

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

PROFIT WARNING

The Board wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2014 currently available to the Board, the Group is expected to record a significant loss for the year ended 31 December 2014 as compared to the audited net profit attributable to the owners of the Company of approximately HK\$39.2 million for the year ended 31 December 2013.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Gemini Investments (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2014 currently available to the Board, the Group is expected to record a significant loss for the year ended 31 December 2014 as compared to the audited net profit attributable to owners of the Company of approximately HK\$39.2 million for the year ended 31 December 2013. Such deterioration in profitability for the year ended 31 December 2014 was mainly attributable to the following factors:

- (i) finance costs of approximately HK\$37.9 million, including the non-cash interest expenses of approximately HK\$22.3 million relating to the loan in the principal amount of HK\$1,000,000,000 granted to the Company by its controlling shareholder, Grand Beauty

Management Limited, which are required to be recognised in the consolidated income statement of the Group under applicable accounting standards despite that such interest was waived by Grand Beauty Management Limited as previously disclosed in the announcement of the Company dated 24 May 2014;

- (ii) non-recurring fees and expenses of approximately HK\$28 million arising out of the acquisitions explored and/or implemented by the Group in 2014 (including the various acquisitions mentioned in this announcement below);
- (iii) non-cash share of losses in a joint venture of the Company. After acquiring a number of property projects in the People's Republic of China (the "PRC") as mentioned in the announcement of the Company dated 17 November 2014, the joint venture (being Sino Prosperity Holdings Two Limited in which the Group has an attributable 50% equity interest), pursuant to stringent asset management policy, applies a conservative assessment on the value of the acquired property companies and decided to record a loss of not more than HK\$1 billion comprising: —
 - (a) a loss of not more than HK\$0.55 billion from revaluation of property interests, representing approximately 1.9% of the property interests' value of approximately HK\$28.0 billion as at 30 September 2014; and
 - (b) an impairment loss of trade and other receivables of not more than HK\$0.45 billion, representing approximately 8.7% of the trade and other receivables' carrying value of approximately HK\$5.2 billion as at 30 September 2014.

The specific amount of the above loss of the joint venture is yet to be determined and confirmed; and

- (iv) the absence of an one-off gain of approximately HK\$45.7 million from the disposal of a subsidiary recorded for the financial year of 2013.

During 2014, pursuant to its business strategy, the Group has devoted resources in property investment in Australia and United States of America ("US") in January and May respectively. In November 2014, the Group has invested in a PRC property fund which serves as a convenient platform through which the Group can tap into a larger pool of potential value-enhancing property acquisitions through its participation in the PRC property fund which in turn has higher fund raising flexibility by admitting new limited partners, such that the Group (indirectly through the PRC property fund) may take advantage of timely market opportunities. In December 2014, apart from subscription of investment in a fund, the Group has signed an agreement to acquire 45% interest of a US property fund. Though non-recurring fees and expenses have been incurred in connection with the above acquisitions, the Board has confidence that a platform for expanding its business coverage to overseas countries and engaging in fund management through jointly managed fund as general partners for real estates are well positioned to capture any investment opportunities so as to enhance shareholders' value in long term.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2014 which are currently available, and is not based on any information or figures which have been audited or reviewed by the Company's auditors or the audit committee of the Board.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 18 February 2015

As at the date of this announcement, the Board comprises eight Directors as follows:

Executive Directors:

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