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**盛洋投資**

**Gemini Investments (Holdings) Limited**

**盛洋投資（控股）有限公司**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 174)**

**ANNOUNCEMENT OF ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

The board of directors of the Company (the “Board”) is pleased to announce the audited consolidated results of Gemini Investments (Holdings) Limited (the “Company”) and its subsidiaries (together referred to as “our Group” or “we”) for the year ended 31 December 2013 (the “Year” or “2013”). The audited consolidated results of the Company have been reviewed by the Company’s audit committee.

**ANNUAL RESULTS FOR 2013**

Profit attributable to owners of the Company recorded approximately HK\$39,153,000 for the year ended 31 December 2013, representing an increase of approximately 489% as compared to approximately HK\$6,645,000 for the last year. Basic earnings per share increased by approximately 489% to about 8.79 HK cents. The Group’s revenue for the Year amounted to approximately HK\$186,676,000, representing an increase of approximately 269%. The Board does not recommend any final dividend for the financial year of 2013 and intends to reserve more cash resources for further business development in 2014.

**BUSINESS AND STRATEGY REVIEW**

To achieve the business objective of growing the investment return by adopting a proactive but prudent approach in our investments, our Group has been performing all our tasks along a path of steady development of our core businesses, as well as capturing further investment opportunities.

## **Stabilizing performance of our existing investments**

Our existing investments mainly comprise property investments in Hong Kong, securities investments in listed equities, and fund investments.

Our Group's investment properties enjoyed a high occupancy rate during the Year. Rental income from the investment properties continued to provide our Group with stable recurrent income. Securities investments also brought steady return to our Group during the Year, as a result of our cautious approach to attain the goal of risk minimization and secure decent return at the same time. Successful exit from a project in Dalian by Sino Prosperity Real Estate Fund L.P., achieved lucrative investment return for our Group during the Year. As for fund investments segment, no revenue has yet been recognised from this segment during the Year. Change in fair value of fund investments, which were recorded as available-for-sale investments, of approximately HK\$9,868,000 was recorded in other comprehensive income in 2013.

## **Strengthening our financial and liquidity position**

In May 2013, our Group disposed of a subsidiary which owned certain units in Shui On Plaza in Shanghai for a price of approximately RMB138,311,000. Such disposal reflected our Group's seizing opportunities to realise its property portfolio at good market prices and provided funding for our Group towards other capital projects to capture opportunities with higher return.

In August 2013, to further strengthen our Group's resources, our Group obtained a ten-year subordinated loan of HK\$1,000 million (the "Sino-Ocean Land Loan") from Sino-Ocean Land Holdings Limited ("Sino-Ocean Land"), the controlling shareholder of the Company. In January 2014, our Group has renewed an existing HK\$500 million bank loan facility for a further term of three years. Those movements altogether strengthened the financial position and liquidity of our Group for any business expansion when appropriate opportunities arise.

## **Expansion and realignment of management resources**

2013 marked the beginning of a transformation journey for our Group. In August 2013, we expanded and realigned our core management along with strategic priorities on focusing its property related business activities from Mainland China to Hong Kong and the overseas markets, in order to build a stronger foundation for our future development and generate value and deliver sustainable returns to shareholders of our Group in the long run.

## **Diversifying our investment risk and enhancing our rate of return**

Our Group is actively and cautiously looking for further investment opportunities, which could enable our Group to diversify its investment risk and further enhance the rate of return through efficient access to a wider variety of investment channels.

Our Group has invested in several investments funds during the Year with an aggregate carrying value of approximately HK\$856,221,000 as at 31 December 2013. The investment scope of these funds mainly covers the areas of listed and unlisted securities, derivative contracts, foreign exchange and commodities, and real estates and related investments in developed countries, primarily in the U.S., Europe and Australia. Those investments funds are well managed by investment professionals with experiences and expertise in capital market, real estate and private equity.

In January 2014, our Group has invested in a minority interest in a property development project in Melbourne, Australia, for a total consideration of approximately HK\$97,700,000. Such investment has a guaranteed pre-tax return of 8% per annum which enable the Group to control its investment risk exposure.

## FINANCIAL REVIEW

### Revenue

During 2013, our Group recorded a total revenue of approximately HK\$186,676,000 (2012: approximately HK\$50,545,000). The rise in revenue was mainly due to increase in sales of gold bullions and management fee income by approximately HK\$119,568,000 and HK\$15,790,000, respectively.

The following table sets forth our Group's revenue breakdown for 2013 and 2012:

	<b>2013</b>	2012
	<b><i>HKD'000</i></b>	<i>HKD'000</i>
Rental revenue	<b>11,130</b>	11,855
Dividend income	<b>5,327</b>	3,829
Sales of gold bullions	<b>151,508</b>	31,940
Management fee income	<b>18,711</b>	2,921
	<b><u>186,676</u></b>	<u>50,545</u>

### Profit attributable to owners of the Company

During 2013, our Group recorded a profit attributable to owners of the Company of approximately HK\$39,153,000 (2012: approximately HK\$6,645,000). Consequently, our Group recorded basic earnings per share of 8.79 HK cents in 2013 versus 1.49 HK cents in 2012. Significant increase in profit attributable to owners of the Company in 2013 was mainly as a result of the gain on disposal of a wholly-owned subsidiary of the Company of approximately HK\$45,667,000 and the share of results of joint ventures of approximately HK\$26,714,000, offset by the increase in overall staff costs, taking into account of the share-based compensation cost, of approximately HK\$19,579,000 which mainly arose from the amortization of share options granted during the Year and decrease in gain arising from changes in fair value of financial instruments held for trading of approximately HK\$12,377,000.

## Financial Resources and Liquidity

Total assets and net asset value of our Group as at 31 December 2013 were approximately HK\$2,121,161,000 (2012: approximately HK\$1,074,616,000) and approximately HK\$544,605,000 (2012: approximately HK\$492,554,000), respectively.

On 15 August 2013, our Group entered into the Sino-Ocean Land Loan. Such loan will definitely support our future business development.

As at 31 December 2013, our Group recorded total borrowings of approximately HK\$1,549,915,000 (as at 31 December 2012, HK\$558,497,000), of which approximately HK\$549,753,000 will be repayable within one year and the remaining mainly constituted the Sino-Ocean Land Loan which shall be repayable in year 2023. Apart from the above, our Group did not have any other interest bearing debt as at 31 December 2013.

As at 31 December 2013, our Group had total cash resources (including bank balances and cash and short-term bank deposits) of approximately HK\$715,343,000 (2012: approximately HK\$399,244,000) and the current ratio was 1.56 times (2012: 8.10 times). As at 23 January 2014, an existing bank loan facility of HK\$500,000,000 of our Group has been renewed prior to the date of its expiry for a further three-year term. We are confident that we have ample financial resources to support our business expansion when appropriate.

In terms of net gearing ratio, calculated as total borrowings less cash resources divided by total shareholders' equity, our Group's net gearing ratio increased from 0.32 times to 1.53 times as at 31 December 2013, which was attributable mainly to the utilization of cash resources from the Sino-Ocean Land Loan.

## OPERATION REVIEW

### Property Investments

Investment properties provide a steady and reliable income and cash flow for our Group in addition to the possible capital gains from appreciation in value. Total rental income for 2013 decreased slightly by 6% to approximately HK\$11,130,000, while a revaluation gain on the investment properties of approximately HK\$334,000 was recorded (2012: approximately HK\$465,000).

On 8 February 2013, the Company entered into a sale and purchase agreement with an independent third party to dispose of the entire issued share capital in a wholly-owned subsidiary of our Group, which owned certain units in Shui On Plaza in Shanghai (the “Disposal”), with a gross floor area of approximately 27,717 square feet for a total consideration of approximately RMB138,311,000 and recognised a gain of approximately HK\$45,667,000. Details of the Disposal were disclosed in the circular of the Company dated 8 March 2013.

On 13 June 2013, our Group entered into a sale and purchase agreement with an independent third party for the acquisition of an office premise with a gross floor area of approximately 2,412 square feet in Tower Two Lippo Centre, Hong Kong for a consideration of approximately HK\$59,818,000.

### **Securities and Other Investments**

Security investment portfolio formed part of our Group's cash management activities, and the management of our Group is pleased to maintain a scalable investment portfolio with proper diversification to avoid the fluctuation of any single market.

Our Group recognised a total revenue for the Year of approximately HK\$156,835,000 (2012: approximately HK\$35,769,000) from securities and other investment which comprises dividend income of approximately HK\$5,327,000 (2012: approximately HK\$3,829,000) and sales of gold bullions of approximately HK\$151,508,000 (2012: approximately HK\$31,940,000). Moreover, our Group recorded a gain from changes in fair value of financial instruments held for trading of approximately HK\$8,895,000, which include a realised gain of about HK\$4,544,000 (2012: about HK\$7,181,000) and an unrealised gain of approximately HK\$4,351,000 (2012: approximately HK\$14,091,000).

The carrying value of our Group's portfolio of securities and other investments as at 31 December 2013 amounted to approximately HK\$206,568,000 (2012: approximately HK\$259,703,000). Decrease in the aforesaid carrying value was mainly because we realised profit in last quarter of 2013, so as to reduce our exposure on securities investment.

### **Fund Investments**

The carrying value of our fund investment portfolio as at 31 December 2013 amounted to approximately HK\$871,433,000 (2012: approximately HK\$10,559,000). During the Year, our Group has further invested in several investment funds, with aggregate carrying value amounted to about HK\$856,221,000 as at 31 December 2013. Such fund investments will enable our Group to diversify its investment risk and further enhance the rate of return through efficient access to a wider variety of investment channels to which our Group may not have direct access at the material time. It is our Group's objective to grow its investment return by adopting a proactive but prudent approach in its investments. No revenue has yet been recognised from fund investments segment during the Year. Change in fair value of fund investments, which were recorded as available-for-sale investments, of approximately HK\$9,868,000 was recognised in other comprehensive income in 2013.

### **Fund Management**

Revenue from fund management business of approximately HK\$18,711,000 was recorded during the Year (2012: approximately HK\$2,921,000). Increase in revenue from fund management business was due to our Group starting to receive revenue from this business segment only from last quarter of 2012.

Our Group recognised a gain of approximately HK\$26,714,000 from share of result of joint ventures, which was mainly from dividend distribution from Sino Prosperity Real Estate Fund L.P., on disposal of its interest in a property development project in Dalian, at a consideration of approximately US\$103,318,000 in March 2013.

## **MARKET REVIEW AND OUTLOOK**

During 2013, developed economies in Europe, the U.S. and Japan continued to see progressive recovery in the midst of the ongoing quantitative easing measures. The stabilization of the situation in Europe, steady improvements of the U.S. economy and the large-scale infusion of liquidity by the central bank in Japan, restored investors' confidence and led to gradual recovery of the real estate and security markets globally.

Looking forward to 2014, our Group anticipates that the momentum of improvements of the advanced economies is expected to continue, yet accompanied with low, fragile and uneven growths.

It is optimistic about the U.S. economy on better than expected corporate profit and economic release. The main drive of the US market will be strong corporate profit, sustainable employment and housing market recovery. However, the gradual tapering in the US's quantitative easing policy will still be one of the major events of focus. Even though the impact on interest rate is not expected to be reflected in the near future, such execution of tapering will increase both the volatility of capital flows and the risk of financial market turbulence.

The Eurozone is expected to experience a modest recovery amid an accommodative monetary stance. However the growth is unbalanced among countries, the unemployment rate might remain worryingly high and the inflation keeps at very low level.

The depreciation of Japanese Yen will continue to be the main drive of Japan's economy on aggressive quantitative easing programs. Yet, with the deteriorated customer buying power driven by the disappointing salary increment, the impact on pushing inflation to the 2% target is still questionable and there is potential risk of stagflation if the structural reform fails.

The intention of China's new leaders to implement marketization reforms and control surging local government investments and financing is becoming clear. It is expected that such reform will benefit the economy of China in the long term and achieve a sustainable growth by tackling current economy bottlenecks and unlocking the growth potential. Still, the relative tight liquidity, shrinking social financing scale and more stringent housing loan requirements might heap further downward pressure on the real estate market and infrastructure in the short term.

## **OTHER MATTERS**

Under our realigned management team, our transformation plan has maintained its course and we observe good progress as evidenced by our investment in four investments funds among which two target real estates and related investments in developed countries, primarily in the U.S. and Australia. In January 2014, our Group also invested a direct interest in a property development project in Melbourne, Australia. Our Group will keep looking for investment opportunities in major cities in developed countries that would benefit our Group in terms of both earnings potential and strategic development. Our Group is on the right track and our results are showing that we are laying the foundations for sustainable growth in future years. However, after the realisation of the Group's major PRC investments, which brought an one-off lucrative return in 2013, and since the financial results of our new investments are unlikely to be reflected in short term, our Group will definitely be under much pressure on its operating performance in the coming reporting period. Instead of over emphasizing on short term results, our Group values the balance between the short term and long term interests, which applies to the Company's notion in the capital market as well. We focus on creating long term value for our shareholders and avoid distraction by fluctuation of stock prices.

Just as every coin has two sides, a recovering but volatile economy brings us more investment opportunities, as well as increasing risks and challenges. With stabilized return, strengthened financial position and diversified assets structures achieved, our Group is confident that we will continue to capture investment opportunities which can provide sustainable growth and returns with the ultimate goal to maximize our shareholders' value in the long term. Building on the existing resources, barring unforeseen circumstances, our Group is confident in meeting its goal and overcoming the future challenges by seizing the opportunities ahead.

## **SUBSEQUENT EVENT AFTER THE REPORTING PERIOD**

### **Investment in a property project in Australia**

On 24 January 2014, Gemini Overseas Investments Limited ("Gemini Overseas") (an indirect wholly-owned subsidiary of the Company) entered into a subscription agreement (the "Subscription Agreement") with P0006 A'Beckett Pty Ltd., (the "Trustee") and ICD Land Pty. Ltd. (a company incorporated in Australia with limited liability), pursuant to which, among other things, Gemini Overseas agreed to subscribe for 199 ordinary units and 14,285,316 Class A Units of A'Beckett Street Trust (the "Trust") and 199 ordinary share(s) in the capital of the Trustee with a par value of A\$1.00 each for a total consideration of A\$14,285,714 (equivalent to approximately HK\$97,700,000). In conjunction with the Subscription Agreement, the parties also entered into a securityholders agreement on the same day to regulate the affairs of the Trust and the Trustee.

Details of the above transaction were disclosed in the announcement of the Company dated 24 January 2014.

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2013

	NOTES	2013 HK\$'000	2012 HK\$'000
Sales proceeds from disposal of financial instruments held for trading		<u>1,276,435</u>	<u>911,426</u>
Turnover	2	186,676	50,545
Changes in inventories of gold bullions		(159,363)	(33,142)
Other income	3	2,057	2,644
Staff costs		(13,475)	(7,838)
Share-based compensation	4	(13,942)	—
Depreciation		(409)	(186)
Other expenses		(14,238)	(10,288)
Gain arising from changes in fair value of financial instruments held for trading		8,895	21,272
Gain arising from changes in fair value of investment properties		334	465
Impairment loss on available-for-sale investments		—	(330)
Gain on disposal of a subsidiary			
– Excluding the translation reserve		33,963	—
– Reclassification from translation reserve upon disposal of the subsidiary		11,704	—
		45,667	—
Share of results of joint ventures	5	26,714	2,184
Finance costs	6	(25,048)	(16,682)
Profit before income tax	7	43,868	8,644
Income tax	8	(4,715)	(1,999)
<b>Profit for the year</b>	9	<u>39,153</u>	<u>6,645</u>
<b>Profit for the year attributable to:</b>			
Owners of the Company		<u>39,153</u>	<u>6,645</u>
<b>Earnings per share for profit attributable to owners of the Company</b>	10		
– basic (HK cents)		8.79	1.49
– diluted (HK cents)		8.75	N/A

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
<b>Profit for the year</b>	<b>39,153</b>	6,645
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified subsequently to profit and loss</i>		
– Exchange differences arising on translation of foreign operations	792	(2,215)
– Release of translation reserve upon disposal of a subsidiary	<b>(11,704)</b>	—
– Changes in fair value of available-for-sale investments	<b>9,868</b>	—
<b>Other comprehensive income for the year</b>	<b>(1,044)</b>	(2,215)
<b>Total comprehensive income for the year</b>	<b>38,109</b>	4,430
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	<b>38,109</b>	4,430

## STATEMENTS OF FINANCIAL POSITION

At 31 December 2013

	NOTES	THE GROUP		THE COMPANY	
		2013 HK\$'000	2012 HK\$'000	2013 HK\$'000	2012 HK\$'000
<b>Non-current Assets</b>					
Investment properties		317,700	394,859	—	—
Property, plant and equipment		4,210	264	—	—
Investments in subsidiaries		—	—	264,429	31,895
Interests in joint ventures	5	3,110	6,715	—	—
Available-for-sale investments	12	897,761	36,088	—	—
Amounts due from subsidiaries		—	—	821,495	257,980
		<u>1,222,781</u>	<u>437,926</u>	<u>1,085,924</u>	<u>289,875</u>
<b>Current Assets</b>					
Deposits, prepayments and other receivables	13	2,123	1,920	125	30
Amount due from joint venture	5	674	1,352	—	—
Amounts due from subsidiaries		—	—	549,619	580,532
Financial instruments held for trading		155,214	156,365	—	—
Other investment		25,026	77,809	—	—
Short-term bank deposits		424,693	108,932	273,445	20,360
Bank balances and cash		290,650	290,312	94,152	12,286
		<u>898,380</u>	<u>636,690</u>	<u>917,341</u>	<u>613,208</u>
<b>Current Liabilities</b>					
Other payables and accrued charges		22,625	16,685	8,427	834
Amounts due to subsidiaries		—	—	26,893	—
Taxation payable		4,016	339	—	—
Borrowings		549,753	61,664	498,833	—
		<u>576,394</u>	<u>78,688</u>	<u>534,153</u>	<u>834</u>
<b>Net Current Assets</b>		<u>321,986</u>	<u>558,002</u>	<u>383,188</u>	<u>612,374</u>
<b>Total Assets Less Current Liabilities</b>		<u><u>1,544,767</u></u>	<u><u>995,928</u></u>	<u><u>1,469,112</u></u>	<u><u>902,249</u></u>

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>Capital and Reserves</b>				
Share capital	<b>22,275</b>	22,275	<b>22,275</b>	22,275
Share premium and reserves	<b>522,330</b>	470,279	<b>446,837</b>	383,141
<b>Total Equity</b>	<b>544,605</b>	492,554	<b>469,112</b>	405,416
<b>Non-current Liabilities</b>				
Borrowings	<b>1,000,162</b>	496,833	<b>1,000,000</b>	496,833
Deferred tax liabilities	<b>—</b>	6,541	<b>—</b>	—
	<b>1,000,162</b>	503,374	<b>1,000,000</b>	496,833
<b>Total Equity and Non-current Liabilities</b>	<b>1,544,767</b>	995,928	<b>1,469,112</b>	902,249

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Share capital	Share premium	Share option reserve	Available- for-sale financial assets reserve	Translation reserve	Retained profits	Attributable to owners of the Company
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2012	<u>22,275</u>	<u>153,728</u>	<u>5,579</u>	<u>—</u>	<u>27,058</u>	<u>279,484</u>	<u>488,124</u>
Other comprehensive income							
– Exchange difference arising on translation of foreign operations	—	—	—	—	(2,215)	—	(2,215)
Profit for the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>6,645</u>	<u>6,645</u>
Total comprehensive income for the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,215)</u>	<u>6,645</u>	<u>4,430</u>
Balance at 31 December 2012	22,275	153,728	5,579	—	24,843	286,129	492,554
Other comprehensive income							
– Exchange difference arising on translation of foreign operations	—	—	—	—	792	—	792
– Release of translation reserve upon disposal of a subsidiary	—	—	—	—	(11,704)	—	(11,704)
– Changes in fair value of available-for-sale investments	—	—	—	9,868	—	—	9,868
Profit for the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>39,153</u>	<u>39,153</u>
Total comprehensive income for the year	<u>—</u>	<u>—</u>	<u>—</u>	<u>9,868</u>	<u>(10,912)</u>	<u>39,153</u>	<u>38,109</u>
Share-based compensation (Note 4)	<u>—</u>	<u>—</u>	<u>13,942</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>13,942</u>
Balance at 31 December 2013	<u>22,275</u>	<u>153,728</u>	<u>19,521</u>	<u>9,868</u>	<u>13,931</u>	<u>325,282</u>	<u>544,605</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

### 1. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### (a) Adoption of new/revised HKFRSs – effective on 1 January 2013

Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKFRS 1	Government Loans
Amendments to HKFRS 7	Offsetting Financial Assets and Financial Liabilities
HK (IFRIC) – Interpretation 20	Stripping Costs of the Production Phase of a Surface Mine
HKFRSs (Amendments)	Annual Improvements 2009-2011 Cycle
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle

Except as explained below, the adoption of these amendments has no material impact on the Group’s financial statements.

#### ***Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income***

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss has been modified accordingly. The amendments affect presentation only and have no impact on the Group’s financial position or performance.

#### ***HKFRS 10, Consolidated financial statements***

HKFRS 10 replaces the requirements in HKAS 27, Consolidated and separate financial statements relating to the preparation of consolidated financial statements and HK-SIC 12 Consolidation – Special purpose entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

### ***HKFRS 11, Joint arrangements***

HKFRS 11, which replaces HKAS 31, Interests in joint ventures, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

As a result of the adoption of HKFRS 11, the Group has changed its accounting policy with respect to its interests in joint arrangements and re-evaluated its involvement in its joint arrangements. The Group has reclassified the interests in jointly controlled entities to joint ventures. The investment continues to be accounted for using the equity method and therefore this reclassification does not have any material impact on the financial position and the financial result of the Group.

### ***HKFRS 12, Disclosure of interests in other entities***

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

HKFRS 12 disclosures are provided in Note 19 to the financial statements included in the 2013 annual report of the Company. As the new standard affects only disclosure, there is no effect on the Group's financial position and performance.

### ***HKFRS 13, Fair value measurement***

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. To the extent that the requirements are applicable to the Group, the Group has provided those disclosures in Notes 16, 24 and 37(h) to the financial statements included in the 2013 annual report of the Company. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the group's assets and liabilities.

### ***Amendments to HKFRS 7, Disclosures – Offsetting financial assets and financial liabilities***

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32, Financial instruments: Presentation and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on these financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the periods presented.

#### **(b) New/revised HKFRSs that have been issued but are not yet effective**

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities <sup>1</sup>
HKFRS 9	Financial Instruments
Amendments to HKFRS 9, HKFRS 7 and HKAS 39	Hedge Accounting
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment Entities <sup>1</sup>
Amendments to HKAS 19 (2011)	Defined Benefits Plans: Employee Contribution <sup>2</sup>
Amendments to HKAS 36	Recoverable Amount Disclosures <sup>1</sup>
Amendments to HKAS 39	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting <sup>1</sup>
HK(IFRIC) 21	Levies <sup>1</sup>
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle <sup>3</sup>
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2014

<sup>3</sup> Effective for annual periods beginning on or transactions occurring on, or after 1 July 2014

Except as explained below, the directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the financial statements.

### ***Amendments to HKAS 36, Recoverable Amount Disclosures***

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit (CGU) to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal.

## ***HKFRS 9, Financial Instruments***

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

## ***Amendments to HKFRS 9, HKFRS 7 and HKAS 39, Hedge Accounting***

The amendments overhaul hedge accounting to allow entities to better reflect their risk management activities in financial statements. Changes included in HKFRS 9 to address the own credit risk issue on financial liabilities designated at fair value through profit or loss can be applied in isolation without the need to change any other accounting for financial instruments. The amendments also remove the 1 January 2015 effective date for HKFRS 9.

## **2. SEGMENT INFORMATION**

Information reported to the executive directors of the Company, being the chief operating decision makers, 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 and operating segments under HKFRS 8 are as follows:

1. Property investments – rental income from leasing of office properties.
2. Securities and other investments – investing in various securities and generating investment income.
3. Fund investments – investing in various investment funds and generating investment income.
4. Fund management – provision of management and administration services for property development project.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. Each of the operating segments is managed separately as the resources requirement of each of them is different.

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

**For the year ended 31 December 2013**

	<b>Property investments</b>	<b>Securities and other investments</b>	<b>Fund investments</b>	<b>Fund management</b>	<b>Consolidated</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Segment revenue	11,130	1,433,270	—	18,711	1,463,111
Less: Sales proceeds from disposal of financial instruments held for trading	—	1,276,435	—	—	1,276,435
Turnover as presented in consolidated income statement	<u>11,130</u>	<u>156,835</u>	<u>—</u>	<u>18,711</u>	<u>186,676</u>
Segment results	<u>10,851</u>	<u>7,033</u>	<u>(931)</u>	<u>17,471</u>	34,424
Interest income from bank deposits					2,021
Share of results of joint ventures					26,714
Gain on disposal of a subsidiary					45,667
Unallocated corporate expenses					(39,910)
Finance costs					(25,048)
Profit before income tax					<u>43,868</u>

For the year ended 31 December 2012

	Property investments <i>HK\$'000</i>	Securities and other investments <i>HK\$'000</i> <i>*(Represented)</i>	Fund investments <i>HK\$'000</i> <i>*(Represented)</i>	Fund management <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	11,855	947,195	—	2,921	961,971
Less: Sales proceeds from disposal of financial instruments held for trading	<u>—</u>	<u>911,426</u>	<u>—</u>	<u>—</u>	<u>911,426</u>
Turnover as presented in consolidated income statement	<u>11,855</u>	<u>35,769</u>	<u>—</u>	<u>2,921</u>	<u>50,545</u>
Segment results	<u>10,195</u>	<u>20,456</u>	<u>78</u>	<u>2,921</u>	33,650
Interest income from bank deposits					2,313
Share of results of joint ventures					2,184
Impairment loss on available-for-sale investments					(330)
Unallocated corporate expenses					(12,491)
Finance costs					<u>(16,682)</u>
Profit before income tax					<u>8,644</u>

\* During the year, the Group was involved in investing of various funds with significant business involvement, a new segment, Fund Investments, was therefore added in order to have much accurate presentation on resource allocation and performance assessment.

Except for the inclusion of sales proceeds from disposal of financial instruments held for trading in the segment revenue of securities and other investments reported to the chief operating decision makers, the accounting policies of the operating segments under HKFRS 8 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, share of results of joint ventures, gain on disposal of a subsidiary, impairment loss on available-for-sale investments, unallocated corporate expenses (including central administration costs, share-based compensation and directors' remuneration) and finance costs. This is the measure reported to the chief operating decision makers, the executive 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:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
<i>Assets</i>		
Segment assets		
– Property investments	318,039	395,713
– Securities and other investments	452,229	344,394
– Fund investments	871,478	10,559
– Fund management	334	—
Unallocated assets	<u>479,081</u>	<u>323,950</u>
Consolidated total assets	<u><u>2,121,161</u></u>	<u><u>1,074,616</u></u>
<i>Liabilities</i>		
Segment liabilities		
– Property investments	2,970	11,903
– Securities and other investments	10,004	1,922
– Fund investments	40	—
– Fund management	5,307	8,795
Unallocated liabilities	<u>1,558,235</u>	<u>559,442</u>
Consolidated total liabilities	<u><u>1,576,556</u></u>	<u><u>582,062</u></u>

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

- all assets are allocated to operating segments other than interests in joint ventures, amounts due from joint ventures, short-term bank deposits, unallocated other receivables, bank balances and cash; and
- all liabilities are allocated to operating segments other than taxation payable, borrowings, unallocated other payables and deferred tax liabilities.

**For the year ended 31 December 2013**

**Other segment information**

	<b>Property investments</b>	<b>Securities and other investments</b>	<b>Fund investments</b>	<b>Fund management</b>	<b>Total</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<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	65,566	4,345	—	—	69,911
Depreciation	5	404	—	—	409
Gain arising from changes in fair value of investment properties	334	—	—	—	334
Gain arising from changes in fair value of financial instruments held for trading	—	8,895	—	—	8,895
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

For the year ended 31 December 2012

Other segment information

	Property investments	Securities and other investments	Fund investments	Fund management	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<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	242,139	27	—	—	242,166
Depreciation	78	108	—	—	186
Gain arising from changes in fair value of investment properties	465	—	—	—	465
Gain arising from changes in fair value of financial instruments held for trading	—	21,272	—	—	21,272
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## Geographical information

The Group's operations are located in Hong Kong (place of domicile) and the PRC.

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

	Turnover from external customers		Non-current assets other than financial instruments and interests in joint ventures	
	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Hong Kong	161,881	39,229	321,030	251,864
The PRC	23,462	10,693	880	143,259
Others	1,333	623	—	—
	<u>186,676</u>	<u>50,545</u>	<u>321,910</u>	<u>395,123</u>

## Information about major customers

During the years ended 31 December 2012 and 2013, no revenue from individual customer contributed over 10% of the total revenue of the Group.

### 3. OTHER INCOME

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Bank interest income	2,021	2,313
Others	36	331
	<u>2,057</u>	<u>2,644</u>

### 4. SHARE-BASED COMPENSATION

#### Equity-settled share option scheme of the Company:

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 23 June 2011 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 22 June 2021. Under the Scheme, the directors of the Company may grant share options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

Details of specific categories of options are as follows:

<b>Date of grant</b>	<b>Exercisable period</b>	<b>Exercise price</b>
26 August 2011	26 August 2011 to 22 June 2021	HK\$1.40
9 August 2013	9 August 2013 to 22 June 2021	HK\$0.96
9 August 2013*	16 September 2013 to 22 June 2021	HK\$0.96

\* The grant of share options to Mr. Sum Pui Ying was approved by the Company's shareholders at the extraordinary general meeting held on 16 September 2013.

At the extraordinary general meeting held on 23 June 2011, the total number of shares in respect of which share options was approved to be granted under the Scheme shall not exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Such 10% equivalent to 44,550,000 shares of the Company's issued share capital. Since then, the Company has granted 9,600,000 share options under the Scheme on 26 August 2011.

On 9 August 2013, the Company proposed to grant 35,400,000 share options under the Scheme (the "Options") to executive and non-executive directors and certain other employees of the Group (the "Grantees").

Save for 12,000,000 share options granted to Mr. Sum Pui Ying, one of the executive directors, all the other Options are not subject to vesting conditions.

Due to the balance of the share option scheme limit (comprising 34,950,000 shares) is insufficient to cover the grant of all the Options, but sufficient to cover the grant of 19,400,000 share options to the Grantees excluding Mr. Sum Pui Ying, the Company has resolved to seek independent shareholders' approval for the grant of 16,000,000 share options to Mr. Sum Pui Ying at the extraordinary general meeting.

In addition, the number of shares issued and to be issued in respect of which share options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

As the Company's shares subject to Mr. Sum Pui Ying's Options exceed 1% of the ordinary shares of the Company in issue, the grant of Mr. Sum Pui Ying's Options also requires the approval of the independent shareholders at the extraordinary general meeting.

Particulars of the Options granted under the Scheme were set forth in the announcement and circular of the Company dated 9 August 2013 and 23 August 2013 respectively.

The grant of share options to Mr. Sum Pui Ying was approved by the Company's shareholders at the extraordinary general meeting held on 16 September 2013.

At 31 December 2013, the number of shares in respect of which share options had been granted and remained outstanding under the Scheme was 45,000,000 (2012: 9,600,000), representing 10.1% (2012: 2.15%) of the shares of the Company in issue at that date.

Share options may be exercised at any time from the date of grant of the share options to 22 June 2021. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

35,400,000 share options were granted on 9 August 2013 of which 19,400,000 share options and 4,000,000 share options were vested and exercisable on 9 August 2013 and 16 September 2013 respectively. The fair value of the share options granted was HK\$21,993,000 in aggregate, of which the Group and the Company recognised HK\$13,942,000 as share-based compensation for the year ended 31 December 2013.

9,600,000 share options granted on 26 August 2011 were vested on the same date. The fair value of the share options granted was HK\$5,579,000 and recognised as share-based compensation by the Group and the Company for the year ended 31 December 2011.

Movement in share options at the reporting date are as follows:

	2013		2012	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at 1 January	9,600,000	1.40	9,600,000	1.40
Granted	<u>35,400,000</u>	<u>0.96</u>	—	—
Outstanding at 31 December	<u>45,000,000</u>	<u>1.05</u>	<u>9,600,000</u>	<u>1.40</u>
Exercisable at 31 December	<u>33,000,000</u>	<u>1.09</u>	<u>9,600,000</u>	<u>1.40</u>

The weighted average remaining contractual life of the share options outstanding at 31 December 2013 was approximately 7.47 years.

The fair value was calculated using the Binomial model. The inputs into the model were as follows:

Grant on and exercisable on	9 August 2013 & 16 September 2013	23 August 2011
Share price	HK\$0.96 & HK\$1.36	HK\$1.40
Exercise price	HK\$0.96	HK\$1.40
Expected volatility	59.36%-62.36%	51.33%
Expected life	7.87 & 7.77 years	9.82 years
Risk-free rate	1.823%-1.851%	1.73%
Expected dividend yield	0%	3.64%

The underlying expected volatility was determined by reference to historical data, calculated based on the expected life of share options. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability and behavioural considerations.

## 5. INTERESTS IN JOINT VENTURES

	<b>THE GROUP</b>	
	<b>2013</b>	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
At the beginning of the year	<b>6,715</b>	4,531
Share of post-acquisition profits and other comprehensive income	<b>26,714</b>	2,184
Dividend distribution ( <i>Note (b)</i> )	<b>(30,319)</b>	—
At the end of the year	<b><u>3,110</u></b>	<b><u>6,715</u></b>

As at 31 December 2013, the Group has interests in the following significant joint ventures:

Name of joint venture	Form of business structure	Principal country of incorporation	Place of operation	Class of shares held	Proportion of capital issued share directly held by the Group	Principal activities
Sino Prosperity Real Estate Limited	Incorporated	Cayman Islands	PRC	Ordinary	50%	Investment holdings
Sino Prosperity Real Estate Advisor Limited	Incorporated	Cayman Islands	PRC	Ordinary	50%	Investment advisory

Name of principal subsidiary of joint venture	Form of business structure	Country of incorporation	Principal place of operation	Class of shares held	Proportion of capital issued share indirectly held by the Group	Principal activities
Sino Prosperity Real Estate (GP) L.P.	Incorporated	Cayman Islands	PRC	Ordinary	50%	Investment holdings

Under HKFRS 11, these joint arrangements are classified as joint ventures and have been included in the consolidated financial statements of the Group using the equity method.

*Notes:*

- (a) On 5 September 2011, the Group and Sino-Ocean Land (Hong Kong) Limited (“SOL HK”) established the above joint ventures for investing in certain real estate projects in the PRC. Sino Prosperity Real Estate Limited indirectly owned 49% equity interest in Great Wise Investment Limited (“Great Wise”) through Sino Prosperity Holdings One (“Fund Holdco One”), a wholly owned subsidiary of Sino Prosperity Real Estate (GP) L.P. Great Wise is engaged in investment holding and held 100% equity interest in a PRC company which is engaged in property development in Dalian, the PRC.

On 8 February 2013, Fund Holdco One entered into a share purchase agreement (the “Share Purchase Agreement”) with SOL HK. Pursuant to the Share Purchase Agreement, Fund Holdco One agreed to dispose all of its interests in Great Wise and the relevant portion of outstanding shareholder’s loan advance to Great Wise by Fund Holdco to SOL HK at a consideration of U.S. dollars (“USD”) 103,318,000 or equivalent in other currencies. The disposal was completed on 8 March 2013.

- (b) After the disposal of Great Wise, the Group received dividend distribution of HK\$30,319,000 (equivalent to approximately USD3,905,000) from Sino Prosperity Real Estate Limited which represents a returned share capital of HK\$2,746,000 and a distribution of HK\$27,573,000.
- (c) As at 31 December 2013, the Group has outstanding commitments to make capital contribution to Sino Prosperity Real Estate (GP) L.P. of approximately USD1,049,000 (2012: USD586,000).
- (d) The amount due from joint venture was unsecured, interest-free and had no fixed terms of repayment.

## 6. FINANCE COSTS

	<b>2013</b>	2012
	<b><i>HK\$’000</i></b>	<i>HK\$’000</i>
Interest on:		
Bank and other borrowings		
– wholly repayable within five years	<b>18,024</b>	16,646
– wholly repayable over five year	<b>6,503</b>	—
Others	<b>521</b>	36
	<b><u>25,048</u></b>	<u>16,682</u>

## 7. PROFIT BEFORE INCOME TAX

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
Profit before income tax has been arrived at:		
<i>after charging:</i>		
Auditor's remuneration		
– current year	868	711
– underprovision in the prior year	<u>30</u>	<u>76</u>
	<u>898</u>	<u>787</u>
Net foreign exchange gain	7,888	—
Rental payments in respect of properties under operating leases	3,239	613
Retirement benefits scheme contributions (excluding amounts paid under directors' emoluments)	516	371
<i>and after crediting:</i>		
Interest income from investments	13	34
Dividend income from financial instruments held for trading	5,327	3,829
Net foreign exchange loss	—	1,506
Gross rental income from investment properties	11,130	11,855
Less: direct operating expenses arising from investment properties that generated rental income during the year	<u>(993)</u>	<u>(138)</u>
	<u><u>10,137</u></u>	<u><u>11,717</u></u>

## 8. INCOME TAX

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i>
The taxation attributable to the Group's operation comprises:		
Current taxation		
Hong Kong Profits Tax	236	19
Profits tax outside Hong Kong	<u>3,973</u>	<u>1,059</u>
	<u>4,209</u>	1,078
Under/(over) provision in prior years		
Profits tax outside Hong Kong	<u>506</u>	<u>(751)</u>
	<u>4,715</u>	327
Deferred taxation		
Current year	<u>—</u>	<u>1,672</u>
	<u><u>4,715</u></u>	<u><u>1,999</u></u>

Hong Kong Profits 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 PRC subsidiaries of the Company is calculated at 25%.

## 9. PROFIT FOR THE YEAR

Of the consolidated profit attributable to owners of the Company of HK\$39,153,000 (2012: HK\$6,645,000), a profit of HK\$49,754,000 (2012: a loss of HK\$19,352,000) has been dealt with in the financial statements of the Company.

## 10. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to owners of the Company is based on the profit for the year of HK\$39,153,000 (2012: HK\$6,645,000) and on 445,500,000 number of ordinary shares (2012: 445,500,000 ordinary shares) in issue during the year.

For the year ended 31 December 2013, the calculation of the diluted earnings per share is based on the profit attributable to owners of the Company of HK\$39,153,000 and the weighted average number of ordinary shares of 447,513,735 outstanding during the year, after adjusting for the effects of all dilutive potential ordinary shares.

	<b>Number of shares '000</b>
Weighted average number of ordinary shares used in basic earnings per share	445,500
Shares deemed to be issued at no consideration as if the Company's share options have been exercised	<u>2,014</u>
Weighted average number of ordinary shares used in diluted earnings per share	<u><u>447,514</u></u>

The computation of diluted earnings per share did not assume the exercise of the Company's outstanding share options as the exercise of those options was higher than the average market price for shares for the year ended 31 December 2012.

## 11. DIVIDENDS

No dividend was paid or proposed during the years ended 31 December 2012 and 2013, nor has any dividend been proposed since the end of the reporting period.

## 12. AVAILABLE-FOR-SALE INVESTMENTS

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
Unlisted equity investments, at cost ( <i>Note (a)</i> )	41,870	36,418
Unlisted investment ( <i>Note (b)</i> )	856,221	—
Impairment loss on available-for-sale investments	<u>(330)</u>	<u>(330)</u>
	<u><b>897,761</b></u>	<u><b>36,088</b></u>

### *Notes:*

- (a) The unlisted equity investments represent investments in unlisted equity securities issued by private entities incorporated outside Hong Kong of which the Group holds less than 5% of the equity interest of these investees. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.
- (b) The Group has made several fund investments with carrying value of approximately HK\$856 million at 31 December 2013 and the details are as follows:

	2013	2012
	<i>HK\$'000</i>	<i>HK\$'000</i>
At fair value ( <i>Notes (i), (ii) &amp; (iii)</i> )	409,868	—
At cost ( <i>Notes (iv) &amp; (v)</i> )	<u>446,353</u>	<u>—</u>
	<u><b>856,221</b></u>	<u><b>—</b></u>

- (i) For diversifying the Group's securities investment risk and further enhance the rate of return of the Group's core business of securities investment through efficient access to a wider variety of investment channels, the Group announced and proposed to subscribe for not more than 500,000 participating redeemable preference shares ("Participating Shares") in an investment entity incorporated outside Hong Kong at an aggregate subscription price of not more than HK\$200,000,000 payable in cash on 5 April 2013. Details of the investment were set out in the announcement and circular of the Company dated 5 April 2013 and 26 April 2013 respectively. The investment was approved by the shareholders at an extraordinary general meeting of the Company held on 14 May 2013. On 14 June 2013, the Group paid HK\$200,000,000 to subscribe 500,000 Participating Shares of the investment entity.
- (ii) On 30 August 2013, the Group subscribed 30,000 participating redeemable preference shares in a sub-fund of an exempted investment company incorporated in the Cayman Islands with limited liability (the "Sub-Fund A") for a total cash consideration of HK\$30,000,000. The Sub-Fund A is focus on, but not limited to, Asia (excluding Japan) equity by employing a fundamental value approach to generate positive returns in all market conditions.

Further on 27 September 2013, the Group subscribed additional 70,704 participating redeemable preference shares of the Sub-Fund A, the subscription price of HK\$70,000,000 was paid at the same date. Details of the investments in the Sub-Fund A were set out in the announcement and circular of the Company dated 27 September 2013 and 21 October 2013 respectively.

- (iii) On 27 September 2013, the Group subscribed 100,000 participating redeemable preference shares in another sub-fund of the above mentioned investment company (the “Sub-Fund B”) for a total cash consideration of HK\$100,000,000. The Sub-Fund B invested the collected funds to generate positive returns in all market conditions by employing multi-strategy investment approach, to invest on, but not limited to, Asia Pacific equity by employing bottom-up approach and to invest in both long and short term of different asset classes. Details of the investment were set out in the announcement and circular of the Company dated 27 September 2013 and 21 October 2013 respectively.
- (iv) On 27 September 2013, the Group made an subscription and paid the subscription money for 125,000 non-redeemable, non-voting participating shares of an exempted investment company incorporated in the Cayman Islands with limited liability (the “Private Equity Fund”) at a total consideration of USD12,500,000 (equivalent to approximately HK\$96,900,000). The investment objective of the Private Equity Fund is to achieve medium to long term capital appreciation through investing in one or more collective investment schemes that invest predominantly in real estate and related investments in the United States of America (the “US”), Europe and/or Australia. Details of the investment were set out in the announcement and circular of the Company dated 27 September 2013 and 21 October 2013 respectively.
- (v) On 11 November 2013, the Group made another subscription and paid the subscription money for 450,000 non-redeemable, non-voting participating shares of an exempted investment company incorporated in the Cayman Islands with limited liability (the “Property Fund”) at a total consideration of US\$45,000,000 (equivalent to approximately HK\$349,000,000). The consideration was paid on 18 November 2013. The investment objective of the Property Fund is to achieve medium to long term capital appreciation through investing substantially all of its assets available for investment in residential, industrial, retail and commercial real estate and related investments primarily in the US and potentially to a lesser extent in Singapore and countries that are members of the Organisation for Economic Co-operation and Development. Details of the investment were set out in the announcement and circular of the Company dated 11 November 2013 and 2 December 2013 respectively.

As the equity investments in Private Equity Fund (Note (iv)) and in Property Fund (Note (v)) do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the reporting period.

Those investments as described in (b)(i) to (v) above are unlisted and the Group has no power to govern or participate the financial operating policies of the investment entities so as to obtain benefits from its activities and does not intend to trade for short-term profit, the directors of the Company designated the unlisted investments as available-for-sale investments.

### **13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

As at 31 December 2013, included in deposits and prepayments of the Group was management fee receivable of HK\$334,000 (2012: rental receivable from tenants amounting to HK\$328,000).

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Thursday, 24 April 2014 to Friday, 25 April 2014, both days inclusive, during which period no transfer of shares will be registered. The record date will be Friday, 25 April 2014. In order to determine the identity of shareholders of the Company who are entitled to attend and vote at the forthcoming annual general meeting of the Company (the “AGM”), all share transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong (which will be relocated to Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong with effect from 31 March 2014) not later than 4:30 p.m. on Wednesday, 23 April 2014.

## **AGM**

The time, date and venue of the AGM will be announced in due course.

## **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 ended 31 December 2013.

## **COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the code provisions of the Corporate Governance code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) throughout the year ended 31 December 2013.

## **COMPLIANCE OF THE MODEL CODE FOR DIRECTORS’ SHARES DEALINGS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its code of conduct regarding securities transactions by the directors of the Company (the “Directors”). All Directors, following specific enquiries made by the Company, have confirmed that they have complied with the required standard as set out in the Model Code during the Year.

## **REVIEW BY AUDIT COMMITTEE**

The audit committee has reviewed the accounting principles and policies adopted by the Group and the annual results for the year ended 31 December 2013.

## **REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT**

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2013 have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company has maintained the amount of public float for its shares as required under the Listing Rules as at the date of this announcement.

## **PUBLICATION OF ANNUAL REPORT**

The 2013 annual report of the Company containing all applicable information required by the Listing Rules will be despatched to the shareholders of the Company and available on the Company's website at [www.geminiinvestments.com.hk](http://www.geminiinvestments.com.hk) and HKExnews website at [www.hkexnews.hk](http://www.hkexnews.hk) in due course.

## **APPRECIATION**

Finally, the Board would like to thank all shareholders of the Company who placed strong confidence in our Group's management. We would also like to thank all our business partners and bank enterprises who supported and stood beside us at all times. Indefinitely, the support from Sino-Ocean Land Holdings Limited, our controlling shareholder, will continue to lead our business to move forward and grow.

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

Hong Kong, 28 February 2014

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

*Executive director:*

Mr. SUM Pui Ying  
Mr. LI Zhenyu  
Mr. LAI Kwok Hung, Alex

*Non-executive directors:*

Mr. LI Ming  
Mr. LI Hongbo

*Independent non-executive directors:*

Mr. LAW Tze Lun  
Mr. LO Woon Bor, Henry  
Mr. ZHENG Yun