



# Gemini Investments (Holdings) Limited

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

盛洋投资

Strive For **Excellence** in  
Financial Investment & Property Investment

INTERIM REPORT 2011

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## Financial Highlights

| (HKD'000)   | Six months<br>ended<br>30 June 2011<br>(unaudited) | Six months<br>ended<br>30 June 2010<br>(unaudited<br>and restated) |
|---|--|--|
| <b>Continuing Operations</b>  |  |  |
| Revenue   | 9,005  | 8,935  |
| Profit before income tax (Excluding one-off items)                            | 16,570   | 2,475  |
| (Loss) Profit before income tax   | (10,593)   | 15,339   |
| Profit (loss) attributable to owners of the Company (Excluding one-off items) | 14,993   | (932)  |
| (Loss) Profit attributable to owners of the Company                           | (12,170)   | 11,932   |
| (Loss) Earnings per share - basic (HK cents)                                  | (2.7)  | 2.7  |

\* One-off items include restructuring cost and fair value changes of investment properties

| (HKD'000)                                    | As at<br>30 June 2011<br>(unaudited) | As at<br>31 December 2010<br>(audited) |
|--|--------------------------------------|--|
| Total assets                                 | 571,587                              | 538,062                                |
| Equity attributable to owners of the Company | 495,756                              | 501,140                                |
| Cash and cash equivalents                    | 104,583                              | 128,471                                |
| Current ratio                                | 8.3                                  | 15.8                                   |

## Chairman's Statement

On behalf of the Board of Directors (the "Board"), I am pleased to present the interim results of Gemini Investments (Holdings) Limited (the "Company") and its subsidiaries (together the "Group" or "We") for the six months ended 30 June 2011.

The Group recorded a consolidated loss from continuing operations attributable to the owners of the Company of HK\$12,170,000 in the first half of 2011, compared with profit of HK\$11,932,000 reported in the first half of 2010. This is mainly due to the restructuring of the Group's business to focus on the business segments that will generate higher return to our shareholders in the Group's principal existing business (i.e. (i) property investment; and (ii) securities investment). Excluding this one-off restructuring cost, the Group would record a consolidated profit from continuing operations attributable to the owners of the Company of HK\$14,993,000, compared to a loss of HK\$932,000 for the period in 2010. The Group's existing operations result remains positive, and the Group is ready to execute its laid down business strategy to develop and expand the Group's existing property investment and securities investment businesses.

Under the current fragile market environment, the Board believes that there will be more opportunities coming into the market. Therefore, the Board recommends reserving the cash resources for future expansion and to capture the upcoming opportunities. As a result, the Board does not recommend interim dividend for the first half of 2011.

### MARKET REVIEW AND OUTLOOK

#### Property Investment

The PRC economy is growing in steadily with GDP increased by 9.6% in the first half of 2011 but at the same time brought along with an increase in consumer price index by 5.4% in the corresponding period. The Central Government of the PRC has been working hard to rein in the inflationary spiral through implementation of tightening policies including raising the bank reserve ratio and interest rates to mitigate the risk brought along by the rapid growth. Nonetheless, we believe the ultimate goal of such tightening of credit and liquidity is to curb speculative investment to maintain a healthy and sustainable growth of the economy. Even though the property market in the PRC will be affected by the tightening policy, the Board remains optimistic in the long-term return of property market in the PRC and believes that bargain purchase opportunities will be brought about by the current tightening policy.

The Group will continue to take a proactive approach on property investment opportunities in the PRC and Hong Kong and at the same time evaluate the performance of existing investment properties. The Group has passed the resolution in the shareholders' meeting on 23 June 2011 to dispose of one of our investment properties, namely various units and portions of Novel Building located in the PRC. This is in line with the Group's strategy to restructure and clear up relatively low return properties. The cash recouped from such disposal will provide funding for the Group to support its future property-related investments and to capture property investment opportunities that may generate higher return. The Group will continue to consider investing in the property segment through various channels, including but not limited to direct investments or through participation of property funds.

#### Securities Investment

The global financial markets experienced a challenging period over the first six months of 2011 as a result of massive unrest in the North Africa; a surge in oil prices; Japan's devastating earthquake; Europe's worsening debt crisis and another potential downturn in the U.S. housing market, all of which sapped the "just-recovering" global economy. The credibility issues of Chinese civilian-run listed enterprises dealt another blow to the Hong Kong and PRC stock markets and put pressure on the capital markets.

## Chairman's Statement

We expect the global equity markets will remain fragile and volatile in the second half of 2011. Although a double-dip recession of the global economy appears unlikely, risks brought about by the debt-ridden economy in Europe and high inflation in developing countries will persist. As the US Dollar is still expected to weaken, commodity pricing will likely climb to another record high.

In view of the volatile global financial markets, we will continue to take a cautious approach in our investment in the second half of 2011, primarily focusing on the PRC and Hong Kong stock markets to grasp opportunities.

### Corporate Activities and Future Plan

On 12 May 2011, the Company announced that to align with the future business development plan of the Company, the Company proposed to change its name to Gemini Investments (Holdings) Limited (盛洋投資(控股)有限公司). On 7 July 2011, the Company announced that the Registrar of Companies in Hong Kong has approved the change of name of the Company. We are of the view that the new name of the Company will provide a better identification of the Company's business strategy, development and operations (i.e. the Company's business is not confined to property investment only). At the same time, in order to accommodate future expansion and growth of the Group, the Company increased its authorized share capital from HK\$35,000,000 to HK\$210,000,000 by the creation of 3,500,000,000 additional new ordinary shares. The Company also adopted a share option scheme (the "Share Option Scheme") on 23 June 2011. The Board believes that the adoption of the Share Option Scheme would provide appropriate incentive or reward to the eligible persons for their potential contribution or for the long-term success of the Group.

With all these in place, the Group, while maintaining its primary focus on property investment and securities investment, will start to explore opportunities in other businesses associated with these two business segments, including but not limited to asset management, property-related consultancy services, etc.

### APPRECIATION

The principal framework of the Company is to bring great value to our shareholders. By being sustainable and responsible in all our operations, I believe that our Group will have an exciting future, and I thank all our stakeholders for being a part of it right from the very start. We believe our major shareholder Sino-Ocean Land Holdings Limited will continue to support the Company to develop our core business.

**Adrian SUM**

*Chairman*

10 August 2011

# Management Discussion & Analysis

## FINANCIAL REVIEW

During the period, our Group recorded a total revenue of HK\$9,005,000 (six months ended 30 June 2010: HK\$8,935,000) and loss from continuing operations attributable to owners of the Company of HK\$12,170,000 (six months ended 30 June 2010: profit of HK\$11,932,000). A loss from continuing operations was recorded in the period under review mainly due to the one-off loss arising from the Group's restructuring in its property and securities investment business to clean up those relatively low return assets. Excluding this one-off item, the Group would record a profit from continuing operations attributable to owners of the Company of HK\$14,993,000, mainly contributing from the gain on the trading of securities investment of HK\$11,284,000 and the gain arising from changes in the fair value of investment properties and securities investment of approximately HK\$831,000 and HK\$1,061,000 respectively. As a result of the one-off loss brought along by the restructuring process, our Group recorded a loss per share of 2.7 HK cents in the period versus an earning per share of 2.7 HK cents in the six months ended 30 June 2010. The Group believes that the remaining business of the Group after the restructuring continues to be healthy and positive, which will build up a strong foundation for the Group's future expansion in our property and securities investment business.

### Financial Resources and Liquidity

As at 30 June 2011, the cash and short term bank deposits of our Group amounted to approximately HK\$104,583,000 (31 December 2010: HK\$128,471,000).

As at 30 June 2011, total assets and net current assets of the Group were approximately HK\$571,587,000 (31 December 2010: approximately HK\$538,062,000) and HK\$379,970,000 (31 December 2010: approximately HK\$212,073,000) respectively. The net asset value of our Group as at 30 June 2011 was about HK\$495,756,000 (31 December 2010: HK\$501,140,000). As at 30 June 2011 and 31 December 2010, our Group had no bank borrowing or debt outstanding. The healthy financial position with a net cash amount of HK\$104,583,000 will enable our Group to finance future expansion. In addition, the Group acquired a 3-year HK\$500,000,000 bank facility from a commercial bank on 1 August 2011. With all these resources on hand, the Group is ready for future rapid expansion in our business in the second half of 2011.

### Financial Guarantees

As at 30 June 2011 and 31 December 2010, our Group did not have any financial guarantees.

### Pledged Assets

As at 30 June 2011 and 31 December 2010, our Group did not have any pledged asset.

### Risk of Exposure to Exchange Rate Fluctuations and Related Hedging

During the period, our Group's assets and liabilities were mainly denominated in Hong Kong dollars, United States dollars and renminbi. As HKD is pegged with USD and our RMB exposure mainly comes from our investment properties, while RMB is appreciating against USD, the Board does not consider that our Group is exposed to any significant foreign currency exchange risk. The Board will closely monitor the foreign currency exposure and regularly review if any related hedging should be necessary.

# Management Discussion & Analysis

## OPERATION REVIEW

Property investment and securities investment remained as the core business segments of the Group in the first half of 2011. The following presented the performance from these two business segments.

### Property Investment

Total rental income for the period amounted to approximately HK\$8,937,000 (six months ended 30 June 2010: approximately HK\$8,484,000), representing a slight increase of approximately HK\$453,000.

During the period, the Group entered into a sale and purchase agreement to sell the shares of a non-wholly owned subsidiary of the Company, Klendo Limited and the disposal was completed after period end. As a result, namely various units and portions of Novel Building located in Shanghai, which held by Klendo Limited, with value approximately HK\$180,370,500 was reallocated as Assets classified as held for sale and the value of the investment properties during the period recorded a decrease to approximately HK\$139,126,000 (31 December 2010: HK\$311,428,000).

The Group will remain focused on this business and will continue to keep searching for good investments opportunities.

### Securities Investment

An analysis of the securities portfolio of our Group in terms of types of securities as at 30 June 2011 is as follows:-

| Market Value as at<br>(HKD'000)                                  | 30 June<br>2011<br>(unaudited) | 31 December<br>2010<br>(audited) |
|--|--------------------------------|----------------------------------|
| Financial instruments held for trading                           | 96,349                         | 34,199                           |
| Gold bullion   | 32,319                         | 51,364                           |
| Of which: Distribution of financial instruments held for trading |                                |                                  |
| Equities – Hong Kong   | 53,458                         | 7,115                            |
| Equities – Overseas  | 42,891                         | 27,084                           |

## Management Discussion & Analysis



Gain from the trading of our financial assets for the period was about HK\$11,284,000 (six months ended 30 June 2010: a loss of about HK\$1,718,000). Our Group also recorded a holding gain of HK\$1,061,000 from the fair value changes of our remaining securities portfolio during the period. The market value of the remaining investment portfolio as at 30 June 2011 amounted to approximately HK\$128,668,000. The management of the Group is pleased to maintain a scalable investment portfolio with proper diversification to avoid the fluctuation of any single market. With about HK\$104,583,000 in cash and bank deposits as at 30 June 2011, we believe that we have the capacity to upsize our investment portfolio when market opportunity arises.

### Employees

As at 30 June 2011, the total number of staff was 10 (31 December 2010: 10 persons). Staff cost from continuing operation was approximately HK\$659,000 (six months ended 30 June 2010: approximately HK\$4,786,000) for the period ended 30 June 2011 which was controlled at a reasonable level.

Our Group recruits and promotes individuals based on their performance and development potential in the positions offered. When formulating staff salary and benefit policies, our Group gives primary consideration to their performance and prevailing salary levels in the market. With a view to encouraging and rewarding the contribution made by staff, our Group believes that a Share Option Scheme will be an effective tool for achieving this purpose.

# Report on Review of Interim Financial Information

## TO THE BOARD OF DIRECTORS OF GEMINI INVESTMENTS (HOLDINGS) LIMITED

盛洋投資（控股）有限公司

(FORMERLY KNOWN AS GEMINI PROPERTY INVESTMENTS LIMITED

盛洋地產投資有限公司)

(incorporated in Hong Kong with limited liability)

## INTRODUCTION

We have reviewed the interim financial information set out on pages 9 to 21, which comprises the condensed consolidated statement of financial position of Gemini Investments (Holdings) Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as of 30th June 2011 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

10 August 2011

# Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30th June 2011

|   | NOTES | Six months<br>ended<br>30.6.2011<br>HK\$'000<br>(unaudited) | Six months<br>ended<br>30.6.2010<br>HK\$'000<br>(unaudited<br>and restated) |
|---|-------|---|---|
| <b>Continuing operations</b>  |       |   |   |
| Turnover  | 3     | 9,005   | 8,935   |
| Other income  | 4     | 89  | 6,498   |
| Staff costs   |       | (659)   | (4,786)   |
| Depreciation  |       | (58)  | (449)   |
| Other expenses  |       | (4,152)   | (6,092)   |
| Gain (loss) arising from changes in fair value of<br>financial instruments held for trading |       | 11,770  | (6,221)   |
| Gain arising from changes in fair value of other investment                                 |       | 575   | 4,700   |
| Gain arising from changes in fair value of investment properties                            |       | 831   | 12,864  |
| Provision for impairment loss on disposal group   | 12    | (27,994)  | —   |
| Finance costs   | 5     | —   | (110)   |
| (Loss) profit before taxation   |       | (10,593)  | 15,339  |
| Income tax expense  | 6     | (1,157)   | (2,140)   |
| (Loss) profit for the period from continuing operations                                     |       | (11,750)  | 13,199  |
| <b>Discontinued operations</b>  |       |   |   |
| Profit for the period from discontinued operations  | 7     | —   | 11,144  |
| <b>(Loss) profit for the period</b>   |       | <b>(11,750)</b>   | <b>24,343</b>   |
| <b>Other comprehensive income</b>   |       |   |   |
| Exchange differences arising on translation   |       | 7,152   | 3,687   |
| <b>Total comprehensive (expense) income for the period</b>                                  |       | <b>(4,598)</b>  | <b>28,030</b>   |
| (Loss) profit for the period attributable to:   |       |   |   |
| Owners of the Company   |       |   |   |
| – (Loss) profit for the period from continuing operations                                   |       | (12,170)  | 11,932  |
| – Profit for the period from discontinued operations  |       | —   | 9,676   |
| (Loss) profit for the period attributable to owners of the Company                          |       | (12,170)  | 21,608  |

## Condensed Consolidated Interim Statement of Comprehensive Income

For the six months ended 30th June 2011

|   | NOTES | Six months<br>ended<br>30.6.2011<br>HK\$'000<br>(unaudited) | Six months<br>ended<br>30.6.2010<br>HK\$'000<br>(unaudited<br>and restated) |
|---|-------|---|---|
| Non-controlling interests                                       |       |   |   |
| – Profit for the period from continuing operations              |       | 420   | 1,267   |
| – Profit for the period from discontinued operations            |       | —   | 1,468   |
| Profit for the period attributable to non-controlling interests |       | 420   | 2,735   |
|   |       | (11,750)  | 24,343  |
| Total comprehensive (expense) income attributable to:           |       |   |   |
| Owners of the Company   |       | (5,384)   | 24,996  |
| Non-controlling interests                                       |       | 786   | 3,034   |
|   |       | (4,598)   | 28,030  |
| From continuing and discontinued operations                     |       |   |   |
| (Loss) earnings per share - basic (HK cents)                    | 8     | (2.7)   | 4.9   |
| From continuing operations                                      |       |   |   |
| (Loss) earnings per share - basic (HK cents)                    | 8     | (2.7)   | 2.7   |

# Condensed Consolidated Interim Statement of Financial Position

At 30th June 2011

|   | NOTES | 30.6.2011<br>HK\$'000<br>(unaudited) | 31.12.2010<br>HK\$'000<br>(audited) |
|---|-------|--------------------------------------|-------------------------------------|
| <b>Non-current Assets</b>   |       |                                      |                                     |
| Investment properties   | 10    | 139,126                              | 311,428                             |
| Property, plant and equipment   |       | 252                                  | 191                                 |
|   |       | <u>139,378</u>                       | <u>311,619</u>                      |
| <b>Current Assets</b>   |       |                                      |                                     |
| Deposits and prepayments  |       | 473                                  | 6,211                               |
| Amount due from a fellow subsidiary                                     |       | 6,290                                | 6,091                               |
| Financial instruments held for trading                                  |       | 96,349                               | 34,199                              |
| Other investment  | 11    | 32,319                               | 51,364                              |
| Taxation recoverable  |       | —                                    | 107                                 |
| Short-term bank deposits  |       | 32,337                               | 40,008                              |
| Bank balances and cash  |       | 72,246                               | 88,463                              |
|   |       | <u>240,014</u>                       | <u>226,443</u>                      |
| Assets classified as held for sale                                      | 12    | 192,195                              | —                                   |
|   |       | <u>432,209</u>                       | <u>226,443</u>                      |
| <b>Current Liabilities</b>  |       |                                      |                                     |
| Other payables and accrued charges                                      |       | 4,427                                | 10,244                              |
| Amount due to ultimate holding company                                  |       | 165                                  | —                                   |
| Amount due to a non-controlling shareholder of subsidiary               |       | —                                    | 4,048                               |
| Taxation payable  |       | 439                                  | 78                                  |
|   |       | <u>5,031</u>                         | <u>14,370</u>                       |
| Liabilities directly associated with assets classified as held for sale | 12    | 47,208                               | —                                   |
|   |       | <u>52,239</u>                        | <u>14,370</u>                       |
| <b>Net Current Assets</b>   |       | <u>379,970</u>                       | <u>212,073</u>                      |
| <b>Total Assets Less Current Liabilities</b>                            |       | <u><u>519,348</u></u>                | <u><u>523,692</u></u>               |

## Condensed Consolidated Interim Statement of Financial Position

At 30th June 2011

|   | NOTES | 30.6.2011<br>HK\$'000<br>(unaudited) | 31.12.2010<br>HK\$'000<br>(audited) |
|---|-------|--------------------------------------|-------------------------------------|
| <b>Capital and Reserves</b>                     |       |                                      |                                     |
| Share capital                                   | 13    | 22,275                               | 22,275                              |
| Reserves  |       | 473,481                              | 478,865                             |
|   |       | <hr/>                                | <hr/>                               |
| Equity attributable to owners of the Company    |       | 495,756                              | 501,140                             |
| Non-controlling interests                       |       | 18,835                               | 14,336                              |
|   |       | <hr/>                                | <hr/>                               |
| <b>Total Equity</b>                             |       | <b>514,591</b>                       | 515,476                             |
| <b>Non-current Liabilities</b>                  |       |                                      |                                     |
| Deferred tax liabilities                        |       | 4,757                                | 8,216                               |
|   |       | <hr/>                                | <hr/>                               |
| <b>Total Equity and Non-current Liabilities</b> |       | <b>519,348</b>                       | 523,692                             |
|   |       | <hr/> <hr/>                          | <hr/> <hr/>                         |

# Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 30th June 2011

|  | Share<br>capital<br>HK\$'000 | Share<br>premium<br>HK\$'000 | Property<br>revaluation<br>reserve<br>HK\$'000 | Translation<br>reserve<br>HK\$'000 | Retained<br>profits<br>HK\$'000 | Attributable<br>to owners<br>of the<br>Company<br>HK\$'000 | Non-<br>controlling<br>interests<br>HK\$'000 | Total<br>HK\$'000 |
|--|------------------------------|------------------------------|--|------------------------------------|---------------------------------|--|--|-------------------|
| At 1st January 2010 (audited)  | 22,275                       | 153,728                      | 18,840   | 22,923                             | 418,332                         | 636,098  | 34,306                                       | 670,404           |
| Exchange differences arising on<br>translation of foreign operations | —                            | —                            | —  | 3,388                              | —                               | 3,388  | 299  | 3,687             |
| Profit for the period  | —                            | —                            | —  | —                                  | 21,608                          | 21,608   | 2,735  | 24,343            |
| Total comprehensive income<br>for the period                         | —                            | —                            | —  | 3,388                              | 21,608                          | 24,996   | 3,034  | 28,030            |
| Dividend paid  | —                            | —                            | —  | —                                  | (26,730)                        | (26,730)   | (3,831)                                      | (30,561)          |
| At 30th June 2010 (unaudited)  | 22,275                       | 153,728                      | 18,840   | 26,311                             | 413,210                         | 634,364  | 33,509                                       | 667,873           |
| At 1st January 2011 (audited)  | 22,275                       | 153,728                      | —  | 26,954                             | 298,183                         | 501,140  | 14,336                                       | 515,476           |
| Exchange differences arising on<br>translation of foreign operations | —                            | —                            | —  | 6,786                              | —                               | 6,786  | 366  | 7,152             |
| (Loss) profit for the period   | —                            | —                            | —  | —                                  | (12,170)                        | (12,170)   | 420  | (11,750)          |
| Total comprehensive income<br>(expense) for the period               | —                            | —                            | —  | 6,786                              | (12,170)                        | (5,384)  | 786  | (4,598)           |
| Contribution from non-controlling<br>interests                       | —                            | —                            | —  | —                                  | —                               | —  | 3,713  | 3,713             |
| At 30th June 2011 (unaudited)  | 22,275                       | 153,728                      | —  | 33,740                             | 286,013                         | 495,756  | 18,835                                       | 514,591           |

## Condensed Consolidated Interim Statement of Cash Flows

For the six months ended 30th June 2011

|   | Six months<br>ended<br>30.6.2011<br>HK\$'000<br>(unaudited) | Six months<br>ended<br>30.6.2010<br>HK\$'000<br>(unaudited) |
|---|---|---|
| <b>Net cash used in operating activities</b>                  | <b>(22,977)</b>   | <b>(18,270)</b>   |
| <b>Investing activities</b>                                   |   |   |
| Deposits received from disposal of a subsidiary               | 10,000  | —   |
| Proceeds from disposal of investment properties               | —   | 18,132  |
| Proceeds from disposal of property, plant and equipment       | —   | 59  |
| Purchase of property, plant and equipment                     | (117)   | (342)   |
| Interest income received                                      | 89  | 362   |
| Other investing activities                                    | 67  | —   |
| Advance to a fellow subsidiary                                | (10,774)  | —   |
| <b>Net cash (used in) generated from investing activities</b> | <b>(735)</b>  | <b>18,211</b>   |
| <b>Financing activities</b>                                   |   |   |
| New bank loans raised   | —   | 18,671  |
| Dividend paid   | —   | (26,730)  |
| Interest expenses paid  | —   | (1,200)   |
| Advance from ultimate holding company                         | 165   | —   |
| Repayment to non-controlling shareholders of subsidiaries     | (335)   | (327)   |
| <b>Net cash used in financing activities</b>                  | <b>(170)</b>  | <b>(9,586)</b>  |
| <b>Net decrease in cash and cash equivalents</b>              | <b>(23,882)</b>   | <b>(9,645)</b>  |
| <b>Cash and cash equivalents at beginning of the period</b>   | <b>128,471</b>  | <b>233,792</b>  |
| Effect of foreign exchange rate changes                       | 10  | 373   |
| <b>Cash and cash equivalents at end of the period</b>         | <b>104,599</b>  | <b>224,520</b>  |
| <b>Analysis of the balances of cash and cash equivalents</b>  |   |   |
| Short-term bank deposits                                      | 32,337  | 90,441  |
| Bank balances and cash  | 72,262  | 134,079   |
|   | <b>104,599</b>  | <b>224,520</b>  |

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2011

## 1. BASIS OF PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31st December 2010. In addition, the Group applied the following accounting policy for a subsidiary classified as held for sale.

### Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current assets (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Immediately before the initial classification of the disposal group as held for sale, the carrying amounts of all the assets and the liabilities in the disposal group are measured in accordance with applicable accounting policies of the respective assets and liabilities. The disposal group classified as held for sale is then measured at the lower of the carrying amount and fair value less costs to sell. The impairment loss recognised shall first reduce the carrying amount of the non-current assets in the disposal group that are within the scope of the measurement requirements of HKFRS 5 Non-Current Assets Held for Sale and Discontinued Operations, impairment loss in excess of the carrying amount of such non-current assets is recognised as a provision.

In the current interim period, the Group has applied, for the first time, a number of new or revised standards and interpretations (“new or revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

The application of the new and revised HKFRSs in the current period has no material effect on the amounts reported in these condensed consolidated interim financial statements and/or disclosures set out in these condensed consolidated interim financial statements.

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31st December 2010 were authorised for issuance and are not yet effective:

|                              |   |
|------------------------------|---|
| HKFRS 10                     | Consolidated Financial Statements <sup>1</sup>            |
| HKFRS 11                     | Joint Arrangements <sup>1</sup>                           |
| HKFRS 12                     | Disclosure of Interests in Other Entities <sup>1</sup>    |
| HKFRS 13                     | Fair Value Measurement <sup>1</sup>                       |
| HKAS 27 (as revised in 2011) | Separate Financial Statements <sup>1</sup>                |
| HKAS 28 (as revised in 2011) | Investments in Associates and Joint Ventures <sup>1</sup> |

<sup>1</sup> Effective for annual periods beginning on or after 1st January 2013

The directors of the Company anticipate that the application of the above new and revised standards will have no material impact on the results and the financial position of the Group.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2011

## 3. SEGMENT INFORMATION

Operations regarding the sales of chemicals and metals were discontinued in prior year. The segment information reported below does not include any amounts for these discontinued operations, which are described in more detail in note 7.

The following is an analysis of the Group's revenue and results by reportable segments for the period under review:

### Continuing operations

#### Six months ended 30th June 2011

|   | unaudited                           |  |                          |                   |
|---|-------------------------------------|--|--------------------------|-------------------|
|   | Property<br>investments<br>HK\$'000 | Securities<br>and other<br>investments<br>HK\$'000 | Eliminations<br>HK\$'000 | Total<br>HK\$'000 |
| Sales proceeds from trading of financial instruments held for trading | —                                   | 104,147  | —                        | 104,147           |
| <i>Segment revenue</i>  |                                     |  |                          |                   |
| External sales  | 8,937                               | 68   | —                        | 9,005             |
| Segment result  | 7,768                               | 11,499   | —                        | 19,267            |
| Interest income from bank deposits                                    |                                     |  |                          | 89                |
| Provision for impairment loss on disposal group                       |                                     |  |                          | (27,994)          |
| Unallocated corporate expenses  |                                     |  |                          | (1,955)           |
| Loss before taxation  |                                     |  |                          | (10,593)          |

#### Six months ended 30th June 2010

|   | unaudited and restated              |  |                          |                   |
|---|-------------------------------------|--|--------------------------|-------------------|
|   | Property<br>investments<br>HK\$'000 | Securities<br>and other<br>investments<br>HK\$'000 | Eliminations<br>HK\$'000 | Total<br>HK\$'000 |
| Sales proceeds from trading of financial instruments held for trading | —                                   | 2,719  | —                        | 2,719             |
| <i>Segment revenue</i>  |                                     |  |                          |                   |
| External sales  | 8,484                               | 451  | —                        | 8,935             |
| Inter-segment sales   | 1,185                               | —  | (1,185)                  | —                 |
| Total turnover  | 9,669                               | 451  | (1,185)                  | 8,935             |
| Segment result  | 22,247                              | (2,527)  | —                        | 19,720            |
| Interest income from bank deposits                                    |                                     |  |                          | 349               |
| Unallocated other income  |                                     |  |                          | 1,975             |
| Unallocated corporate expenses  |                                     |  |                          | (6,595)           |
| Finance costs   |                                     |  |                          | (110)             |
| Profit before taxation  |                                     |  |                          | 15,339            |

Inter-segment transactions are charged at prevailing market rates.

Segment result represents the profit or loss earned without allocation of interest income from bank deposits, provision for impairment loss on disposal group, unallocated other income, unallocated corporate expenses (including central administration costs and directors' remuneration) and finance costs. This is the measure reported to the chief operation decision maker and the board of directors for the purposes of resource allocation and performance assessment.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2011

## 3. SEGMENT INFORMATION (continued)

The following is an analysis of the Group's assets by reportable segments:

|                                  | <b>30.6.2011</b><br><b>HK\$'000</b><br><b>(unaudited)</b> | 31.12.2010<br>HK\$'000<br>(audited) |
|----------------------------------|---|-------------------------------------|
| Property investments             | <b>338,063</b>  | 323,722                             |
| Securities and other investments | <b>128,803</b>  | 85,593                              |
| Total segment assets             | <b>466,866</b>  | 409,315                             |
| Unallocated                      | <b>104,721</b>  | 128,747                             |
| Total assets                     | <b>571,587</b>  | 538,062                             |

The information disclosed above represented the segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operation decision maker for the purpose of assessing their performance and allocating resources to segments. The change of the chief operation decision maker resulting from group reorganisation has resulted in an additional disclosure of the sales proceeds from trading of financial instruments held for trading.

## 4. OTHER INCOME

Included in other income is interest income from bank deposits of HK\$89,000 for the six months ended 30th June 2011 (six months ended 30th June 2010: HK\$349,000).

## 5. FINANCE COSTS

The finance costs in prior period represented interest on bank borrowings wholly repayable within five years.

## 6. INCOME TAX EXPENSE

|  | <b>Six months</b><br><b>ended</b><br><b>30.6.2011</b><br><b>HK\$'000</b><br><b>(unaudited)</b> | Six months<br>ended<br>30.6.2010<br>HK\$'000<br>(unaudited<br>and restated) |
|--|--|---|
| <b>Continuing operations</b>                         |  |   |
| The tax charge comprises:                            |  |   |
| Current tax:   |  |   |
| Hong Kong Profits Tax                                | —  | 143   |
| Profits tax outside Hong Kong                        | <b>1,095</b>   | 1,742   |
|  | <b>1,095</b>   | 1,885   |
| Underprovision in prior years:                       |  |   |
| Profits tax outside Hong Kong                        | —  | (232)   |
|  | <b>1,095</b>   | 1,653   |
| Deferred tax:  |  |   |
| Current period                                       | <b>62</b>  | 487   |
| Income tax expense relating to continuing operations | <b>1,157</b>   | 2,140   |

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both period presented. Taxation in People's Republic of China ("PRC") on Enterprise Income Tax and Land Appreciation Tax were 25% and 30% respectively.

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2011

## 7. DISCONTINUED OPERATIONS

During the year ended 31st December 2010, the Group discontinued its sales of chemical and metals segment upon the completion of its group reorganisation on 7th October 2010 where the ordinary shares of Kee Shing Investment (BVI) Limited ("KSL"), a wholly owned subsidiary following the injection of the trading business of chemical and metals into KSL, were distributed in specie to the Company's shareholders on the basis of one KSL's ordinary share for each of the Company's ordinary share.

The results of the trading of chemical and metals operations for the six months ended 30th June 2010 were as follows:

|                        | Six months<br>ended<br>30.6.2010<br>HK\$'000 |
|------------------------|--|
| Revenue                | 579,770                                      |
| Cost of sales          | (553,211)                                    |
| Other income           | 84   |
| Other expenses         | (13,911)                                     |
| Finance costs          | (1,090)                                      |
|                        | <hr/>  |
| Profit before taxation | 11,642                                       |
| Income tax expense     | (498)  |
|                        | <hr/>  |
| Profit for the period  | <u>11,144</u>                                |

Profit for the period from discontinued operations include the following:

|   | Six months<br>ended<br>30.6.2010<br>HK\$'000 |
|---|--|
| Depreciation                                      | 212  |
| Auditor's remuneration                            | 408  |
| Gain on disposal of property, plant and equipment | 48   |
| Staff costs                                       | 7,110  |

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2011

## 8. (LOSS) EARNINGS PER SHARE

### For continuing and discontinued operations

The calculation of the basic (loss) earnings per share attributable to owners of the Company is based on the loss for the period of HK\$12,170,000 (profit for six months ended 30th June 2010: HK\$21,608,000) and on 445,500,000 ordinary shares (six months ended 30th June 2010: 445,500,000 ordinary shares) in issue during the period.

### For continuing operations

The calculation of the basic (loss) earnings per share attributable to owners of the Company is based on the loss for the period of HK\$12,170,000 (profit for six months ended 30th June 2010: HK\$11,932,000) and on 445,500,000 ordinary shares (six months ended 30th June 2010: 445,500,000 ordinary shares) in issue during the period.

### For discontinued operations

The basic earnings per share attributable to owners of the Company is 2.2 HK cents for the six months ended 30th June 2010 which is based on the profit for the period of HK\$9,676,000 and on 445,500,000 ordinary shares in issue during the period.

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

## 9. DIVIDEND

During the six months ended 30th June 2010, a dividend of HK\$26,730,000 (6 HK cents per share) was paid to shareholders of the Company as the final dividend for 2009.

The directors do not recommend the payment of dividend during the current interim period.

## 10. INVESTMENT PROPERTIES

The fair value of the Group's investment properties located in PRC as at 30th June 2011 have been arrived at on the basis of a valuation carried out on that date by BMI Appraisals Limited, an independent qualified professional valuer not connected with the Group. The valuation report on these properties was signed by a director of BMI Appraisals Limited who is a member of the Hong Kong Institute of Surveyors. The valuations of the properties were arrived at using the basis of capitalisation of the net income. In the valuation, the market rentals of all lettable units of the properties are assessed and capitalised at market yield expected by investors for this type of properties. The capitalisation rate adopted is made by reference to the yields derived from analysing the sales transactions and the valuer's knowledge of the market expectation from property investors.

An investment property of HK\$180,371,000 was transferred to assets classified as held for sales as mentioned in note 12.

The revaluation of investment properties during the six months ended 30th June 2011 gave rise to a net gain arising from changes in fair value of HK\$831,000 (six months ended 30th June 2010: HK\$12,864,000) which has been recognised directly in profit or loss.

## 11. OTHER INVESTMENT

Other investment represents gold bullions stated at fair values less costs to sell. The fair values are determined by reference to the quoted market price. Any gain or loss arising on measurement is recognised in profit or loss.

## Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2011

### 12. ASSETS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

In May 2011, the Company as vendor and Virtue Time Holdings Limited (“the Purchaser”), a connected person of the Company under the Listing Rules, entered into a sale and purchase agreement, pursuant to which the Company conditionally agreed to sell the shares of Klendo Limited, a non-wholly owned subsidiary of the Company and representing the entire equity interest of the Company in Klendo Limited to the Purchaser. Details of which are stated in the announcement dated 12th May 2011.

The above transaction was approved by the shareholders of the Company in an extraordinary general meeting on 23rd June 2011.

The assets and liabilities attributable to the subsidiary that are expected to be sold within twelve months have been classified as assets and liabilities held for sale and are separately presented in the condensed consolidated interim statement of financial position. The operations are included in the Group’s property investments for segment reporting purposes.

As at the end of the reporting period, an impairment assessment was performed for the disposal group which should be carried at the lower of the carrying amount and fair value less cost to sell, and a provision of approximately HK\$27,994,000 was identified and recognised in profit or loss during the period.

Major classes of assets and liabilities of the subsidiary, deposit received and the provision associated with assets classified as held for sale as at 30th June 2011 are as follows:

|   | <b>30.6.2011</b><br><b>HK\$’000</b><br><b>(unaudited)</b> |
|---|---|
| Investment property   | 180,371   |
| Deposits and prepayments  | 1,271   |
| Amount due from a fellow subsidiary   | 10,537  |
| Bank balances and cash  | 16  |
|   | <hr/>   |
| Total assets classified as held for sale                                      | <b>192,195</b>  |
|   | <hr/> <hr/>   |
| Other payables and accrued charges  | 5,501   |
| Deposit received  | 10,000  |
| Provision for impairment loss on disposal group                               | 27,994  |
| Deferred tax liabilities  | 3,713   |
|   | <hr/>   |
| Total liabilities directly associated with assets classified as held for sale | <b>47,208</b>   |
|   | <hr/> <hr/>   |

# Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended 30th June 2011

## 13. SHARE CAPITAL

|  | Number<br>of shares  | Amount<br>HK\$'000 |
|--|----------------------|--------------------|
| Ordinary shares of HK\$0.05 each         |                      |                    |
| Authorised:                              |                      |                    |
| At 1st January 2011                      | 700,000,000          | 35,000             |
| Increase on 23rd June 2011               | 3,500,000,000        | 175,000            |
|  | <u>4,200,000,000</u> | <u>210,000</u>     |
| At 30th June 2011                        |                      |                    |
| Issued and fully paid:                   |                      |                    |
| At 30th June 2011 and 31st December 2010 | <u>445,500,000</u>   | <u>22,275</u>      |

## 14. RELATED PARTY TRANSACTIONS

The compensation of key management personnel, representing remuneration of directors, for the six months ended 30th June 2011 is HK\$237,000 (six months ended 30th June 2010: HK\$1,928,000).

Other than the advances and transaction disclosed elsewhere in the financial statements, the Group does not enter into any other transactions with related parties.

## 15. MAJOR NON-CASH TRANSACTIONS

During the period, the amount due to a non-controlling shareholder of a subsidiary in the total amount of HK\$3,713,000 was settled by applying the subscription money of HK\$3,713,000 receivable from that non-controlling shareholder of a subsidiary in relation to the issuance of 1,000 shares of HK\$1 each in the share capital of that subsidiary.

## 16. EVENTS AFTER THE END OF THE REPORTING PERIOD

Subsequent to the reporting period, the disposal of Klendo Limited, a subsidiary of the Company, as referred to in note 12 took place on 13th July 2011.

On 1st August 2011, the Company entered into a facility agreement with DBS Bank Ltd., Hong Kong Branch whereby a term loan facility in the principal amount of HK\$500,000,000 was granted to the Company.

## Other Information

### DIRECTORS' INTERESTS IN SHARES

At 30 June 2011, none of the Directors and their associates had any interests in the shares of the Company and its associated corporations, except the interests of share options of associated corporations below, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (“SFO”), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by the Directors of Listed Companies (“Model Code”), were as follows:

The letter “L” denotes a long position in shares.

#### Long position in share options of associated corporations of the Company

##### Sino-Ocean Land Holdings Limited

| Name of Directors | Capacity         | Nature of interests | Number of shares over which options are exercisable | Approximate percentage to the issued share capital of Associate Corporations as at 30 June 2011 |
|-------------------|------------------|---------------------|---|---|
| LI Zhenyu         | Beneficial owner | Personal interest   | 1,392,000(L)  | 0.02%   |
| SUM Pui Ying      | Beneficial owner | Personal Interest   | 3,860,000(L)  | 0.07%   |
| LI Hongbo         | Beneficial owner | Personal interest   | 1,320,000(L)  | 0.02%   |

Save as disclosed herein, at 30 June 2011, none of the Directors or Chief Executive of the Company had any interests or short positions in the shares, underlying share and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 & 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share option scheme (the “Share Option Scheme”) of the Company adopted on 23 June, 2011, at no time during the period under review was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, none of the Directors, or their spouses or children under the age of 18 had any right to subscribe to the securities of the Company or had exercised any such right during the period.

## Other Information

### SUBSTANTIAL SHAREHOLDERS

#### Interests in the Company

As at 30 June 2011, the register of substantial shareholders maintained by the Company pursuant to Section 336 of SFO shows that the following persons had notified the Company of an interest or short position in the shares or underlying shares of the Company.

| Name of shareholders                       | Nature of Interest                 | Capacity/<br>No. of Shares | Approximate<br>percentage<br>of the issued<br>share capital<br>of the Company |
|--|------------------------------------|----------------------------|---|
| Sino-Ocean Land Holdings Limited (Note)    | Interest of controlled corporation | 312,504,625(L)             | 70.15%  |
| Shine Wind Development Limited (Note)      | Interest of controlled corporation | 312,504,625(L)             | 70.15%  |
| Faith Ocean International Limited (Note)   | Interest of controlled corporation | 312,504,625(L)             | 70.15%  |
| Sino-Ocean Land (Hong Kong) Limited (Note) | Interest of controlled corporation | 312,504,625(L)             | 70.15%  |
| Grand Beauty Management Limited (Note)     | Beneficial owner                   | 312,504,625(L)             | 70.15%  |

Note: The 312,504,625 shares were beneficially owned by Grand Beauty Management Limited, which was wholly-owned by Sino-Ocean Land (Hong Kong) Limited. Sino-Ocean Land (Hong Kong) Limited was wholly-owned by Faith Ocean International Limited which in turn was wholly-owned by Shine Wind Development Limited. Shine Wind Development Limited was wholly-owned by Sino-Ocean Land Holdings Limited.

The letter "L" denotes a long position in shares.

Save as disclosed herein, as at 30 June 2011, the Company had not been registered of any interest or short positions in the shares or underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO of the Company, no other person had an interest or short position in ordinary shares of the Company and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

## Other Information

### SHARE OPTION SCHEME

At an extraordinary general meeting of the Company held on 23 June 2011, a Share Option Scheme of the Company was adopted by the shareholders of the Company. No share option has been granted since the adoption of the Share Option Scheme.

### CORPORATE GOVERNANCE

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the “Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) throughout the period, except for the following deviation:

#### Code Provision A.2.1

The code provision A.2.1 of the Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. As disclosed in the 2010 annual report of the Company, the position of general manager of the Company has been vacant since the resignation of Ms. LEUNG Miu King, Marina on 12 November 2010.

On 17 March 2011, Mr. SUM Pui Ying was appointed as a Non-executive Director and Chairman, and Mr. LI Zhenyu was appointed as an Executive Director and Chief Executive Officer of the Company to fill such vacancies. Since then, the roles of chairman and chief executive officer of the Company are performed by Mr. SUM Pui Ying and Mr. LI Zhenyu respectively.

### REVIEW BY AUDIT COMMITTEE AND AUDITOR

At the request of the Audit Committee of the Company, the Group’s auditor, Deloitte Touche Tohmatsu has carried out a review of the unaudited interim financial information in accordance with Hong Kong Standard on Review Engagement 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial information.

### COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the Company’s Codes of conduct governing dealings by all Directors in the securities of the Company. Having made specific enquiries with the Directors, all the Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the period.

The Company has also established written guidelines regarding securities transaction on no less exacting terms of the Model Code for senior management and specific individuals who may have access to price sensitive information in relation to the securities of the Company.

## Other Information

### CHANGES OF DIRECTOR'S INFORMATION

Changes of Directors' information since the date of the 2010 annual report of the Company, which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules, is set out below:

1. With effect from 17 March 2011, Mr. LAW Tze Lun was appointed as chairman of the Remuneration Committee of the Company.

### 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 period.

### SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the six months ended 30 June 2011.

### CONTINUING DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF CHAPTER 13 OF THE LISTING RULES

A facility agreement dated 1 August 2011 ("Facility Agreement") was entered into between the Company (as borrower), Sino-Ocean Land Holdings Limited (a controlling shareholder of the Company, as guarantor) ("SOL") and DBS Bank Ltd., Hong Kong Branch (the "Lender") in respect of the term loan facility in the principal amount of HK\$500,000,000 granted to the Company for a term of 36 months after the date of the Facility Agreement.

Pursuant to the Facility Agreement, each of the Company and SOL shall ensure that SOL shall at all times remain the single largest shareholder (direct or indirect) of not less than 30% shareholdings in the Company and maintain control over the Company, and failure which will be an event of default. In the case of an event of default, the Lender may, by notice to the Company, (a) cancel the commitment or any part of the commitment; (b) declare that all or part of the loans, together with accrued interest, and all other amounts accrued or outstanding under the finance documents be immediately due and payable; (c) declare that all or part of the loans, together with accrued interest, and all or any other amounts accrued or outstanding under the finance documents be payable on demand; and/or (d) exercise any or all of its rights, remedies, powers or discretions under the finance documents.

On behalf of the Board

**Adrian SUM**  
*Chairman*

10 August 2011

## Corporate Information

### BOARD OF DIRECTORS

#### Executive Director

LI Zhenyu

#### Non-Executive Directors

SUM Pui Ying

LI Hongbo

#### Independent Non-Executive Directors

LAW Tze Lun

LO Woon Bor, Henry

ZHENG Yun

### AUDIT COMMITTEE

LAW Tze Lun - Chairman

LO Woon Bor, Henry

ZHENG Yun

### REMUNERATION COMMITTEE

LAW Tze Lun – Chairman

LO Woon Bor, Henry

ZHENG Yun

### COMPANY SECRETARY

NGAN Chui Wan

### AUDITORS

Deloitte Touche Tohmatsu

Certified Public Accountants

### PRINCIPAL BANKERS

DBS Bank Limited

China Construction Bank Corporation

The Hongkong and Shanghai Banking Corporation Limited

### SHARE REGISTRAR

Tricor Standard Registrars Limited

26th Floor, Tesbury Centre

28 Queen's Road East

Wanchai, Hong Kong

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 3709, 37/F.,

Lippo Centre Tower II

89 Queensway

Hong Kong

### LISTING INFORMATION

The Stock Exchange of Hong Kong Limited

Stock Code: 174

### COMPANY WEBSITE

[www.geminiinvestments.com.hk](http://www.geminiinvestments.com.hk)