481,581													

Notes:

- The real property is located in downtown of Bellevue with easy access to Hyatt Regency Bellevue, Courtyard Marriott and Bellevue Westin Hotels, which is about 20 minutes' driving distance to the Seattle-Tacoma International Airport.
- The registered owner of the real property is 112th Bellevue Operating LLC.
- The real property is subject to a Deed of Trust in favor of MetLife Real Estate.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$534 to US\$922 per sq.ft.
- 112th Bellevue Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. 112th Bellevue Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 9.16% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of 112th Bellevue Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of 112th Bellevue Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
13.	1625 & 1675 Broadway, Denver, Colorado 80202, The USA	<p>The real property comprises two blocks of 28-storey & 29-storey office buildings with 111 parking spaces in the on-site parking garage located underneath the buildings which were completed in about 1980 and recently renovated in 2015.</p> <p>The total floor area of the office buildings of the real property is approximately 785,549 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the real property with a total net rentable area of approximately 462,755 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 April 2026 at a total monthly rent of approximately US\$643,001 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	127,300,000

Notes:

- The real property is located at the heart of Denver with easy access to downtown restaurants, retail and businesses, which is about 30 minutes' driving distance to the Denver International Airport.
- The registered owner of the real property is Rosemont WTC Denver Operating LLC.
- The real property is subject to a Deed of Trust in favor of the Commercial Mortgage Backed Securities (CMBS).
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$131 to US\$253 per sq.ft.
- Rosemont WTC Denver Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Rosemont WTC Denver Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 27.73% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Rosemont WTC Denver Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Rosemont WTC Denver Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$												
14.	2420-2490 West 26th Avenue, Denver, Colorado 80211, The USA	<p>The real property comprises of four blocks 4-storey office buildings with covered & surface car parking spaces which were completed in about 1972.</p> <p>The total floor area of the office buildings of the real property is approximately 374,137 sq.ft. and the breakdowns of which are tabulated as below:</p> <table><thead><tr><th>Building</th><th>Floor Area (sq.ft.)</th></tr></thead><tbody><tr><td>A</td><td>83,635</td></tr><tr><td>B</td><td>82,284</td></tr><tr><td>C</td><td>105,889</td></tr><tr><td>D</td><td>102,329</td></tr><tr><td>Total:</td><td>374,137</td></tr></tbody></table> <p>The real property is held in fee simple.</p>	Building	Floor Area (sq.ft.)	A	83,635	B	82,284	C	105,889	D	102,329	Total:	374,137	<p>As at the Valuation Date, portions of the real property with a total net rentable area of approximately 283,916 sq.ft. were subject to various tenancies with the latest expiry date on 31 March 2028 at a total monthly rent of approximately US\$549,227 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	55,000,000
Building	Floor Area (sq.ft.)															
A	83,635															
B	82,284															
C	105,889															
D	102,329															
Total:	374,137															

Notes:

- The real property is located with unparalleled access the Central Business District, I-25 and the surrounding neighborhoods, which is about 30 minutes' driving distance to the Denver International Airport.
- The registered owner of the real property is Diamond Hill Operating LLC.
- The real property is subject to a Deed of Trust in favor of the Commercial Mortgage Backed Securities (CMBS).
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$131 to US\$253 per sq.ft.
- Diamond Hill Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Diamond Hill Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 22.91% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Diamond Hill Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Diamond Hill Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
15.	610 West Ash Street, San Diego, California 92101, The USA	<p>The real property comprises a 19-storey office building together with 9 levels of car parking (6 levels above ground and 3 levels below ground) all completed in about 1986 and most recently renovated in 2019.</p> <p>The total net rentable area of the office building of the real property is approximately 177,489 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 155,572 sq.ft. were subject to tenancies for various terms with the latest expiry date on 23 May 2030 at a total monthly rent of approximately US\$456,512.16 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	48,300,000

Notes:

- The real property is located in downtown San Diego which is about 2 miles from San Diego International Airport. The immediate locality is a composite commercial/residential area.
- The registered owner of the real property is West Ash Operating LLC.
- The real property is subject to a Deed of Trust in favor of A10 Capital.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$249 to US\$260 per sq.ft.
- West Ash Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. West Ash Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 9.18% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of West Ash Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of West Ash Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$														
16.	3380-3420 Central Expressway, Santa Clara, California 95051, The USA	<p>The real property comprises four blocks of 2-storey office buildings together with a 2-storey parking structure and various surface parking spaces all completed in about 1986 and most recently renovated in 2019.</p> <p>The total net rentable area of the office buildings of the real property is approximately 368,707 sq.ft. and the breakdowns of which are tabulated as below:</p> <table><tr><th colspan="2">Net Rentable Area</th></tr><tr><th>Building</th><th>(sq.ft.)</th></tr><tr><td>3380</td><td>46,848</td></tr><tr><td>3400</td><td>108,960</td></tr><tr><td>3410</td><td>104,179</td></tr><tr><td>3420</td><td>108,720</td></tr><tr><td>Total:</td><td>368,707</td></tr></table> <p>The real property is held under fee simple interest.</p>	Net Rentable Area		Building	(sq.ft.)	3380	46,848	3400	108,960	3410	104,179	3420	108,720	Total:	368,707	As at the Valuation Date, the office buildings of the real property were subject to tenancies for various terms with the latest expiry date on 31 January 2029 at a total monthly rent of approximately US\$869,927 exclusive of operating expenses.	174,100,000
Net Rentable Area																		
Building	(sq.ft.)																	
3380	46,848																	
3400	108,960																	
3410	104,179																	
3420	108,720																	
Total:	368,707																	

Notes:

- The real property is located at Santa Clara, part of Silicon Valley, which is about 5 miles from San Jose International Airport. The immediate locality is a high technology research and development area surrounded by new mixed use residential.
- The registered owner of the real property is Central Tech Park Operating LLC.
- The real property is subject to a Deed of Trust in favor of Bank of America.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$373 to US\$586 per sq.ft.
- Central Tech Park Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. GR Realty owns the entire interest of Central Tech Park Operating LLC.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Central Tech Park Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Central Tech Park Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
17.	1401 North Turner Street, Hobbs, Lea County, New Mexico 88240, The USA	<p>The real property comprises a single-storey shopping center together with various private car parking spaces all completed in about 1955 and most recently renovated in 1989.</p> <p>The total net rentable area of the shopping center of the real property is approximately 142,887 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the shopping center of the real property with a total net rentable area of approximately 64,969 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 April 2028 at a total monthly rent of approximately US\$31,855 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	3,700,000

Notes:

- The real property is located on a major arterial street in Hobbs which is about 6 miles from Lea County Regional Airport. The immediate locality is a composite commercial/residential area.
- The registered owner of the real property is Tomorrow IX Broadmoor, LP.
- The real property is subject to a Deed of Trust in favor of CIBC.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$30 to US\$37 per sq.ft.
- Tomorrow IX Broadmoor, LP is a subsidiary of GR Realty, a 45% subsidiary of the Group. GR Realty owns the entire interest of Tomorrow IX Broadmoor, LP.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Tomorrow IX Broadmoor, LP, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Tomorrow IX Broadmoor, LP. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
18.	6301 Indian School Road NE, Albuquerque, New Mexico 87110, The USA	<p>The real property comprises a 9-storey office building together with a detached multi-storey parking garage and surface parking spaces all completed in about 1985.</p> <p>The total net rentable area of the office building of the real property is approximately 96,221 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 79,582 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 June 2026 at a total monthly rent of approximately US\$120,343.48 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	7,700,000

Notes:

- The real property is located in the “Uptown” submarket of Albuquerque which is about 6 miles from Albuquerque International Sunport. The immediate locality is a composite commercial/residential area.
- The registered owner of the real property is Citadel Associates, L.P..
- The real property is subject to a Mortgage in favor of Bank of the West.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$79 to US\$107 per sq.ft.
- Citadel Associates, L.P. is a subsidiary of GR Realty, a 45% subsidiary of the Group. Citadel Associates, L.P.’s ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 22.91% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Citadel Associates, L.P., which demonstrates GR Realty’s power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Citadel Associates, L.P. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
19.	320 Gold Avenue SW, Albuquerque, New Mexico 87102, The USA	<p>The real property comprises a 14-storey office building together with structured and surface parking spaces all completed in about 1959 and most recently renovated in 1995.</p> <p>The total net rentable area of the office building of the real property is approximately 106,942 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 93,829 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 June 2026 at a total monthly rent of approximately US\$126,830.6 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	5,500,000

Notes:

- The real property is located in downtown Albuquerque which is about 5 miles from Albuquerque International Sunport. The immediate locality is a commercial area.
- The registered owner of the real property is 320 Gold Office Associates, LP.
- The real property is subject to Mortgage, Security Agreement and Financing Statement in favor of BOKF, NA dba Bank of Albuquerque.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$55 to US\$74 per sq.ft.
- 320 Gold Office Associates, LP is a subsidiary of GR Realty, a 45% subsidiary of the Group. 320 Gold Office Associates, LP's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 22.91% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of 320 Gold Office Associates, LP, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of 320 Gold Office Associates, LP. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$								
20.	6100 Seagull Street, Albuquerque, New Mexico 87109, The USA	<p>The real property comprises two blocks of 2-storey office buildings together with various private car parking spaces all completed in about 1986 and most recently renovated in 1996.</p> <p>The total net rentable area of the office buildings of the real property is approximately 53,414 sq.ft. and the breakdowns of which are tabulated as below:</p> <table><thead><tr><th>Building</th><th>Net Rentable Area (sq.ft.)</th></tr></thead><tbody><tr><td>A</td><td>28,916</td></tr><tr><td>B</td><td>24,498</td></tr><tr><td>Total:</td><td>53,414</td></tr></tbody></table> <p>The real property is held under fee simple interest.</p>	Building	Net Rentable Area (sq.ft.)	A	28,916	B	24,498	Total:	53,414	<p>As at the Valuation Date, portions of the office buildings of the real property with a total net rentable area of approximately 40,930 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 November 2025 at a total monthly rent of approximately US\$53,147.63 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	3,000,000
Building	Net Rentable Area (sq.ft.)											
A	28,916											
B	24,498											
Total:	53,414											

Notes:

- The real property is located at Northeast Heights of Albuquerque which is about 10 miles from Albuquerque International Sunport. The immediate locality is a composite commercial/residential area.
- The registered owner of the real property is Seagull Plaza Associates, L.P..
- The real property is subject to a Mortgage in favor of First National 1870, A Division of Sunflower Bank, N.A..
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$55 to US\$79 per sq.ft.
- Seagull Plaza Associates, L.P. is a subsidiary of GR Realty, a 45% subsidiary of the Group. Seagull Plaza Associates, L.P.'s ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 29.78% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Seagull Plaza Associates, L.P., which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Seagull Plaza Associates, L.P. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
21.	17111 & 17177 Preston Road, Dallas, Texas 75248, The USA	<p>The real property comprises two 3-storey office buildings together with various car parking spaces all completed in about 1998.</p> <p>The total net rentable area of the office buildings of the real property is approximately 147,816 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office buildings of the real property with a total net rentable area of approximately 110,312 sq.ft. were subject to tenancies for various terms with the latest expiry date on 15 July 2025 at a total monthly rent of approximately US\$207,392.49 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	14,190,000

Notes:

- The real property is located at Preston Road in Dallas which is about 22 miles from Dallas/Fort Worth International Airport. The immediate locality is a low density commercial area.
- The registered owner of the real property is Ambertrail Operating Associates, Limited Partnership.
- The real property is subject to a Deed of Trust in favor of CIBC.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$93 to US\$122 per sq.ft.
- Ambertrail Operating Associates, Limited Partnership is a subsidiary of GR Realty, a 45% subsidiary of the Group. Ambertrail Operating Associates, Limited Partnership's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 18.33% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Ambertrail Operating Associates, Limited Partnership, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Ambertrail Operating Associates, Limited Partnership. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
22.	545 East John Carpenter Freeway, Dallas, Texas 75062, The USA	<p>The real property comprises a 19-storey office building together with a 11-storey parking building with various car parking spaces all completed in about 1984 and most recently renovated in 2001.</p> <p>The total net rentable area of the office building of the real property is approximately 375,706 sq.ft..</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 285,909 sq.ft were subject to tenancies for various terms with the latest expiry date on 30 June 2031 at a total monthly rent of approximately US\$596,977.59 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	67,630,000

Notes:

- The real property is located at East John Carpenter Freeway in Dallas which is about 9 miles from Dallas/Fort Worth International Airport. The immediate locality is a low density commercial area.
- The registered owner of the real property is Rosemont Summit Operating LLC.
- The real property is subject to a Deed of Trust in favor of CMBS.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$122 to US\$184 per sq.ft.
- Rosemont Summit Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Rosemont Summit Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 29.41% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Rosemont Summit Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Rosemont Summit Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
23.	1160 Dairy Ashford Road, Houston, Texas 77079, The USA	<p>The real property comprises a 6-storey office building together with various car parking spaces all completed in about 1979.</p> <p>The total net rentable area of the office building of the real property is approximately 112,725 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 42,788 sq.ft. were subject to tenancies for various terms with the latest expiry date on 31 December 2023 at a total monthly rent of approximately US\$62,896.18 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	5,190,000

Notes:

- The real property is located at western part of Houston which is about 30 miles from George Bush Intercontinental Airport. The immediate locality is a composite commercial/residential area.
- The registered owner of the real property is Rosemont Ashford Operating LLC.
- The real property is subject to a Deed of Trust in favor of John Hancock Life Insurance.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$46 to US\$75 per sq.ft.
- Rosemont Ashford Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Rosemont Ashford Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 12.53% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Rosemont Ashford Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Rosemont Ashford Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
24.	12000 Aerospace Avenue, Houston, Texas 77034, The USA	<p>The real property comprises a 4-storey office building together with various car parking spaces all completed in about 1989.</p> <p>The total net rentable area of the office building of the real property is approximately 79,783 sq.ft.</p> <p>The real property is held under leasehold interest for a term expiring on 22 August 2027 with two options to extend for 20 years each.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 60,842 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 June 2025 at a total monthly rent of approximately US\$116,056.04 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	7,900,000

Notes:

- The real property is located at southeastern part of Houston, which is about 39 miles from George Bush Intercontinental Airport. The immediate locality is a low-density commercial area.
- The registered owner of the real property is Aerospace Operating Associates, Limited Partnership.
- The real property is subject to a Deed of Trust in favor of CMBS.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$75 to US\$129 per sq.ft.
- Aerospace Operating Associates, Limited Partnership is a subsidiary of GR Realty, a 45% subsidiary of the Group. Aerospace Operating Associates, Limited Partnership's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 18.33% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Aerospace Operating Associates, Limited Partnership, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Aerospace Operating Associates, Limited Partnership. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
25.	11767 Katy Freeway, Houston, Texas 77079, The USA	<p>The real property comprises a 3-storey office building together with a 7-storey car parking building with various car parking spaces all completed in about 1982 and most recently renovated in 2001.</p> <p>The total net rentable area of the office building of the real property is approximately 226,586 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 119,930 sq.ft. were subject to tenancies for various terms with the latest expiry date on 28 February 2029 at a total monthly rent of approximately US\$156,777.59 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	17,000,000

Notes:

- The real property is located at western part of Houston which is about 34 miles from George Bush Intercontinental Airport. The immediate locality is a commercial area.
- The registered owner of the real property is Kirkwood Atrium Operating Associates, Limited Partnership.
- The real property is subject to a Deed of Trust in favor of BOKF, NA dba Bank of Albuquerque.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$54 to US\$129 per sq.ft.
- Kirkwood Atrium Operating Associates, Limited Partnership is a subsidiary of GR Realty, a 45% subsidiary of the Group. Kirkwood Atrium Operating Associates, Limited Partnership's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 18.33% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Kirkwood Atrium Operating Associates, Limited Partnership, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Kirkwood Atrium Operating Associates, Limited Partnership. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
26.	11757 Katy Freeway, Houston, Texas 77079, The USA	<p>The real property comprises a 15-storey office building together with a 6-storey car parking building with various car parking spaces all completed in about 1984.</p> <p>The total net rentable area of the office building of the real property is approximately 285,682 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 195,516 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 November 2030 at a total monthly rent of approximately US\$315,099.85 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	44,600,000

Notes:

- The real property is located at western part of Houston which is about 34 miles from George Bush Intercontinental Airport. The immediate locality is a commercial area.
- The registered owner of the real property is Rosemont Kirkwood Tower Operating LLC.
- The real property is subject to a Deed of Trust in favor of Athene.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$128 to US\$186 per sq.ft.
- Rosemont Kirkwood Tower Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Rosemont Kirkwood Tower Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 1.73% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Rosemont Kirkwood Tower Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Rosemont Kirkwood Tower Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
27.	1235 North Loop West, Houston, Texas 77008, The USA	<p>The real property comprises a 12-storey office building together with a 4-storey parking building with various car parking spaces all completed in about 1981.</p> <p>The total net rentable area of the office building of the real property is approximately 221,255 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 155,245 sq.ft. were subject to tenancies for various terms with the latest expiry date on 31 July 2030 at a total monthly rent of approximately US\$245,237.99 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	15,500,000

Notes:

- The real property is located at northwestern part of Houston, which is about 22 miles from George Bush Intercontinental Airport. The immediate locality is a composite commercial/residential area.
- The registered owner of the real property is North Loop Operating LLC.
- The real property is subject to a Deed of Trust in favor of CMBS.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$54 to US\$75 per sq.ft.
- North Loop Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. North Loop Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a nil% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of North Loop Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of North Loop Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$								
28.	1610 Woodstead Court & 10200 Grogan's Mill Road, Houston, Texas 77380, The USA	<p>The real property comprises two 4 & 5-storey office buildings together with various car parking spaces all completed in about 1982 & 1980 respectively.</p> <p>The total net rentable area of the office buildings of the real property is approximately 153,294 sq.ft. and the breakdowns of which are tabulated as below:</p> <table><thead><tr><th>Building No.</th><th>Net Rentable Area (sq.ft.)</th></tr></thead><tbody><tr><td>1</td><td>73,114</td></tr><tr><td>2</td><td>80,180</td></tr><tr><td>Total:</td><td>153,294</td></tr></tbody></table> <p>The real property is held under fee simple interest.</p>	Building No.	Net Rentable Area (sq.ft.)	1	73,114	2	80,180	Total:	153,294	<p>As at the Valuation Date, portions of the office buildings of the real property with a total net rentable area of approximately 112,604 sq.ft. were subject to tenancies for various terms with the latest expiry date on 31 August 2028 at a total monthly rent of approximately US\$157,380.09 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	25,100,000
Building No.	Net Rentable Area (sq.ft.)											
1	73,114											
2	80,180											
Total:	153,294											

Notes:

- The real property is located in The Woodlands, Houston which is about 20 miles from George Bush Intercontinental Airport. The immediate locality is a low density commercial area.
- The registered owner of the real property is Woodstead Grogan Operating LLC.
- The real property is subject to a Deed of Trust in favor of Amegy Bank.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$144 to US\$186 per sq.ft.
- Woodstead Grogan Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Woodstead Grogan Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 18.33% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Woodstead Grogan Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Woodstead Grogan Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
29.	2455 Northeast Loop 410, San Antonio, Texas 78217, The USA	<p>The real property comprises a 3-storey office building together with various car parking spaces all completed in about 1983.</p> <p>The total net rentable area of the office building of the real property is approximately 109,320 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 106,053 sq.ft. were subject to tenancies for various terms with the latest expiry date on 31 January 2026 at a total monthly rent of approximately US\$195,586.75 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	13,010,000

Notes:

- The real property is located at Northeast Loop 410 in San Antonio which is about 6 miles from San Antonio International Airport. The immediate locality is a composite commercial/residential area.
- The registered owner of the real property is Greenway San Antonio Operating LLC.
- The real property is subject to a Deed of Trust in favor of CMBS.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$99 to US\$142 per sq.ft.
- Greenway San Antonio Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Greenway San Antonio Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a nil% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Greenway San Antonio Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Greenway San Antonio Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
30.	16414 San Pedro Avenue, San Antonio, Texas 78232, The USA	<p>The real property comprises a 10-storey office building together with various car parking spaces all completed in about 1985 and most recently renovated in 1998.</p> <p>The total net rentable area of the office building of the real property is approximately 140,980 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 87,724 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 April 2030 at a total monthly rent of approximately US\$171,407.57 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	13,680,000

Notes:

- The real property is located at San Pedro Avenue in San Antonio which is about 6 miles from San Antonio International Airport. The immediate locality is a composite commercial/residential area.
- The registered owner of the real property is Rosemont Oaks Operating LLC.
- The real property is subject to a Deed of Trust in favor of Bank of America.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$89 to US\$125 per sq.ft.
- Rosemont Oaks Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Rosemont Oaks Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 12.53% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Rosemont Oaks Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Rosemont Oaks Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
31.	2551 & 2553 Dulles View Drive, Herndon, Virginia 20171, The USA	<p>The real property comprises two 8-storey office buildings together with various car parking spaces all completed in about 2008.</p> <p>The total net rentable area of the office buildings of the real property is approximately 359,689 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office buildings of the real property with a total net rentable area of approximately 291,789 sq.ft. were subject to tenancies for various terms with the latest expiry date on 31 December 2032 at a total monthly rent of approximately US\$537,671.62 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	73,000,000

Notes:

- The real property is located at southwestern part of Herndon which is about 0.6 miles from Dulles International Airport. The immediate locality is a composite commercial/residential area.
- The registered owner of the real property is Rosemont Dulles View Operating LLC.
- The real property is subject to a Deed of Trust in favor of CMBS.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$165 to US\$210 per sq.ft.
- Rosemont Dulles View Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Rosemont Dulles View Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 37.74% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Rosemont Dulles View Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Rosemont Dulles View Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
32.	15, 22 & 25 Century Boulevard, Nashville, Tennessee 37214, The USA	<p>The real property comprises two 6-storey office buildings and one 5-storey office building together with various car parking spaces all completed in about 1986 to 1988.</p> <p>The total net rentable area of the office buildings of the real property is approximately 382,164 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office buildings of the real property with a total net rentable area of approximately 332,885 sq.ft. were subject to tenancies for various terms with the latest expiry date on 31 August 2027 at a total monthly rent of approximately US\$638,035.47 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	57,300,000

Notes:

- The real property is located at southeastern part of Nashville which is about 2.2 miles from Nashville International Airport. The immediate locality is a low density commercial area.
- The registered owner of the real property is Rosemont Lakeview Operating LLC.
- The real property is subject to a Deed of Trust in favor of CMBS.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$118 to US\$216 per sq.ft.
- Rosemont Lakeview Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Rosemont Lakeview Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 37.74% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Rosemont Lakeview Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Rosemont Lakeview Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
33.	700 South Illinois Avenue, Oak Ridge, Tennessee 37830, The USA	<p>The real property comprises six 2-storey office buildings together with various car parking spaces all completed in about 1985.</p> <p>The total net rentable area of the office buildings of the real property is approximately 60,000 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office buildings of the real property with a total net rentable area of approximately 46,189 sq.ft. were subject to tenancies for various terms with the latest expiry date on 31 January 2024 at a total monthly rent of approximately US\$40,569.48 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	2,200,000

Notes:

- The real property is located at South Illinois Avenue in Oak Ridge, TN which is about 24 miles from McGhee Tyson Airport in Knoxville. The immediate locality is a low density commercial area.
- The registered owner of the real property is BGK Tennessee Office Associates, Limited Partnership.
- The real property is subject to a Deed of Trust, Security Agreement and Fixture Filing in favor of BOKF, NA dba Bank of Albuquerque.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$62 to US\$101 per sq.ft.
- BGK Tennessee Office Associates, Limited Partnership is a subsidiary of GR Realty, a 45% subsidiary of the Group. BGK Tennessee Office Associates, Limited Partnership's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 0.04% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of BGK Tennessee Office Associates, Limited Partnership, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of BGK Tennessee Office Associates, Limited Partnership. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
34.	401 Edwards Street, Shreveport, Louisiana 71101, The USA	<p>The real property comprises a 21-storey office building together with a structured carpark all completed in about 1984.</p> <p>The total net rentable area of the office building of the real property is approximately 343,543 sq.ft.</p> <p>The real property is held under leasehold interest with an expiry date on 31 July 2069.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 233,123 sq.ft. were subject to tenancies for various terms with the latest expiry date on 2 October 2034 at a total monthly rent of approximately US\$268,898.5 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	13,700,000

Notes:

- The real property is located at the central business district in Shreveport which is about 8 miles from Shreveport Regional Airport. The immediate locality is a commercial area.
- The registered owner of the real property is Louisiana Tower Operating LLC.
- The real property is subject to an Assignment of Agreements, Licenses, Permits and Contracts in favor of CMBS.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$28 to US\$83 per sq.ft.
- Louisiana Tower Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Louisiana Tower Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 18.33% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Louisiana Tower Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Louisiana Tower Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
35.	301 East Main Street, Lexington, Kentucky 40507, The USA	<p>The real property comprises a 12-storey office building together with various car parking spaces all completed in about 1996 and most recently renovated in 2002.</p> <p>The total net rentable area of the office building of the real property is approximately 126,288 sq.ft.</p> <p>The real property is held under leasehold interest with an expiry date on 13 September 2047.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 83,139 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 April 2026 at a total monthly rent of approximately US\$119,807 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	7,500,000

Notes:

- The real property is located at the town centre of Lexington which is about 7 miles from Blue Grass Airport. The immediate locality is a low density commercial area.
- The registered owner of the real property is Lexington National Plaza Operating Associates, Limited Partnership.
- The real property is subject to a Mortgage, Leasehold Mortgage, Security Agreement and Financing Statement in favor of Midfirst Bank.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$65 to US\$149 per sq.ft.
- Lexington National Plaza Operating Associates, Limited Partnership is a subsidiary of GR Realty, a 45% subsidiary of the Group. Lexington National Plaza Operating Associates, Limited Partnership's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 22.91% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Lexington National Plaza Operating Associates, Limited Partnership, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Lexington National Plaza Operating Associates, Limited Partnership. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
36.	1819 5th Avenue North, Birmingham, Alabama 35203, The USA	<p>The real property comprises an 11-storey office building together with various car parking spaces all completed in about 2002.</p> <p>The total net rentable area of the office building of the real property is approximately 300,041 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 282,421 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 April 2034 at a total monthly rent of approximately US\$378,395.63 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	58,200,000

Notes:

- The real property is located at the central business district of Birmingham which is about 6 miles from Birmingham-Shuttlesworth International Airport. The immediate locality is a commercial area.
- The registered owner of the real property is Rosemont Federal Operating LLC.
- The real property is subject to a Mortgage, Security Agreement, Fixture Filing and Assignment of Leases and Rents in favor of CIBC/Keybank.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$123 to US\$149 per sq.ft.
- Rosemont Federal Operating LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Rosemont Federal Operating LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 12.53% effective interest.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Rosemont Federal Operating LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Rosemont Federal Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
37.	6100 & 6120 South Yale Avenue, Tulsa, Oklahoma 74136, The USA	<p>The real property comprises one 19-storey and one 20-storey office building together with various car parking spaces all completed in about 1983 and most recently renovated in 1990.</p> <p>The total net rentable area of the office buildings of the real property is approximately 959,928 sq.ft.</p> <p>The real property is held under leasehold interest for terms expiring on 30 April 2094 (re: One Warren Place) and 10 December 2083 (re: Two Warren Place).</p>	<p>As at the Valuation Date, portions of the office buildings of the real property with a total net rentable area of approximately 690,150 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 September 2030 at a total monthly rent of approximately US\$1,420,281.51 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	100,800,000

Notes:

- The real property is located at the southeastern part of Tulsa, which is about 12 miles from Tulsa International Airport. The immediate locality is a composite commercial/residential area.
- The registered owners of the real property are Rosemont Warren One Op LLC and Rosemont Warren Two Op LLC.
- The real property is subject to a Mortgage (With Power of Sale), Assignment of Leases and Rents and Security Agreement in favor of BOKF, NA dba Bank of Albuquerque.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$82 to US\$202 per sq.ft.
- Rosemont Warren One Op LLC and Rosemont Warren Two Op LLC are both subsidiaries of GR Realty, a 45% subsidiary of the Group. Each of Rosemont Warren One Op LLC's and Rosemont Warren Two Op LLC's ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has 12.53% effective interest in each of them.
- As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Rosemont Warren One Op LLC and Rosemont Warren Two Op LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Rosemont Warren One Op LLC and Rosemont Warren Two Op LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as an investment property under assets of the Group.

VALUATION CERTIFICATE

Group III — Real properties held by the Group for owner-occupation in the USA

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
38.	330 Garfield Street, Santa Fe, New Mexico 87501, The USA	<p>The real property comprises a 3-storey office building together with a separate parking lot all completed in about 1881 and most recently renovated in 2018.</p> <p>The total net rentable area of the office building of the real property is approximately 20,595 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	As at the Valuation Date, the real property was occupied by the Group for office and car parking uses.	4,800,000

Notes:

- The real property is located in Santa Fe within the Railyard District which is about 10 miles from Santa Fe Regional Airport. The immediate locality is a composite commercial/residential area.
- The registered owner of the real property is 330 Garfield Street LLC.
- The real property is subject to Mortgage, Security Agreement and Financing Statement in favor of BOKF, NA dba Bank of Albuquerque.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$220 to US\$292 per sq.ft.
- 330 Garfield Street LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. GR Realty owns the entire interest of 330 Garfield Street LLC.
- As per the information provided by the Group, 330 Garfield Street LLC is a wholly-owned subsidiary of GR Realty, which is a subsidiary of the Company. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as a property, plant and equipment under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
39.	320 Garfield Street, Santa Fe, New Mexico 87501, The USA	<p>The real property comprises a single-storey office building completed in about 1926 and most recently renovated in 2017.</p> <p>The total net rentable area of the real property is approximately 2,692 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	As at the Valuation Date, the real property was occupied by the Group for office use.	900,000

Notes:

1. The real property is located in Santa Fe within the Railyard District which is about 10 miles from Santa Fe Regional Airport. The immediate locality is a composite commercial/residential area.
2. The registered owner of the real property is BGK Equities IV LLC.
3. In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$254 to US\$372 per sq.ft.
4. BGK Equities IV LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. GR Realty owns the entire interest of BGK Equities IV LLC.
5. As per the information provided by the Group, BKG Equities IV LLC is a wholly-owned subsidiary of GR Realty, which is a subsidiary of the Company. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as a property, plant and equipment under assets of the Group.

VALUATION CERTIFICATE

Group IV — Real property held by the Group under development in the USA

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
40.	531-537 & 539 Avenue of the Americas, Manhattan, New York 10011, The USA	<p>The real property comprises 2 adjoining lots located at the northwestern corner of 14th Street and Avenue of the Americas.</p> <p>Nos. 531-537 Avenue of the Americas occupies a lot with a site area of approximately 6,468 sq.ft. whereas No. 539 Avenue of the Americas occupies another lot with a site area of approximately 1,586 sq.ft.</p> <p>As advised, the real property is under construction (the “CIP”) and the total planned floor area of the CIP upon completion will be approximately 54,802 sq.ft. excluding lobby and common areas.</p> <p>The real property is held in fee simple.</p>	As at the Valuation Date, the real property was in a process of construction work for a high-rise residential / commercial building.	101,400,000

Notes:

- The property is located at northwestern corner of 14th Street and Avenue of the Americas. The area is one of the busiest retail districts in New York and is well connected to other areas through various metro lines and trains.
- The registered owner of the real property is 531-539 Sixth Avenue LLC.

3. General information of Nos. 531-537 & 539 Avenue of the Americas (the “**subject site**”) are as follows:

General Site Description	:	The subject site comprises 2 tax lots known as Nos. 531-537 Avenue of the America and No. 539 Avenue of the Americas, The total site area of the 2 lots is approximately 8,054 sq.ft.
Parcel Shape	:	Rectangular Lots
Street Frontage	:	103.25 feet onto the Avenue of Americas between West 15 th Street and West 14 th Street
Topography	:	The site is generally level and drainage appears adequate. Soil-bearing and content information has not been provided and therefore, we have made the general assumption that no adverse conditions exist, as none were observed at the time of inspection.
Maximum Floor Area Ratio (FAR)	:	7.52
FAR as built	:	2.17 & 2.69 (71% and 64% under-built)
Potential Total Buildable Square Feet	:	The 2 tax lots comprise approximately 60,562 buildable sq.ft. available for residential and mixed use development as of right.

4. The estimated total construction cost of the CIP is approximately US\$63,800,000 of which approximately US\$24,400,000 had been paid up to the Valuation Date. The construction works of the CIP are scheduled to be completed in mid-2021.
5. The market value of the real property as if completed as at the Valuation Date would be approximately US\$148,100,000.
6. Pursuant to a Work Permit (Permit No. 123174803-01-NB) issued by the NYC Department of Buildings dated 15 October 2020, the construction work of the real property was permitted to construct a new 13-storey mixed-use building as per plan filed.
7. In our valuation, we have identified and analyzed various sale information in the locality which have similar characteristics as to the real property. The unadjusted unit prices of those comparables range from US\$1,891 to US\$7,000 per sq.ft. Appropriate adjustments and analyses are considered due to the differences in location, size and other characteristics among the comparables and the real property to arrive at the market value of the real property. The unit rate of the real property is in line with the unit rates of those comparables.
8. 531-539 Sixth Avenue LLC is a wholly-owned subsidiary of the Group.

VALUATION CERTIFICATE

Group V — Real properties held by the Group for future development in the USA

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
41.	167-171 North First Street, Brooklyn, New York 11211, The USA	The real property comprises a land parcel with a site area of approximately 13,834 sq.ft. upon which a single-storey warehouse with a floor area of approximately 13,867 completed in about 1920 was erected thereon. The real property is held in fee simple.	As at the Valuation Date, the real property was vacant.	20,400,000

Notes:

- The property is located at the midblock between Bedford Avenue and Driggs Avenue in Williamsburg, Brooklyn. The area is one of the strongest retail corridor and within a short walking distance from the Bedford Avenue L Train Station.
- The registered owner of the real property is 171 North First Street LLC.
- General information of Nos. 167-171 North 1st Street (the “**subject site**”) are as follows:

General Site Description	:	The subject site comprises 1 tax lot with the primary address as 171 North 1st Street, Brooklyn, NY. The site area of the lot is approximately 13,834 sq.ft.
Parcel Shape	:	Irregular
Street Frontage	:	200 +/- feet on North 1st Street
Topography	:	The site is generally level and drainage appears adequate. Soil-bearing and content information have not been provided and therefore, we have made the general assumption that no adverse conditions exist, as none were observed at the time of inspection.
Potential Total Buildable Square Feet	:	49,802 sq.ft.
- In our valuation, we have identified and analyzed various sale information in the locality which have similar characteristics as to the real property. The unadjusted unit prices of those comparables range from US\$412 to US\$486 per sq.ft.. Appropriate adjustments and analyses are considered due to the differences in location, size and other characteristics among the comparables and the real property to arrive at the market value of the real property. The unit rate of the real property is in line with the unit rates of those comparables.
- 171 North First Street LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. 171 North First Street LLC’s ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 18.33% effective interest.

6. As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of 171 North First Street LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of 171 North First Street LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as a future development under assets of the Group.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
42.	38, 42-48 Second Avenue, Manhattan, New York 10003, The USA	The real property comprises three contiguous land parcels with a total site area of approximately 14,019 sq.ft. upon which a 4-storey former administrative building rectory and church with a floor area of approximately 25,242 sq.ft. completed between 1920 and 1969 were erected thereon. The real property is held in fee simple.	As at the Valuation Date, the real property was vacant.	63,300,000

Notes:

- The real property is located at the western edge of the East Village, with close proximity to the Bowery, NoHo, Astor Place, Little Italy and the Lower East Side in the southeastern part of the New York City borough of Manhattan.
- The registered owner of the real property is Second and Second Property LLC.
- General information of Nos. 38, 42-48 Second Avenue (the “**subject site**”) are as follows:

General Site Description	:	The subject site comprises 3 tax lots with the primary address as 42-48 Second Avenue, Manhattan, NY. The site area of the lot is approximately 14,019 sq.ft.
Parcel Shape	:	Irregular
Street Frontage	:	161.92 +/- feet on second street
Topography	:	The site is generally level and drainage appears adequate. Soil-bearing and content information have not been provided and therefore, we have made the general assumption that no adverse conditions exist, as none were observed at the time of inspection.
Potential Total Buildable Square Feet	:	100,937 sq.ft.
- In our valuation, we have identified and analyzed various sale information in the locality which have similar characteristics as to the real property. The unadjusted unit prices of those comparables range from US\$562 to US\$641 per sq.ft.. Appropriate adjustments and analyses are considered due to the differences in location, size and other characteristics among the comparables and the real property to arrive at the market value of the real property. The unit rate of the real property is in line with the unit rates of those comparables.
- Second and Second Property LLC is a subsidiary of GR Realty, a 45% subsidiary of the Group. Second and Second Property LLC’s ownership structure consists of various layers of fund vehicles, in which the Group has certain direct and indirect interest and through which the Group has a 18.33% effective interest.

6. As per the information provided by the Group, GR Realty is the General Partner of this investment of which it has the decision making power in relation to the operation, management and control of the business of Second and Second Property LLC, which demonstrates GR Realty's power over this entity and ability to exercise control. This is also the customary practice in private real estate fund that GR Realty would have performance bonus based on the performance return of Second and Second Property LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns. As GR Realty could demonstrate the power as General Manager of this investment regardless of the extent of the ownership therein, the real property is consolidated into the Group under HKFRS 10 and classified as a future development under assets of the Group.

VALUATION CERTIFICATE

Group VI — Real properties held by the associates of the Group for investment in the USA

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
43.	555, 625 & 650 North Carriage Parkway, Wichita, Kansas 67208, The USA	<p>The real property comprises three single-storey buildings one of which has a partial second floor together with various car parking spaces all completed in about 1985.</p> <p>The total net rentable area of the office buildings of the real property is approximately 118,762 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office buildings of the real property with a total net rentable area of approximately 77,618 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 September 2027 at a total monthly rent of approximately US\$50,435.76 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	3,300,000

Notes:

1. The real property is located at the east wichita marketplace which is about 12 miles from Wichita Dwight D. Eisenhower National Airport. The immediate locality is a low density commercial area.
2. The registered owner of the real property is MMM Financial LLC.
3. The real property is subject to an Assignment of Mortgage and Security Agreement and Other Loan Documents in favor of BOKF, NA dba Bank of Albuquerque.
4. In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$24 to US\$93 per sq.ft.
5. MMM Financial LLC is a 23.37% owned associate of the Group.
6. As per the information provided by the Group, the real property is held by MMM Financial LLC which is an associate held by GR Realty. GR Realty has the power to participate in the financial and operating policy decisions of and is able to exercise significant influence over MMM Financial LLC through its subsidiary of which GR Realty being the General Partner.

GR Realty is the General Partner of which it has the decision making power in relation to the operation, management and control of the business, which demonstrates GR Realty's power over the entity and ability to exercise control. This is the customary practice in private real estate fund that GR Realty would have performance bonus from its subsidiary based on the performance return of MMM Financial LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
44.	301 North Main Street, Baton Rouge, Louisiana 70801, The USA	<p>The real property comprises a 24-storey office building together with a connected structured carpark all completed in about 1974 and most recently renovated in 2005.</p> <p>The total net rentable area of the office building of the real property is approximately 332,713 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 299,433 sq.ft. were subject to tenancies for various terms with the latest expiry date on 30 November 2029 at a total monthly rent of approximately US\$436,116.05 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	33,300,000

Notes:

- The real property is located at the central business district of Baton Rouge which is about 8 miles from Baton Rouge Metropolitan Airport. The immediate locality is a high density commercial area.
- The registered owner of the real property is One American Place Operating LLC.
- The real property is subject to a Mortgage, Pledge of Leases and Rents and Security Agreement in favor of CMBS.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$82 to US\$106 per sq.ft.
- One American Place Operating LLC is a nil% owned associate of the Group.
- As per the information provided by the Group, the real property is held by One American Place Operating LLC which is an associate held by GR Realty. GR Realty has the power to participate in the financial and operating policy decisions of and is able to exercise significant influence over One American Place Operating LLC through its subsidiary of which GR Realty being the General Partner.

GR Realty is the General Partner of which it has the decision making power in relation to the operation, management and control of the business, which demonstrates GR Realty's power over the entity and ability to exercise control. This is the customary practice in private real estate fund that GR Realty would have performance bonus from its subsidiary based on the performance return of One American Place Operating LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns.

VALUATION CERTIFICATE

No.	Real property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2020 US\$
45.	3223 South Loop 289, Lubbock, Texas 79423, The USA	<p>The real property comprises a 6-storey office building together with various car parking spaces all completed in about 1980 and most recently renovated in 2019.</p> <p>The total net rentable area of the office building of the real property is approximately 94,606 sq.ft.</p> <p>The real property is held under fee simple interest.</p>	<p>As at the Valuation Date, portions of the office building of the real property with a total net rentable area of approximately 54,433 sq.ft. were subject to tenancies for various terms with the latest expiry date on 31 October 2024 at a total monthly rent of approximately US\$84,031.77 exclusive of operating expenses, whilst the remaining portions of the real property were vacant and available for lease.</p>	5,490,000

Notes:

- The real property is located at South Loop 289 in Lubbock which is about 13 miles from Lubbock Preston Smith International Airport. The immediate locality is a composite commercial/residential area.
- The registered owner of the real property is Pyramid Operating, LLC.
- The real property is subject to a Deed of Trust in favor of First National Bank and Trust Co. of McAlester.
- In the course of our valuation, we have made reference to various sale information of similar real properties within the locality which have the similar characteristics comparable to the real property. The unit rates of these sale information range from about US\$20 to US\$93 per sq.ft.
- Pyramid Operating, LLC is a nil% owned associate of the Group.
- As per the information provided by the Group, the real property is held by Pyramid Operating, LLC which is an associate held by GR Realty. GR Realty has the power to participate in the financial and operating policy decisions of and is able to exercise significant influence over Pyramid Operating, LLC through its subsidiary of which GR Realty being the General Partner.

GR Realty is the General Partner of which it has the decision making power in relation to the operation, management and control of the business, which demonstrates GR Realty's power over the entity and ability to exercise control. This is the customary practice in private real estate fund that GR Realty would have performance bonus from its subsidiary based on the performance return of Pyramid Operating, LLC. More importantly, the performance bonus and profit sharing does not have direct correlation with the percentage GR Realty owns.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information relating to the Group contained in this Composite Document and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by the Board or the Group in this Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date:

- (a) the Company did not have an authorised share capital;
- (b) the Company had 635,150,000 Shares in issue;
- (c) 377,166,666 Shares may be issued and allotted upon conversion of the 754,333,333 Convertible Preference Shares at the prevailing conversion price of HK\$6.00 per Convertible Preference Share; and
- (d) 30,806,000 Shares may be issued and allotted upon exercise of the outstanding Options granted under the Share Option Scheme.

Save as disclosed above, the Company did not have any other outstanding convertible securities, options, warrants or other derivatives which are convertible or exchangeable into Shares.

183,760,000 Shares had been issued since 31 December 2019, being the end of the last financial year of the Company, up to and including the Latest Practicable Date.

All the issued Shares rank equally with each other in all respects including the rights in respect of capital, dividends and voting.

3. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (a) the last day on which trading took place in each of the calendar months during the Relevant Period; (b) the Last Trading Day; and (c) the Latest Practicable Date:

Date	Closing price per Share (HK\$)
30 June 2020	0.49
31 July 2020	0.50
31 August 2020	0.51
30 September 2020	0.45
30 October 2020	0.53
13 November 2020 (being the Last Trading Day)	0.87
30 November 2020	1.10
7 December 2020 (being the Latest Practicable Date)	1.10

During the Relevant Period:

- (a) the highest closing price of the Shares quoted on the Stock Exchange was HK\$1.12 per Share on 26 November 2020 and 1 December 2020; and
- (b) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.42 per Share on 7 October 2020.

4. SHAREHOLDING AND DEALINGS IN THE COMPANY'S SECURITIES

- (a) As at the Latest Practicable Date, save as disclosed in the section headed "Shareholding Structure of the Company" in the "Letter from the Board", none of the Directors was interested (within the meaning of Part XV of the SFO) in any Shares, Options, Convertible Preference Shares or any other convertible securities, warrants, options or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

- (b) None of the Directors had dealt for value in any Shares, Options, Convertible Preference Shares or any other convertible securities, warrants, options or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.
- (c) During the Offer Period and up to the Latest Practicable Date, none of the subsidiaries of the Company, the pension fund of the Group, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders and exempt fund managers) had owned, controlled or dealt for value in any Shares, Options, Convertible Preference Shares or any other convertible securities, warrants, options or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.
- (d) During the Offer Period and up to the Latest Practicable Date, save for the Sale and Purchase Agreement, there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between any person and the Company or any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code.
- (e) During the Offer Period and up to the Latest Practicable Date, no Shares, Options, Convertible Preference Shares or any other convertible securities, warrants, options or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares, Options, Convertible Preference Shares or any other convertible securities, warrants, options or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

- (f) As at the Latest Practicable Date, neither the Company nor any Directors had borrowed or lent any Shares, Options, Convertible Preference Shares or any other convertible securities, warrants, options or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.
- (g) As at the Latest Practicable Date, save as disclosed in the section headed “Independent Board Committee and Independent Financial Adviser” in the “Letter from the Board” in respect of the 45,139,000 Shares held by Trend Best (a company wholly-owned by Mr. WANG Xiao, a non-executive Director), the Directors intend, in respect of their own beneficial shareholdings (if any), to accept the Offers.
- (h) As at the Latest Practicable Date, save as disclosed in the paragraph headed “Irrevocable Undertaking by the Vendor” in the “Letter from Somerley” contained in this Composite Document, no person had irrevocably committed himself/herself/itself to accept or reject the Offers.
- (i) As at the Latest Practicable Date, there was no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholder or Optionholder; and (2) the Company, its subsidiaries or associated companies.

5. SHAREHOLDING AND DEALINGS IN THE OFFEROR’S SECURITIES

During the Relevant Period and as at the Latest Practicable Date, none of the Company or any of the Directors was interested in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror, and none of the Company or any of the Directors had dealt for value in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

6. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

- (a) As at the Latest Practicable Date, no benefit (other than statutory compensation required under applicable laws) had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Offers.
- (b) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers.
- (c) As at the Latest Practicable Date, there were no material contract entered into by the Offeror in which any Director had a material personal interest.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, the Company was not engaged in any litigation of material importance and no litigation of material importance was, so far as the Directors were aware, pending or threatened against the Company.

8. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries, have been entered into by the members of the Group within two years preceding the date of the commencement of the Offer Period and up to and including the Latest Practicable Date and which are material:

- (a) the Deed of Cancellation dated 28 February 2020 executed by the Vendor in favour of the Company relating to the cancellation of 31,666,667 Convertible Preference Shares held by the Vendor (details of which are set out in the announcement of the Company dated 28 February 2020 and the circular of the Company dated 18 March 2020);

- (b) the subscription agreement dated 3 April 2020 entered into between the Company and Glory Class (as subscriber), pursuant to which Glory Class has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 90,278,000 subscription Shares at the subscription price of HK\$1.00 per subscription Share (details of which are set out in the announcements of the Company dated 3 April 2020 and 27 May 2020 and the circular of the Company dated 28 April 2020);
- (c) the subscription agreement dated 3 April 2020 entered into between the Company and HK Presstar (as subscriber), pursuant to which HK Presstar has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 45,139,000 subscription Shares at the subscription price of HK\$1.00 per subscription Share (details of which are set out in the announcements of the Company dated 3 April 2020 and 17 April 2020);
- (d) the subscription agreement dated 3 April 2020 entered into between the Company and Trend Best (as subscriber), pursuant to which Trend Best has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, 45,139,000 subscription Shares at the subscription price of HK\$1.00 per subscription Share (details of which are set out in the announcements of the Company dated 3 April 2020 and 17 April 2020); and
- (e) the revision to operating agreement of GR Realty dated 31 July 2020 (the “**Agreement**”) entered into among the Gemini-Rosemont Realty Holdings LLC, a wholly-owned subsidiary of the Company and other members of GR Realty, pursuant to which certain provisions regarding proceedings of the operating committee in GR Realty are revised. As a result of the Agreement, the Group has obtained control of GR Realty (details of which are set out in the announcement of the Company dated 31 July 2020).

9. EXPERTS AND CONSENTS

The following are the names and qualifications of the experts who have given opinions and recommendations which are contained in this Composite Document:

Name	Qualifications
Somerley Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
First Shanghai Capital Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
BMI Appraisals Limited	An independent professional property valuer
BDO Limited	Certified Public Accountants

As at the Latest Practicable Date, each of the experts named above had given and had not withdrawn its written consent to the issue of this Composite Document with the inclusion of its opinions, recommendations, letter of advice and/or all references to its name in the form and context in which they appear.

10. DIRECTORS' SERVICE CONTRACTS

Save as disclosed below, as at the Latest Practicable Date, there was no service contract with the Company or any of its subsidiaries or associated companies in force for the Directors (i) which (including both continuous and fixed term contracts) was entered into or amended within 6 months before the date of the commencement of the Offer Period; (ii) which is a continuous contract with a notice period of 12 months or more; or (iii) which is a fixed term contract with more than 12 months to run irrespective of the notice period:

- (a) Mr. SUM Pui Ying as an executive Director, entered into a service contract with the Company for a term of 1 year commencing from 9 August 2020, subject to early termination by either party giving the other not less than 2 months' prior notice in writing. The remuneration of Mr. SUM Pui Ying under such service contract is HK\$180,000 per annum;

- (b) Mr. LAI Kwok Hung, Alex as an executive Director, entered into a service contract with the Company for a term of 1 year commencing from 9 August 2020, subject to early termination by either party giving the other not less than 2 months' prior notice in writing. The remuneration of Mr. LAI Kwok Hung, Alex under such service contract is HK\$180,000 per annum;
- (c) Ms. LAM Yee Lan as an executive Director, entered into a service contract with the Company for a term of 1 year commencing from 15 June 2020, subject to early termination by either party giving the other not less than 2 months' prior notice in writing. The remuneration of Ms. LAM Yee Lan under such service contract is HK\$180,000 per annum; and
- (d) Mr. WANG Xiao as a non-executive Director, entered into a service contract with the Company for a term of 1 year commencing from 15 June 2020, subject to early termination by either party giving the other not less than 2 months' prior notice in writing. The remuneration of Mr. WANG Xiao under such service contract is HK\$180,000 per annum.

11. MISCELLANEOUS

- (a) The address of the registered office of the Company is Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong.
- (b) The share registrar of the Company is Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (c) The registered office of First Shanghai Capital Limited, the Independent Financial Adviser, is at 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) at the Company's principal place of business in Hong Kong at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong from 9:30 a.m. to 5:00 p.m. on any weekdays, except Saturdays, Sundays and public holidays; (ii) on the website of the SFC (www.sfc.hk); and (iii) on the website of the Company (<https://www.geminiinvestments.com.hk>) from the date of this Composite Document for as long as the Offers remain open for acceptance:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for each of the three financial years ended 31 December 2017, 2018 and 2019;
- (c) the interim report of the Company for the six months ended 30 June 2020;
- (d) this Composite Document and the accompanying Forms of Acceptance;
- (e) the letter from the Board, the text of which is set out on pages 30 to 43 of this Composite Document;
- (f) the letter from the Independent Board Committee to the Independent Shareholders and the Independent Optionholders, the text of which is set out on pages 44 to 46 of this Composite Document;
- (g) the letter of advice from the Independent Financial Adviser to the Independent Board Committee, the text of which is set out on pages 47 to 77 of this Composite Document;
- (h) the accountants' report from BDO Limited on the unaudited pro forma financial information of the enlarged Group, the text of which is set out in Appendix III to this Composite Document;
- (i) the property valuation report of the Group (including the valuation certificate) prepared by BMI Appraisals Limited, the text of which is set out in Appendix IV of this Composite Document;

- (j) the written consents referred to in the section headed “Experts and Consents” in this Appendix V;
- (k) the material contracts referred to in the section headed “Material Contracts” in this Appendix V; and
- (l) the service contracts referred to in the section headed “Directors’ Service Contracts” in this Appendix V.

1. RESPONSIBILITY STATEMENT

The directors of the Offeror, Sino-Ocean Capital and Fortune Joy jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. DISCLOSURES OF INTERESTS IN THE COMPANY'S SECURITIES

The Offeror confirms that, as at the Latest Practicable Date, the Offeror and Offeror Concert Parties hold 403,006,625 Shares in aggregate, representing approximately 63.45% of the total issued share capital of the Company, 4,000,000 Options in aggregate and 754,333,333 Convertible Preference Shares in aggregate. Save as aforesaid, as at the Latest Practicable Date, neither the Offeror nor Offeror Concert Parties hold, control or have direction over any Shares or hold any convertible securities, warrants, options or derivatives in respect of the Company.

The above-mentioned 403,006,625 Shares comprise of (i) 244,796,125 Shares held by the Offeror; (ii) 157,986,500 Shares held by the Vendor; and (iii) an aggregate of 224,000 Shares held by Mr. WANG Honghui, Ms. CHAN Ka Man and Mr. CHEUNG Tei Sing Jamie. Mr. WANG Honghui is a director of each of the Offeror, Sino-Ocean Capital, Fortune Joy and Sino-Ocean Group. Ms. CHAN Ka Man is a director of the Offeror. Mr. CHEUNG Tei Sing Jamie is an executive director of Somerley Capital Holdings Limited, the parent company of Somerley, which is the financial adviser to the Offeror in respect of the Offers.

The above-mentioned 4,000,000 Options are held by Mr. LI Ming, who resigned as a Director on 30 July 2020 and, as at the Latest Practicable Date, is a director of each of Sino-Ocean Capital, Fortune Joy and Sino-Ocean Group, and are exercisable from 9 August 2013 to 22 June 2021 at the exercise price of HK\$0.96 per Share.

The above-mentioned 754,333,333 Convertible Preference Shares are held by the Vendor.

3. DEALINGS IN THE COMPANY'S SECURITIES

Save for (i) the subscription for 90,278,000 Shares by the Offeror at a subscription price of HK\$1.00 per Share on 27 May 2020; (ii) the sale by the Vendor, and the purchase by the Offeror, of 154,518,125 Sale Shares at a total consideration of HK\$169,969,937.50 (equivalent to HK\$1.10 per Sale Share) pursuant to the Sale and Purchase Agreement, completion of which took place on 19 November 2020; and (iii) the cancellation of 31,666,667 Convertible Preference Shares on 4 June 2020 pursuant to the Deed of Cancellation, neither the Offeror nor any of the Offeror Concert Parties had dealt for value in any Shares, Options, convertible securities and warrants of the Company or derivatives in respect of the relevant securities of the Company during the Relevant Period, and neither the Offeror nor any of the Offeror Concert Parties had entered into any outstanding derivative in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company as at the Latest Practicable Date.

4. ARRANGEMENTS IN CONNECTION WITH THE OFFERS

As at the Latest Practicable Date,

- (a) none of the Directors had been given any benefit as compensation for loss of office or otherwise in connection with the Offers;
- (b) save for the Irrevocable Undertaking, no agreement, arrangement or understanding (including any compensation arrangement) existed between the Offeror or any Offeror Concert Party and any of the Directors or recent Directors, Shareholders or recent Shareholders having any connection with or was dependent upon the Offers;
- (c) save for the Irrevocable Undertaking, no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code had been entered into between the Offeror or any Offeror Concert Party and any other person;
- (d) save for the Irrevocable Undertaking, no person who owned or controlled any Shares, Options, convertible securities and warrants of the Company or derivatives in respect of the relevant securities of the Company had irrevocably committed themselves to accept or reject the Offers;

- (e) there were no Shares, Options or convertible securities, warrants, options or derivatives in respect of Shares which the Offeror or any Offeror Concert Parties had borrowed or lent, save for borrowed securities (if any) which have been either on-lent or sold;
- (f) since the Offers are unconditional in all respects, there was no agreement or arrangement to which the Offeror was a party which related to the circumstances in which it might or might not invoke or seek to invoke a condition to the Offers;
- (g) save for the Irrevocable Undertaking, no arrangement of any kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code existed between a person on one hand and the Offeror or any Offeror Concert Parties or any other associate of them on the other hand during the Relevant Period;
- (h) the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Offers to any other persons and had no agreement, arrangement or understanding with any third party to do so.
- (i) there is no understanding, arrangement or agreement which would constitute a special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholder or Optionholder; and (2) the Offeror and the Offeror Concert Parties.

5. MISCELLANEOUS

- (a) The Offeror is a company incorporated in the BVI with limited liability. The address of the registered office of the Offeror is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI and its correspondence address in Hong Kong is Suite 601, One Pacific Place, 88 Queensway, Hong Kong. As at the Latest Practicable Date, the directors of the Offeror are Mr. WANG Honghui and Ms. CHAN Ka Man.
- (b) Sino-Ocean Capital is a company incorporated in Hong Kong with limited liability. The address of the registered office of Sino-Ocean Capital is Suite 601, One Pacific Place, 88 Queensway, Hong Kong. As at the Latest Practicable Date, the directors of Sino-Ocean Capital are Mr. LI Ming, Mr. WANG Honghui, Mr. ZHOU Yue, Mr. ZHANG Lisheng and Mr. KO Kwong Woon Ivan.

- (c) Fortune Joy is a company incorporated in the BVI with limited liability. The address of the registered office of Fortune Joy is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, BVI and its correspondence address in Hong Kong is Suite 601, One Pacific Place, 88 Queensway, Hong Kong. As at the Latest Practicable Date, the directors of Fortune Joy are Mr. LI Ming, Mr. WANG Honghui, Mr. ZHOU Yue, Mr. ZHANG Lisheng and Mr. KO Kwong Woon Ivan.
- (d) The registered office of Sino-Ocean Group is situated at Suite 601, One Pacific Place, 88 Queensway, Hong Kong.
- (e) The registered office of Somerley is situated at 20th Floor, China Building, 29 Queen's Road Central, Hong Kong.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) at the Company's principal place of business in Hong Kong at Room 3902, 39th Floor Tower One, Lippo Centre, No. 89 Queensway, Hong Kong from 9:30 a.m. to 5:00 p.m. on any weekdays, except public holidays; (ii) on the website of the SFC (www.sfc.hk); and (iii) on the website of the Company (<https://www.geminiinvestments.com.hk>) from the date of this Composite Document for as long as the Offers remain open for acceptance:

- (a) the memorandum and articles of association of the Offeror;
- (b) the letter from Somerley, the text of which is set out on pages 14 to 29 of this Composite Document;
- (c) the Option Offer Letter; and
- (d) the Irrevocable Undertaking.

The following is the form of the Option Offer Letter being sent to the Optionholders in connection with the Option Offer.



SOMERLEY CAPITAL LIMITED

20th Floor

China Building

29 Queen's Road Central

Hong Kong

10 December 2020

To the Optionholders,

Dear Sir or Madam,

**OPTION OFFER IN RELATION TO
UNCONDITIONAL MANDATORY CASH OFFERS
BY SOMERLEY CAPITAL LIMITED FOR AND ON BEHALF OF
ESTATE SPRING INTERNATIONAL LIMITED
TO ACQUIRE ALL ISSUED SHARES IN THE COMPANY
(OTHER THAN THE EXCLUDED SHARES AND THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY ESTATE SPRING INTERNATIONAL LIMITED)
AND CANCEL ALL OUTSTANDING OPTIONS OF THE COMPANY**

A composite offer and response document dated the same date as this letter jointly issued by Estate Spring International Limited (the “**Offeror**”) and Gemini Investments (Holdings) Limited (the “**Company**”) (the “**Composite Document**”) is enclosed with this letter. Terms used but not defined in this letter shall have the same meanings and construction as in the Composite Document. This letter should be read in conjunction with the Composite Document and the **PINK** Form of Option Offer Acceptance.

The Offeror and the Company issued a joint announcement dated 16 November 2020 (the “**Joint Announcement**”) which stated that, among others, Somerley, on behalf of the Offeror, would make a possible unconditional mandatory cash offer to acquire all of the Offer Shares. As stated in the Joint Announcement, as part of the Offers, Somerley, on behalf of the Offeror, would make an appropriate offer, namely the Option Offer, to the Optionholders for the cancellation of all outstanding Options in accordance with Rule 13 of the Takeovers Code. The Option Offer is now being made on the terms of this letter.

This letter explains the actions you may take in relation to your outstanding Options. You are advised to refer to the Composite Document and the **PINK** Form of Option Offer Acceptance when considering them.

Your attention is also drawn to the terms and conditions of the Share Option Scheme.

1. TERMS OF THE OPTION OFFER

In accordance with Rule 13 of the Takeovers Code and on behalf of the Offeror, Somerley is making the Option Offer to you for the cancellation of every Option, which has been fully vested, on the following basis:

For cancellation of each outstanding Option with an exercise price of:

HK\$1.40 (2,300,000 Options in total) HK\$0.00001 in cash

HK\$0.96 (25,216,000 Options in total) HK\$0.14 in cash

HK\$1.27 (3,290,000 Options in total) HK\$0.00001 in cash

Pursuant to Rule 13 of the Takeovers Code and Practice Note 6 of the Takeovers Code, the offer price for the outstanding Options would normally represent the difference between the exercise price of the Options and the Share Offer Price. Under the Option Offer, given that the exercise prices of 5,590,000 of the outstanding Options are above the Share Offer Price, such 5,590,000 of the outstanding Options are out-of-money and the offer price for each such outstanding Option is at a nominal value of HK\$0.00001. In respect of 25,216,000 of the outstanding Options the exercise price of which is below the Share Offer Price, the above offer price for such 25,216,000 of the outstanding Options represents the difference between the Share Offer Price and the relevant exercise price (i.e. HK\$0.96).

Optionholders should note that, pursuant to the Share Option Scheme, if there is an unconditional general offer made to the Shareholders, the Optionholders may within 21 days of the notice of the Company exercise the Option (to the extent which has become exercisable and not already exercised) to its full extent and after which the Options shall lapse automatically. As stated in the “Letter from the Board” set out in the Composite Document, as the Offers are unconditional, notice is hereby given to the Optionholders that the Options (all of which are exercisable) shall lapse automatically if they are not exercised within 21 days from the date of the Composite Document.

The Closing Date as disclosed in the “Expected Timetable” in the Composite Document is 31 December 2020. Further announcement(s) will be made in the event that there is any change to the Closing Date.

All payments in respect of the Option Offer Price will be made by cheques drawn in the name of the Optionholders who accept the Option Offer in Hong Kong dollars, which will be delivered to the office of the Company in Hong Kong at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong for collection by the Optionholders.

You are further advised to refer to the section headed “Overseas Shareholders and Overseas Optionholders” and the section headed “Taxation and Independent Advice” in the “Letter from Somerley” in the Composite Document, and the section headed “Nominee Registration” in “Appendix I – Further Terms of the Offers” to the Composite Document.

Your attention is drawn to the “Letter from the Independent Board Committee” to the Independent Shareholders and the Independent Optionholders set out in the Composite Document and the “Letter from the Independent Financial Adviser” set out in the Composite Document, which contain the recommendations of the Independent Board Committee and of the Independent Financial Adviser, respectively, in relation to the Offers.

2. COURSES OF ACTION AVAILABLE TO THE OPTIONHOLDERS

In summary, the choices available to you in respect of your outstanding Options are:

- (a) to the extent any of your outstanding Options is not exercised on or prior to 31 December 2020 (being the last day of the 21 days’ notice), you may accept the Option Offer in accordance with its terms (as set out in the Composite Document and the **PINK** Form of Option Offer Acceptance) and receive the Option Offer Price, by allowing such unexercised outstanding Options to remain unexercised on 31 December 2020, and returning, duly completed and signed, the **PINK** Form of Option Offer Acceptance enclosed together with the relevant document(s) as soon as possible and in any event by no later than 4:00 p.m. (Hong Kong time) on 31 December 2020 (being the first closing date of the Offers);
- (b) you may in accordance with the terms of the Share Option Scheme exercise all of your outstanding Options (to the extent not already exercised) or only some of them to the extent specified in your notice of exercise, by submitting a notice of exercise of Options to the Company within 21 days from the date of the Composite Document. You are reminded that there may be a time lag between the date of exercise of your outstanding Options and the date of receipt of your Shares due to the time required for the administrative procedures for exercising the Options. Any Shares issued prior to 31 December

2020 as a result of the exercise of such outstanding Options as mentioned above will be subject to and eligible to participate in the Share Offer. Please refer to the Composite Document for the details of the Offers in this regard; or

- (c) do nothing, in which case, as the Offers are unconditional in all aspects, your unexercised outstanding Options will lapse automatically after 21 days from the date of the Composite Document and you will not receive the Option Offer Price.

Each outstanding Option you hold is independent and you should make a separate decision for each one.

For further details, please refer to the remaining sections of this letter, the Composite Document, the **PINK** Form of Option Offer Acceptance and the terms and conditions of the Share Option Scheme.

3. LAPSED OPTIONS

Please note that nothing in this letter or the Composite Document serves to extend the life of an Option which lapses, will lapse, or has already lapsed under the terms of the Share Option Scheme. You cannot exercise or accept the Option Offer in respect of an Option once it lapses in accordance with its terms.

4. PROFESSIONAL ADVICE

The information provided in this letter is intended to give you factual details on which to base your decision as to the action you wish to take.

If you are in any doubt as to any aspect of this letter, the Composite Document or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

5. GENERAL

- (a) All communications, notices, the **PINK** Form of Option Offer Acceptance, cheques, certificates and other documents of any nature, if delivered by or sent to or from you as an Optionholder or your designated agents by post, shall be posted at your own risk, and none of the Offeror, the Company or Somerley and any of their respective directors, the Registrar and other parties involved in the Offers and any of their respective agents accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.

- (b) The provisions set out in the Composite Document and the **PINK** Form of Option Offer Acceptance form part of the terms of the Option Offer.
- (c) The Option Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (d) The due execution of a **PINK** Form of Option Offer Acceptance in respect of the Option Offer will constitute an authority to the Offeror, Somerley or such person(s) as any of them may direct (i) to complete on behalf of the accepting Optionholder the **PINK** Form of Option Offer Acceptance and any other document(s) and (ii) to do any other act that may be necessary or expedient for the purpose of cancelling all rights of the Optionholders in respect of the outstanding Options which are the subject of such acceptance.
- (e) By completing the **PINK** Form of Option Offer Acceptance in respect of a particular outstanding Option, you irrevocably authorise the Offeror, Somerley and/or their respective agents to send a cheque for collection at the office of the Company in Hong Kong.

6. ACTIONS TO BE TAKEN FOR ACCEPTING THE OPTION OFFER

In order to accept the Option Offer, you must deliver the duly completed and signed **PINK** Form of Option Offer Acceptance together with the relevant certificate(s), document(s) of title or entitlement in respect of the Options, and/or any other document(s) (if applicable) evidencing the grant of the Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) for your holding of Options (or if applicable, for not less than the number of Options in respect of which you intend to accept the Option Offer), by post or by hand, to the Company at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong marked **“Gemini Investments (Holdings) Limited — Option Offer”** on the envelope so as to reach the Company as soon as possible but in any event by no later than 4:00 p.m. (Hong Kong time) on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.

Before delivering the **PINK** Form of Option Offer Acceptance to the Company, please ensure that you have signed the **PINK** Form of Option Offer Acceptance and that your signature has been witnessed.

Payment of the Option Offer Price will be made within seven (7) Business Days following the date of receipt of the duly completed **PINK** Form of Option Offer Acceptance and all relevant document(s) by the Company to render such acceptance, surrender and cancellation under the Option Offer valid.

No acknowledgment of receipt of any **PINK** Form of Option Offer Acceptance and/or the relevant certificate(s), document(s) of title or entitlement in respect of your Options and/or any other document(s) (if applicable) evidencing the grant of the Options to you (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

7. RESPONSIBILITY STATEMENTS

The directors of the Offeror, Sino-Ocean Capital and Fortune Joy jointly and severally accept full responsibility for the accuracy of the information contained in this letter (other than the information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this letter (other than the opinions expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information relating to the Group contained in this letter and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed by the Board or the Group in this letter have been arrived at after due and careful consideration and there are no other facts not contained in this letter, the omission of which would make any statement in this letter misleading.

Yours faithfully,

For and on behalf of

SOMERLEY CAPITAL LIMITED

John Wong

Director

Somerley Capital Limited is a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO.