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Gemini Property Investments Limited
盛洋地產投資有限公司

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

ANNOUNCEMENT OF ANNUAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2010

The Board of Directors are pleased to announce the audited consolidated results of Gemini Property Investments Limited (the “Company”) and its subsidiaries (together referred to as “our Group” or “We”) for the year ended 31 December 2010. The audited report has been reviewed by the Company’s audit committee.

The year of 2010 was a new chapter for our Group. In October 2010, Sino-Ocean Land (Hong Kong) Limited, a principal subsidiary of Sino-Ocean Land Holdings Limited (“Sino-Ocean Land”), became the single largest shareholder of our Group and currently holds approximately 70.15% equity interests in the Company. Our Group welcomes such change and believes that through leveraging our close relationship with the powerful and resourceful Sino-Ocean Land, our Group will become better known in the capital market and have easier access to capital for our future business expansion.

At this new juncture the Board is currently formulating our Group’s new business plan and strategy. The Board recommends reserving the cash resources for business expansion in 2011 in order to bring in greater future profit to our shareholders. The Board therefore does not recommend any final dividend for the financial year of 2010.

MARKET OVERVIEW

In 2010, the Central Government of the PRC implemented various regulatory macro-policies including the “New 10 State Rules” promulgated by the State Council, speeding up the introduction of property tax and suspending lending for third home mortgage — all focused on suppressing investment-purpose demands.

Nevertheless, given the current economic development, continuous urbanization and the demographic structure in the PRC, we remain positive towards the PRC property market on a medium to long term perspective as we expect housing demand will remain strong fundamentally even with the slight increase in prices. We believe that the macro-economic control policy and the tightening of credit directed at the property sector in 2011 will still be in force and will lead to more consolidation and new opportunities.

Despite the tightening policies and inflationary pressure faced by the property market in the PRC, we believe the Central Government of the PRC will continue its efforts in catering for the housing demands of different income groups as well as ensuring a healthy and sustained growth of the property market.

The global financial markets continued their recovery in 2010 while Hong Kong and the PRC stock markets experienced a slowdown in growth even though GDP growth in these two regions still maintained at a high level. In the four quarters in 2010, the Hang Seng Index and MSCI China Index only increased 5.5% and 2.6% respectively, compared to an 11.6% annual growth of S&P 500 Index. Such decoupling of economic growth and stock market movement in both Hong Kong and the PRC reflected investors’ concerns on inflation and possible asset bubbles problems in these regions that could attract further tightening policy on both credit and liquidity.

In 2011, we expect the global equity markets will remain fragile and volatile as the global economies are anticipated to face challenges together with opportunities. As a result of the recovery of the US economy, more opportunities will be anticipated around the developed countries. However, continuous concerns over sovereign debts in Europe and inflationary pressure brought by hot money floating among emerging markets will no doubt pose significant challenges to the global equity markets. We will take a cautious approach in our investment, primarily focusing on the PRC and Hong Kong stock markets to grasp opportunities in the year 2011.

FINANCIAL OVERVIEW

During 2010, our Group recorded a total revenue of HK\$18,727,000 (2009: HK\$24,678,000) and loss attributable to owners of the Company of HK\$29,490,000 (2009: profit of HK\$79,711,000). A loss was recorded in the year under review mainly due to loss arising from changes in fair value investment properties of approximately HK\$29,417,000 and our Group's restructuring during 2010. All subsidiaries engaged in trading business were distributed to our shareholders through the method of distribution in specie to those shareholders whose names appeared on the register of members of the Company on 7 October 2010 (the "Reorganization"). The distribution in specie contemplated thereunder amounted to approximately HK\$85,535,000, and the difference of approximately HK\$18,371,000 between the fair value of the distribution and the carrying value of the allocated net assets was accounted for in the profit and loss for the year under the principle of IFRIC — Int 17 (Distributions of Non-cash Assets to Owners). As a result, our Group recorded a loss per share of 6.62 HK cents in 2010 versus an earnings per share of 17.89 HK cents in 2009.

Nevertheless, excluding the one-off fair value changes of investment properties, a profit before taxation of HK\$4,452,000 would be recorded in 2010 from our continuing operation.

As at 31 December 2010, the cash and short term bank deposits of our Group amounted to approximately HK\$128,471,000 (2009: HK\$233,792,000). As at 31 December 2010, our Group had no bank borrowing or debt outstanding compared to approximately HK\$188,855,000 in 2009. The healthy financial position with a net cash amount of HK\$128,471,000 will enable our Group to further finance future expansion through the use of bank borrowing and other means of financial leveraging.

Consolidated Statement of Comprehensive Income

For the year ended 31st December

	<i>NOTES</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i> <i>(Restated)</i>
Continuing operations			
Turnover	2	18,727	24,678
Other income		8,518	7,493
Staff costs		(8,428)	(8,608)
Depreciation		(682)	(1,088)
Other expenses		(20,957)	(9,090)
(Loss) gain arising from changes in fair value of financial instruments held for trading		(2,797)	4,200
Gain arising from changes in fair value of other investment		10,222	1,665
(Loss) gain arising from changes in fair value of investment properties		(29,417)	70,039
Finance costs		<u>(151)</u>	<u>(274)</u>
(Loss) profit before taxation		(24,965)	89,015
Income tax expense	3	<u>(1,372)</u>	<u>(10,232)</u>
(Loss) profit for the year from continuing operations		(26,337)	78,783
Discontinued operations			
Profit for the year from discontinued operations		16,595	6,896
Loss arising from distribution in specie of shares in a subsidiary	6	<u>(18,371)</u>	<u>—</u>
		<u>(1,776)</u>	<u>6,896</u>
(Loss) profit for the year		<u>(28,113)</u>	<u>85,679</u>
Other comprehensive income			
Exchange differences arising on translation		16,081	1,344
Release of translation reserve upon distribution in specie of shares in a subsidiary	6	<u>(10,858)</u>	<u>—</u>
Other comprehensive income for the year		<u>5,223</u>	<u>1,344</u>
Total comprehensive (expense) income for the year		<u>(22,890)</u>	<u>87,023</u>

	<i>NOTES</i>	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i> <i>(Restated)</i>
(Loss) profit for the year attributable to:			
Owners of the Company			
— (Loss) profit for the year from continuing operations		(25,645)	74,749
— (Loss) profit for the year from discontinued operations		<u>(3,845)</u>	<u>4,962</u>
(Loss) profit for the year attributable to owners of the Company		<u>(29,490)</u>	<u>79,711</u>
Non-controlling interests			
— (Loss) profit for the year from continuing operations		(692)	4,034
— Profit for the year from discontinued operations		<u>2,069</u>	<u>1,934</u>
Profit for the year attributable to non-controlling interests		<u>1,377</u>	<u>5,968</u>
		<u>(28,113)</u>	<u>85,679</u>
Total comprehensive (expense) income attributable to:			
Owners of the Company		(25,459)	80,718
Non-controlling interests		<u>2,569</u>	<u>6,305</u>
		<u>(22,890)</u>	<u>87,023</u>
From continuing and discontinued operations			
(Loss) earnings per share - basic (HK cents)	4	<u>(6.62)</u>	<u>17.89</u>
From continuing operation			
(Loss) earnings per share - basic (HK cents)	4	<u>(5.76)</u>	<u>16.78</u>

Statement of Financial Position

At 31st December

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current Assets				
Investment properties	311,428	377,997	—	—
Property, plant and equipment	191	26,338	—	102
Investments in subsidiaries	—	—	29	7,177
Interest in an associate	—	—	—	—
Amounts due from subsidiaries	—	—	280,248	300,048
	<u>311,619</u>	<u>404,335</u>	<u>280,277</u>	<u>307,327</u>
Current Assets				
Inventories	—	72,674	—	—
Debtors, deposits and prepayments	6,211	71,829	165	878
Bills receivable	—	2,788	—	—
Amount due from a fellow subsidiary	6,091	—	—	—
Financial instruments held for trading	34,199	102,671	—	—
Other investment	51,364	23,821	—	—
Taxation recoverable	107	1,460	—	—
Short term bank deposits	40,008	81,080	19,464	—
Bank balances and cash	88,463	152,712	20,064	186
	<u>226,443</u>	<u>509,035</u>	<u>39,693</u>	<u>1,064</u>
Current Liabilities				
Creditors and accrued charges	10,244	29,353	1,002	10,750
Amounts due to minority shareholders of subsidiaries	4,048	4,048	—	—
Taxation payable	78	2,362	—	—
Bank borrowings	—	188,855	—	15,500
	<u>14,370</u>	<u>224,618</u>	<u>1,002</u>	<u>26,250</u>
Net Current Assets (Liabilities)	<u>212,073</u>	<u>284,417</u>	<u>38,691</u>	<u>(25,186)</u>
Total Assets Less Current Liabilities	<u>523,692</u>	<u>688,752</u>	<u>318,968</u>	<u>282,141</u>

	THE GROUP		THE COMPANY	
	2010	2009	2010	2009
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital and Reserves				
Share capital	22,275	22,275	22,275	22,275
Reserves	<u>478,865</u>	<u>613,823</u>	<u>296,693</u>	<u>259,866</u>
Equity attributable to owners of the Company	501,140	636,098	318,968	282,141
Non-controlling interests	<u>14,336</u>	<u>34,306</u>	<u>—</u>	<u>—</u>
Total Equity	515,476	670,404	318,968	282,141
Non-current Liabilities				
Deferred tax liabilities	<u>8,216</u>	<u>18,348</u>	<u>—</u>	<u>—</u>
	<u>523,692</u>	<u>688,752</u>	<u>318,968</u>	<u>282,141</u>

Consolidated Statement of Changes in Equity

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Property revaluation reserve <i>HK\$'000</i>	Translation reserve <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Attributable to owners of the Company <i>HK\$'000</i>	Non- controlling interests <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1st January, 2009	<u>22,275</u>	<u>153,728</u>	<u>18,840</u>	<u>21,916</u>	<u>338,621</u>	<u>555,380</u>	<u>30,933</u>	<u>586,313</u>
Exchange differences arising on translation of foreign operations	—	—	—	1,007	—	1,007	337	1,344
Profit for the year	—	—	—	—	79,711	79,711	5,968	85,679
Total comprehensive income for the year	—	—	—	1,007	79,711	80,718	6,305	87,023
Dividend paid	—	—	—	—	—	—	(2,932)	(2,932)
At 31st December, 2009	<u>22,275</u>	<u>153,728</u>	<u>18,840</u>	<u>22,923</u>	<u>418,332</u>	<u>636,098</u>	<u>34,306</u>	<u>670,404</u>
Exchange differences arising on translation of foreign operations	—	—	—	14,889	—	14,889	1,192	16,081
Release upon distribution in specie of shares in a subsidiary (Note 6)	—	—	—	(10,858)	—	(10,858)	—	(10,858)
(Loss) profit for the year	—	—	—	—	(29,490)	(29,490)	1,377	(28,113)
Total comprehensive income (expense) for the year	—	—	—	4,031	(29,490)	(25,459)	2,569	(22,890)
Release of deferred tax liability upon distribution in specie of shares in a subsidiary	—	—	2,766	—	—	2,766	—	2,766
Dividend paid (Note 5)	—	—	—	—	(26,730)	(26,730)	(3,884)	(30,614)
Special dividend by way of distribution in specie of shares in a subsidiary (Note 5, 6)	—	—	—	—	(85,535)	(85,535)	(18,655)	(104,190)
Release upon distribution in specie of shares in a subsidiary	—	—	(21,606)	—	21,606	—	—	—
At 31st December, 2010	<u>22,275</u>	<u>153,728</u>	<u>—</u>	<u>26,954</u>	<u>298,183</u>	<u>501,140</u>	<u>14,336</u>	<u>515,476</u>

NOTES TO THE FINANCIAL STATEMENTS

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”)

In the current year, the Group and the Company have applied the following new and revised Standards, Amendments and Interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

HKFRS 2 (Amendments)	Group Cash-settled Share-based Payment Transactions
HKFRS 3 (as revised in 2008)	Business Combinations
HKAS 27 (as revised in 2008)	Consolidated and Separate Financial Statements
HKAS 39 (Amendments)	Eligible Hedged Items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC) - Int 17	Distributions of Non-cash Assets to Owners
HK - Int 5	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Except as described below, the adoption of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these financial statements and/or disclosures set out in these financial statements.

Amendments to HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations (as part of Improvements to HKFRSs issued in 2009)

The amendments to HKFRS 5 clarify that the disclosure requirements in HKFRSs other than HKFRS 5 do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless those HKFRSs require (i) specific disclosures in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations, or (ii) disclosures about measurement of assets and liabilities within a disposal group that are not within the scope of the measurement requirement of HKFRS 5 and the disclosures are not already provided in the consolidated financial statements.

HKAS 27 (as revised in 2008) Consolidated and Separate Financial Statements

The application of HKAS 27 (as revised in 2008) has resulted in changes in the Group's accounting policies for changes in ownership interests in subsidiaries of the Group.

HK (IFRIC) - Int 17 clarifies that a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity. Under HK (IFRIC) - Int 17, the dividend should be measured at the fair value of the assets to be distributed, and any difference between the carrying amount of the dividend payable and the previous carrying amount of the assets distributed should be recognised in profit or loss when the entity settles the dividend payable. This accounting treatment has no material effect to the financial statements.

The Group and the Company have not early applied the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKFRS 1 (Amendments)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters ²
HKFRS 7 (Amendments)	Disclosures - Transfers of Financial Assets ³
HKFRS 9	Financial Instruments ⁴
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁵
HKAS 24 (Revised)	Related Party Disclosures ⁶
HKAS 32 (Amendments)	Classification of Rights Issues ⁷
HK(IFRIC) - Int 14 (Amendments)	Prepayments of a Minimum Funding Requirement ⁶
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments ²

¹ Effective for annual periods beginning on or after 1st July, 2010 or 1st January, 2011, as appropriate

² Effective for annual periods beginning on or after 1st July, 2010

³ Effective for annual periods beginning on or after 1st July, 2011

⁴ Effective for annual periods beginning on or after 1st January, 2013

⁵ Effective for annual periods beginning on or after 1st January, 2012

⁶ Effective for annual periods beginning on or after 1st January, 2011

⁷ Effective for annual periods beginning on or after 1st February, 2010

2. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

Specifically, the Group's reportable segments under HKFRS 8 are as follows:

1. Property investments-rental income from leasing of office and residential properties

2. Securities and other investments-investing in various securities and generating investment income

Operations regarding the sales of chemicals and metals was discontinued in the current year. The segment information reported below does not include any amounts for these discontinued operations.

The following is an analysis of the Group's revenue and results from continuous operation by reportable segment.

For the year ended 31st December, 2010

Continuing operations

	Property investments <i>HK\$'000</i>	Securities and other investments <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<i>Turnover</i>				
External revenue	17,801	926	—	18,727
Inter-segment revenue	<u>836</u>	<u>—</u>	<u>(836)</u>	<u>—</u>
Total turnover	<u><u>18,637</u></u>	<u><u>926</u></u>	<u><u>(836)</u></u>	<u><u>18,727</u></u>
Segment result	(13,977)	7,830	—	(6,147)
Interest income from bank deposits				635
Unallocated other income				3,700
Unallocated corporate expenses				(23,002)
Finance costs				<u>(151)</u>
Loss before taxation				(24,965)
Income tax expense				<u>(1,372)</u>
Loss for the year				<u><u>(26,337)</u></u>

For the year ended 31st December, 2009

Continuing operations

	Property investments	Securities and other investments	Eliminations	Consolidated
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Turnover</i>				
External revenue	22,995	1,683	—	24,678
Inter-segment revenue	<u>2,230</u>	<u>—</u>	<u>(2,230)</u>	<u>—</u>
Total turnover	<u>25,225</u>	<u>1,683</u>	<u>(2,230)</u>	<u>24,678</u>
Segment result	89,483	7,745	—	97,228
Interest income from bank deposits				183
Unallocated other income				3,417
Unallocated corporate expenses				(11,539)
Finance costs				<u>(274)</u>
Profit before taxation				89,015
Income tax expense				<u>(10,232)</u>
Profit for the year				<u>78,783</u>

Inter-segment sales are charged at prevailing market rates.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment result represents the profit or loss by each segment without allocation of interest income from bank deposits, unallocated other income, unallocated corporate expenses (including central administration costs and directors' remuneration) and finance costs. This is the measure reported to the board of directors for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	31.12.2010	31.12.2009
	<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Assets</i>		
Segment assets from continuing operations		
— Property investments	323,722	399,378
— Securities and other investments	85,593	126,611
Unallocated assets	<u>128,747</u>	<u>236,009</u>
	538,062	761,998
Assets relating to discontinued operations		
— Sales of chemicals and materials	<u>—</u>	<u>151,372</u>
Consolidated total assets	<u>538,062</u>	<u>913,370</u>
<i>Liabilities</i>		
Segment liabilities from continuing operations		
— Property investments	2,111	14,137
— Securities and other investments	551	406
Unallocated liabilities	<u>19,924</u>	<u>216,049</u>
	22,586	230,592
Liabilities relating to discontinued operations		
— Sales of chemicals and metals	<u>—</u>	<u>12,374</u>
Consolidated total liabilities	<u>22,586</u>	<u>242,966</u>

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable segments other than interest in an associate, other receivables, taxation recoverable, short term bank deposits, bank balances and cash; and
- all liabilities are allocated to reportable segments other than other creditors, amounts due to minority shareholders of subsidiaries, taxation payable, bank borrowings, and deferred tax liabilities.

For the year ended 31st December, 2010

Other segment information

Continuing operations

	Property investments	Securities and other investments	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:			
Capital expenditure	7	26	33
Depreciation	681	1	682
Loss arising from changes in fair value of investment properties	(29,417)	—	(29,417)
Loss arising from changes in fair value of financial instruments held for trading	—	(2,797)	(2,797)
Gain arising from changes in fair value of other investment	—	10,222	10,222

For the year ended 31st December, 2009

Other segment information

Continuing operations

	Property investments	Securities and other investments	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:			
Capital expenditure	19	—	19
Depreciation	1,088	—	1,088
Gain arising from changes in fair value of investment properties	70,039	—	70,039
Gain arising from changes in fair value of financial instruments held for trading	—	4,088	4,088
Gain arising from changes in fair value of other investment	—	1,665	1,665
Gain arising from changes in fair value of foreign exchange yield linked deposit	—	112	112

Geographical information

The Group's operations are located in Hong Kong (place of domicile) and elsewhere in the People's Republic of China ("PRC").

The Group's revenue from external customers and its non-current assets, other than financial instruments, by geographical location of the assets regarding its continuing operations are detailed below:

	Revenue from external customers		Non-current assets	
	2010 HK\$'000	2009 HK\$'000	2010 HK\$'000	2009 HK\$'000
Hong Kong	757	1,096	25	37,492
Elsewhere in the PRC	17,044	21,899	311,594	335,363
Others	<u>926</u>	<u>1,683</u>	<u>—</u>	<u>—</u>
	<u>18,727</u>	<u>24,678</u>	<u>311,619</u>	<u>372,855</u>

No revenue from individual customer contribute over 10% of the total sales of the Group for both years presented.

3 INCOME TAX EXPENSE

	2010 HK\$'000	2009 HK\$'000 (Restated)
The taxation attributable to the Group's continuing operations comprises:		
Current taxation		
Hong Kong Profits Tax	215	316
Profits tax outside Hong Kong	<u>3,336</u>	<u>6,374</u>
	3,551	6,690
Overprovision in prior years		
Hong Kong Profits Tax	<u>21</u>	<u>(23)</u>
	3,572	6,667
Deferred taxation		
Current year	<u>(2,200)</u>	<u>3,565</u>
	<u>1,372</u>	<u>10,232</u>

Hong Kong Profit Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of relevant subsidiaries of the Company is calculated at 7.5% from 1st January, 2008 onwards.

Taxation arising in other countries outside PRC is calculated at the rates prevailing in the relevant jurisdictions.

4. (LOSS) EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic (loss) earnings per share attributable to equity holders of the Company is based on the loss for the year of HK\$29,490,000 (2009: profit of HK\$79,711,000) and on 445,500,000 ordinary shares (2009: 445,500,000 ordinary shares) in issue during the year.

For continuing operations

The calculation of the basic (loss) earnings per share attributable to equity holders of the Company is based on the loss for the year of HK\$25,645,000 (2009: profit of HK\$74,749,000) and on 445,500,000 ordinary shares (2009: 445,500,000 ordinary shares) in issue during the year.

For discontinued operations

The basic (loss) per share attributable to equity holders of the Company is 0.86 HK cents (2009: earnings 1.11 HK cents) which is based on the loss for the year of HK\$3,845,000 (2009: profit of HK\$4,962,000) and on 445,500,000 ordinary shares (2009: 445,500,000 ordinary shares) in issue during the year.

No diluted (loss) earnings per share have been presented as there were no dilutive potential ordinary shares in issue in both years presented.

5. DIVIDENDS

	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>
Dividends recognised as distributions during the year:		
Final dividend paid in respect of 2009 of 6 HK cents per ordinary share	26,730	—
Special dividend by way of distribution in specie of shares in a subsidiary (Note 6)	<u>85,535</u>	<u>—</u>
	<u>112,265</u>	<u>—</u>

6. DISTRIBUTION IN SPECIE OF SHARES IN A SUBSIDIARY

During the year, at an extraordinary general meeting held on 7th October, 2010, the shareholders of the Company approved the group reorganisation which required the transfer of the subsidiaries carrying on trading business of chemicals and metals to Kee Shing Investment (BVI) Limited (“KSL”) and a subsequent payment of a special dividend for the year ended 31st December, 2010 satisfied by way of a distribution in specie of ordinary shares in KSL.

The net assets of the subsidiaries were as follows:

	<i>HK\$'000</i>
Analysis of assets and liabilities over which control was lost:	
Investment properties	30,554
Property, plant and equipment	26,008
Inventories	87,534
Debtors, deposits and prepayment	59,512
Bills receivable	8,565
Financial instruments held for trading	54,860
Bank balances and cash	121,870
Creditors and accrued charges	(18,055)
Bills payable	(269)
Deferred taxation liabilities	(6,006)
Taxation payable	(3,493)
Bank borrowings	<u>(227,661)</u>
Net assets transferred	<u>133,419</u>
Loss arising from distribution in specie of shares in a subsidiary:	
Distribution of shares in KSL at fair value	85,535
Net assets transferred	(133,419)
Non-controlling interest	18,655
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to retained profits on distribution in specie of shares in a subsidiary	<u>10,858</u>
Loss on distribution	<u>(18,371)</u>
Net cash outflow arising on distribution in specie of shares in a subsidiary :	
Bank balances and cash	<u>(121,870)</u>

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 20 April 2011 to Thursday, 21 April 2011, both days inclusive, during which period no transfer of Shares will be registered. The record date will be Thursday, 21 April 2011. In order to determine the identity of Shareholders who are entitled to attend and vote at the AGM, all Share transfers accompanied by the relevant Share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 19 April 2011.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed shares by the Company or any of its subsidiaries during the year.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the year ended 31 December 2010 with the Code in Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, with which it is required to report compliance except on the deviation of code A.2.1 of the Code.

Effective from 12 November 2010, Mr. LEUNG Shu Wing and Ms. LEUNG Miu King, Marina resigned as chairman and general manager respectively, Mr. LI Jianbo was appointed Chairman (the "Chairman") and General Manager ("General Manager") of the Company. Given the current corporate structure, there is no separation between the roles of the Chairman and General Manager as required under code A.2.1 of the Code. Although the responsibilities of the Chairman and General Manager are vested in one person, all major decisions are made in consultation with board members and senior management of the Company. There are three Independent Non-Executive Directors and one Non-Executive Director in the Board. The Board considers that there is sufficient balance of power and that the current arrangement maintains a strong management position while facilitating the ordinary business activities of the Company.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SHARE DEALING

All Directors have confirmed that they complied with the required standard set out in the Model Code contained in Appendix 10 of the Listing Rules and the Company's codes of conduct regarding Directors' securities transactions.

REMUNERATION COMMITTEE

The Remuneration Committee met once during the year. It currently comprises three Independent Non-Executive Directors and one Executive Director, namely LAW Tze Lun, LO Woon Bor, Henry and ZHENG Yun and Mr. LI Jianbo. All previous members namely Messrs. WONG Kong Chi, LAI Chung Wing, Robert, CHAN Wing Lee and WONG Chi Kin, resigned as members of the Remuneration Committee since 12 November 2010.

The role of the Committee is to assist the Board to oversee the policy and structure of the remuneration of the directors and senior management of the Group and to approve specific remuneration packages of all executive directors and senior management.

AUDIT COMMITTEE

The Audit Committee consists of three Independent Non-Executive Directors namely Mr. LAW Tze Lun, Mr. LO Woon Bor, Henry and Mr. ZHENG Yun. All previous members namely Messrs. WONG Kong Chi, LAI Chung Wing, Robert and CHAN Wing Lee resigned as members of the Audit Committee since 12 November 2010.

The Audit Committee is required, amongst other things, to oversee the relationship with external auditors, review the Company's annual and interim financial statements, and evaluate the Group's effectiveness of the systems of internal controls and risk management. The Committee has reviewed the effectiveness of internal controls for financial year of 2010.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at Level 10, World-wide House, 19 Des Voeux Road Central, Hong Kong on Thursday, 21 April 2011 at 10:30 a.m.. The notice of Annual General Meeting will be published on the Company's website at www.geminiproperty.com.hk and HKExnews website at www.hkexnews.hk, and despatched to the shareholders on or about 21 March 2011.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors, the Directors confirmed that the Company has maintained the amount of public float as required under the Listing Rules as at the latest practicable date prior to the issue of the annual report.

PUBLICATION OF ANNUAL REPORT

The 2010 annual report will be despatched to the shareholders and available on the Company's website at www.geminiproperty.com.hk and HKExnews website at www.hkexnews.hk on or about 21 March 2011.

APPRECIATION

Finally, on behalf of the Board, I would like to thank all shareholders who placed their strong confidence in our Group's management. I would also like to thank all our business partners and bankers who have continued to support us. We believe our major shareholder Sino-Ocean Land will continue to provide long term support to our future business development. As the saying goes "opportunities can always be found with challenges", we are confident that in 2011 we will overcome challenges and seize opportunities to achieve better performance and deliver higher returns to our shareholders.

By Order of the Board
Gemini Property Investments Limited
LI Jianbo
Chairman

Hong Kong, 16 March 2011

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

<i>Executive directors:</i>	<i>Non-executive director:</i>	<i>Independent non-executive directors:</i>
Mr. LI Jianbo Mr. ZHAO Yanjie	Mr. LI Hongbo	Mr. LAW Tze Lun Mr. LO Woon Bor, Henry Mr. ZHENG Yun