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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 2021**

The board of directors of the Company (the “**Director(s)**” or the “**Board**”) is pleased to announce the audited consolidated results of Gemini Investments (Holdings) Limited (the “**Company**”) and its subsidiaries (together referred to as the “**Group**”, “**our Group**” or “**We**”/“**we**”) for the year ended 31 December 2021 (the “**Year**” or “**2021**”). The audited consolidated results of the Company have been reviewed by the Company’s audit committee.

In 2021, the Group recorded a revenue of HK\$1,227 million (2020: HK\$604 million) and a loss attributable to owners of the Company of HK\$8 million (2020: a loss attributable to owners of the Company of HK\$233 million). Under the mixed effect of gradual adaption to the impacts of the COVID-19 pandemic by the global business environment and emergence of COVID-19 variants, the Group continued to record a decrease in the valuation of certain real estate projects in the United States of America (the “**U.S.**”) albeit at a lower overall degree as compared to that of 2020.

The Board does not recommend the payment of any final dividend on the convertible preference shares and the ordinary shares of the Company for the Year.

BUSINESS REVIEW

The year 2021 also marked a challenging year. Due to the recurrence nature of the COVID-19 pandemic, the unexpected emergence of COVID-19 variants added uncertainties to the gradual recovery of economic activities, again casting a cloud over the recovery prospect, despite the sign of recovery of the global economy as a result of rising COVID-19 vaccination rate coupled with the ongoing stimulus packages implemented by various countries around the world to boost economic growth.

During the Year, the Group continued to focus on the investment and management of real estate in the U.S. through Gemini-Rosemont Realty LLC (“**GR Realty**”), our U.S.-based property fund management platform, and recorded an overall revenue of HK\$1,227 million, with the size of the total assets reaching HK\$16,023 million. The Group adhered to the principle of flexibility and continued to implement its medium to long-term strategic plan in a cautious manner against the overall backdrop of uncertainties.

On one hand, the Group continued to promote the management and development of the investment projects located in the primary markets of the East Coast and West Coast of the U.S.. In light of the potential trend of structural adjustment of the real estate market of the U.S., and by leveraging the strong business relationship established with the tenants, the communities and the service providers over the past years, our U.S. team promptly implemented effective measures to cope with the adverse market conditions, maintaining an overall occupancy rate of over 95% for the investment properties in the East Coast and West Coast of the U.S. and facilitating full-speed construction of our property development projects.

On the other hand, the Group continued to implement the exit plan regarding the disposal of assets, and seized appropriate opportunities to successfully carry out the disposal of several real estate projects located in the Central U.S. including the State of Texas and the State of Alabama, recording a gain on disposal of HK\$36 million during the Year. By optimizing its asset portfolio, the Group aims to reallocate its resources to assets with higher growth potential.

OPERATION REVIEW

Overview

The Group mainly engages in property investments in the U.S. and Hong Kong, property developments in the U.S. and other operations (including fund investments and securities investments). Investment properties in the U.S. (including those classified as held for sale) and in Hong Kong accounted for 57% and 3% of our total assets as at 31 December 2021 respectively, and property under development in the U.S. accounted for 12% of our total assets as at 31 December 2021. All our property investments and property developments in the U.S. are managed by GR Realty’s team.

In addition to receiving a steady and reliable income and cash flow and possible capital gains from appreciation in value of assets, we also receive possible fee income and carried interest through GR Realty acting as the general partner of the property funds it manages. GR Realty has been providing tailored real estate solutions for investors and tenants for almost three decades. It is a fully integrated real estate platform, investing in quality property projects and managing property funds as general partners in specific target markets in the U.S..

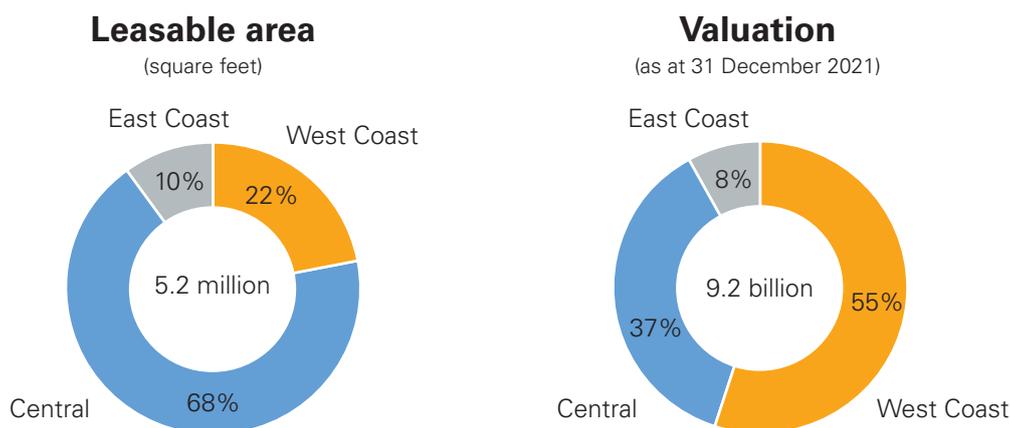
Property Investments in the U.S. (managed by GR Realty)

During the Year, the U.S. government has gradually relaxed its anti-epidemic measures and economic activities showed a slow recovery from the severe damage and got back on track. The outbreak of Omicron Variant of COVID-19 pandemic at end of the Year imposed pressure on office property values and the business recovery.

As at 31 December 2021, our balanced property portfolio comprised 19 commercial properties spread out in West Coast, Central and East Coast of the U.S. (where local key industry players are our key tenants), and several units in a residential building in New York City. GR Realty managed all our property investments in the U.S., with the focus on top-performing, high growth technology, creative, and new economy-centric sub-markets and tenants (which are mostly in West Coast and East Coast of the U.S.) in an effort to create and realize maximum value while at the same time gradually realising investments (which are mostly located in the Central U.S.) according to disposition criteria. During the Year, while we recorded an increase in value of certain real estate projects in the West Coast and a decrease in the Central region respectively, we have successfully disposed of several assets located in Central U.S., recording a gain on disposal of HK\$36 million, with net proceeds reserved for future sound investments.

As at 31 December 2021, the total carrying value of our investment properties in the U.S. was HK\$9,167 million (as at 31 December 2020: HK\$10,913 million) including investment properties of HK\$1,108 million which are classified as assets classified as held for sale. Rental revenue and ancillary service income to property leasing, relating to investment properties in the U.S., increased by 105% to HK\$1,212 million (2020: HK\$590 million), due to consolidation of GR Realty since 31 July 2020, whilst the result of GR Realty in 2020 has only been recognised since second half of 2020. The total leasable area in the U.S. decreased from 7,153,000 square feet to 5,233,000 square feet, with average occupancy rate of 73%.

An analysis of investment properties (including assets classified as held for sale) in the U.S. by geographical locations is set out below:



We will continue to optimize our asset mix of the U.S. properties according to acquisition and disposition criteria and stay cautiously optimistic and closely monitor how tenants and corporations move forward to their real estate needs with an aim to maximize assets valuation.

Two of the disposals entered into by the Group during the Year constituted notifiable transactions of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), and their details are described below.

In May 2021, a subsidiary of the Company entered into a purchase and sale agreement with an independent third party to sell an office building together with various car parking spaces located at Alabama, the U.S. for an aggregate consideration of US\$67,000,000. The Group recorded a gain of HK\$34 million as a result of the disposal. This disposal was completed by end of May 2021. Details of this disposal which constituted a discloseable transaction of the Company under the Listing Rules are set out in the announcement of the Company dated 10 May 2021.

In October 2021, a subsidiary of the Company entered into a purchase and sale agreement with an independent third party to sell an office building property located at North Carolina, the U.S. for an aggregate consideration of US\$23,060,000. Subsequently, the purchaser served a written notice to terminate the purchase and sale agreement. After further negotiation, in November 2021, both parties entered into the reinstatement and second amendment to the purchase and sale agreement (the “**Second Amendment**”) to reinstate, ratify and confirm the purchase and sale agreement, which has the effect of reinstating the purchase and sale agreement as if it had not been terminated. Pursuant to the Second Amendment, the consideration has been revised to US\$22,350,000. This disposal was completed in January 2022, and the gain arising from this disposal will be recognised in 2022. Details of this disposal which constituted a major transaction of the Company under the Listing Rules are set out in the announcements of the Company respectively dated 26 October 2021, 8 November 2021 and 25 November 2021; and circular of the company dated 10 December 2021.

Property Developments in the U.S. (managed by GR Realty)

The Group's property development projects comprise residential redevelopments located at (i) Avenue of the Americas, Manhattan, New York City, (ii) North First Street, Brooklyn, New York City and (iii) Second Avenue, Manhattan, New York City.

The redevelopment project located at Avenue of the Americas is expected to be developed into a 13-storey residential building (with retail space on the ground) with an estimated gross floor area of 82,000 square feet. It is positioned with unique project types including duplex units which are in scarcity in Manhattan. It is currently under development and expected to be completed by the first half of 2022.

The North First Street project is in development stage, and expected to be developed into a residential building together with auxiliary car parking facilities and perfecting amenities. The estimated gross floor area is 78,000 square feet, and completion is expected in 2023. The Second Avenue project is in demolition stage, and is expected to be developed into a residential building with splendid amenities. The estimated gross floor area is 137,000 square feet, and completion is expected in early 2025.

The relaxed control measures in New York City were tightened again due to the outbreak of the COVID-19 variant which may delay the progress of our property development projects. We will closely monitor the progress of our property development projects and continue to implement our plans to provide quality residential property development products.

Investment Properties in Hong Kong

Investment properties in Hong Kong comprise A-grade offices units in two buildings in Hong Kong Island, and several residential units and car parking space. The total carrying value of our investment properties in Hong Kong was HK\$440 million (as at 31 December 2020: HK\$451 million), representing 3% of our total assets as at 31 December 2021 (as at 31 December 2020: 3%). During the Year, rental revenue from investment properties in Hong Kong remained stable with an amount of HK\$10 million (2020: HK\$11 million). Leasing activities remained relatively stable with average occupancy rate of 90%.

Other Operations

Other operations mainly include fund investments and securities investments. As at 31 December 2021, our securities investment portfolio mainly consisted of investment in listed securities in Hong Kong and overseas of HK\$325 million (as at 31 December 2020: HK\$546 million). The Group recorded gain from securities investment (classified as financial instruments held for trading) of HK\$29 million for the Year (2020: HK\$58 million) as a result of prudence investment strategy under thriving global capital market.

As at 31 December 2021, the carrying amount of our fund investment portfolio (classified as “financial assets at fair value through profit or loss”) was HK\$1,952 million (as at 31 December 2020: HK\$2,155 million), with an aggregate gain on change of fair value of HK\$45 million recorded during the Year (2020: HK\$3 million), as a result of gain from those funds investing in global listed securities, with a mixed portfolio including equity securities in technology media telecom sector and new economy industries and debt securities under thriving global capital market. The underlying investments in our fund investment portfolio include global listed securities and debt securities focusing on the technology media telecom sector, property and property-related value chain and new economy industries; and real estate and related investments primarily in the U.S., Europe, Japan, Australia and/or Hong Kong.

In November 2021, the Group served redemption notices to the administrator of two of our fund investments to redeem its 341,438 participating shares in GlobalActive Fund Limited and its 80,000 shares in Neutron Fund Limited attributable to Neutron Asia Absolute Return Fund with carrying amount of HK\$147 million and HK\$100 million respectively. The total proceeds arising from the redemptions are HK\$247 million and the Group recorded gain from redemption of funds of HK\$8 million, which was recorded as “Changes in fair value of financial asset at fair value through profit or loss” during the Year. The redemption of funds represented a good opportunity for the Group to realize such investments so that it can reallocate its resources to its other existing businesses. Details of the redemptions which constituted a major transaction of the Company under the Listing Rules were set out in the announcement and circular of the Company dated 19 November 2021 and 7 January 2022 respectively.

FINANCIAL REVIEW

Revenue

The components of our revenue are analysed as follows:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income	983,833	502,089
Ancillary service income to property leasing	237,783	98,879
Others	5,490	2,888
	<u>1,227,106</u>	<u>603,856</u>

Rental income comprises rental income generated from U.S. investment properties managed by GR Realty of HK\$974 million and Hong Kong investment properties of HK\$10 million. Ancillary service income to property leasing mainly includes income for services provided to tenants of HK\$208 million and parking lot income of HK\$30 million.

As GR Realty has only been consolidated into the Group since 31 July 2020, the significant increase in revenue by HK\$623 million was mainly due to increase in revenue contributed by GR Realty for the whole year 2021, including increase of rental income by HK\$482 million and ancillary service income to property by HK\$139 million.

Operating expenses

The components of our operating expenses are analysed as follows:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Repairs, maintenance and utilities	256,694	127,335
Property insurance costs	23,756	9,004
Property management expenses	38,114	24,559
Real estate taxes	170,998	29,093
Others	4,139	3,302
	<u>493,701</u>	<u>193,293</u>

As GR Realty has only been consolidated into the Group since 31 July 2020, the significant increase in operating expenses by HK\$301 million was mainly due to increase in operating expenses contributed by GR Realty for the whole year 2021, including increase in repairs, maintenance and utilities by HK\$130 million and real estate taxes by HK\$142 million which mostly occurred and were recognised in the first half of the year.

Loss arising from changes in fair value of investment properties

Loss arising from changes in fair value of investment properties of the Group of HK\$151 million was recorded, representing a drop in carrying value of 2% of the investment properties, which mainly resulted from fair value decrease of U.S. investment properties of HK\$140 million. Under the mixed effect of gradual adaption to the impacts of the COVID-19 pandemic by the global business environment and emergence of COVID-19 variants, the Group continued to record a decrease in the valuation of certain real estate projects in the U.S., albeit at a lower overall degree as compared to that of 2020. Such decrease in fair value mainly came from investment properties located in Central U.S., with our tenants there affected more by new variant COVID-19 pandemic, which we act as general partner of the property fund with certain limited partner interests.

Gain arising from changes in fair value of financial assets at fair value through profit or loss

Gain arising from changes in fair value of financial assets at fair value through profit or loss of the Group of HK\$45 million was recorded during the Year, which was mainly generated from our fund investments. Details of performance of fund investments are described in the section headed “Other Operations” above.

Other income, gains/losses

The components of other income, gains/losses, are analysed as follows:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Gain on disposal of investment properties	36,175	–
Government grant	18,055	–
Interest income	7,966	19,623
Loss on re-measurement of interests in GR Realty	–	(50,339)
Others	1,238	3,982
	<u>63,434</u>	<u>(26,734)</u>

During the Year, other income, gains/losses mainly comprises gain of HK\$36 million from the disposal of several investment properties located in the U.S., and income from a government grant of HK\$18 million by the U.S. Department of the Treasury for the purpose of providing financial support to enterprises under the impact of COVID-19.

During last year, other income, gains/losses mainly comprises loss on re-measurement of interests in joint ventures of HK\$50 million due to the difference between the fair value of the existing interests in GR Realty and the carrying amount of interests in GR Realty as joint venture upon consolidation of GR Realty, and interest income on loan receivables from GR Realty of HK\$15 million prior to the consolidation of GR Realty.

Administrative and other expenses

The components of our administrative and other expenses are analysed as follows:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Employee costs	92,095	55,276
Legal and professional fee	39,937	31,005
Depreciation	15,875	10,137
Insurance expenses	9,067	4,792
Informative service fee	8,926	4,033
Auditors' remuneration	7,273	5,365
Exchange difference	4,356	(3,712)
Other taxes	5,116	4,464
Other office and administrative expenses	20,244	17,793
	<u>202,889</u>	<u>129,153</u>

As GR Realty has only been consolidated into the Group since 31 July 2020, the significant increase in administrative and other expenses by HK\$74 million recorded by the Group was mainly due to increase in employee costs, legal and professional fee, insurance expenses and informative service fee contributed by GR Realty for the whole year 2021. As such, total employee costs increased by HK\$37 million, and legal and professional fee increased by HK\$9 million, associated with an exchange difference movement of HK\$8 million.

Finance costs

As GR Realty has only been consolidated into the Group since 31 July 2020, the significant increase in finance cost by HK\$228 million recorded by the Group was due to increase in finance cost contributed by GR Realty for the whole year 2021 by HK\$228 million.

Loss attributable to limited partners and puttable instrument holders

The entities to which losses are attributable mainly include certain limited partner interests associated with those limited partnerships of the property funds managed and controlled by GR Realty of HK\$186 million (2020: HK\$187 million). According to the terms of investments, these interests are classified as assets/liabilities under the statutory accounting principles, instead of non-controlling interest in equity. Accordingly, the financial results attributable to limited partners and puttable instrument holders are recorded in the consolidated income statement of the Group. The loss of HK\$186 million, which mainly arose from the fair value decrease of investment properties mainly located in Central U.S. under GR Realty, was allocated to the limited partners. The Group mainly acts as general partner, with certain limited partner interest in the parent funds of those investment properties.

Loss attributable to owners of the Company

Loss attributable to owners of the Company for the Year decreased to HK\$8 million (2020: loss attributable to owners of the Company of HK\$233 million). Basic loss per ordinary share of the Company of HK\$0.01 for the Year was recorded (2020: loss per ordinary share of HK\$0.41). Our management will closely monitor the market situation and focus on the improvement of our shareholders' return as their on-going task.

Financial Resources and Liquidity

As at 31 December 2021, the Group had cash resources totaling HK\$825 million (as at 31 December 2020: HK\$1,162 million). The committed bank credit facilities amounted to HK\$292 million which remained undrawn. The Group's sources of funding comprise mainly internal funds generated from the Group's business operations and loan facilities provided by banks.

As at 31 December 2021, the borrowings (excluding lease liabilities) of the Group amounted to HK\$6,068 million (as at 31 December 2020: HK\$7,932 million). The Group's borrowings included bank loans and revolving loans and notes payables. The decrease in borrowings was mainly due to settlement of mortgage loan upon disposal of several investment properties in the U.S.. As at 31 December 2021, the proportions of short-term borrowings and long-term borrowings of the Group were 30% and 70% respectively. The maturities of the Group's borrowings are set out as follows:

	31 December 2021 (HK\$ million)	As percentage of borrowings	31 December 2020 (HK\$ million)	As percentage of borrowings
Within 1 year	1,850	30%	2,262	28%
1-2 years	468	8%	641	8%
2-5 years	3,036	50%	4,169	53%
Over 5 years	714	12%	860	11%
	<u>6,068</u>	<u>100%</u>	<u>7,932</u>	<u>100%</u>

The above borrowings are denominated as to 97% in U.S. dollars and 3% in Hong Kong dollars, Considering that the exchange rate of Hong Kong dollars is pegged against the U.S. dollars, the Group believes that the corresponding exposure to exchange rate risk arising from the U.S. dollars is not material.

The Group's net gearing ratio (i.e. borrowings less total cash resources divided by total equity) had improved from 94% at 31 December 2020 to 72% at 31 December 2021, mainly as result of disposal of several investment properties in the U.S. and settlement of related borrowings. The Group will gradually realise its investments at appropriate time according to GR Realty's disposition criteria which, when completed, is considered to ease the Group's gearing position. It is the strategy of GR Realty as a real estate fund platform to pair investment properties under management with an appropriate level of mortgage loans at low interest rate to achieve higher rate of return. Currently, 84% of our total borrowings enjoyed interest rate below 6%. Our management will continue to monitor the Group's capital and debt structure from time to time aiming to control short term debt ratio and mitigate its exposure to the risk of gearing.

Financial Guarantees

As at 31 December 2021, our Group did not have any financial guarantees given for the benefit of third parties.

Pledged Assets

As at 31 December 2021, our Group had pledged bank deposits amounting to HK\$18 million (as at 31 December 2020: HK\$35 million), investment properties of HK\$7,817 million (as at 31 December 2020: HK\$10,578 million) and assets classified as held for sale of HK\$942 million (as at 31 December 2020: nil), together with the interests of certain subsidiaries of the Group as securities to secure borrowings of our Group of HK\$6,068 million (as at 31 December 2020: HK\$7,749 million).

Significant Investments

As at 31 December 2021, the Group did not hold any significant investment with a value of 5% or more of the Group's total assets as at 31 December 2021.

Contingent Liabilities

As at 31 December 2021, our Group had no significant contingent liabilities.

Capital Commitments

As at 31 December 2021, our Group had capital commitments of HK\$263 million (as at 31 December 2020: HK\$208 million), in respect of the property development projects in the U.S..

Use of Proceeds from Placing Exercises

The Company respectively allotted and issued 90,278,000 new ordinary shares of the Company on 17 April 2020 and 90,278,000 new ordinary shares of the Company on 27 May 2020 at subscription prices of HK\$1.00 and HK\$0.993 respectively (collectively the “**Placing Exercises**”). The Placing Exercises raised net proceeds of HK\$179.2 million. The Placing Exercises were considered as ways to further strengthen our financial position, and also as steps to improve the liquidity of the ordinary shares of the Company on the Hong Kong Stock Exchange as the transaction volume of our ordinary shares was constantly thin.

The Company's utilisation plan of the net proceeds from the Placing Exercises remained unchanged as at 31 December 2021 as compared to that disclosed in the Company's announcements and circular for the Placing Exercises. The Company intended to use around US\$10 million to US\$12 million (equivalent to HK\$77.5 million to HK\$93.0 million), representing 43% to 52% of the aggregate net proceeds from the Placing Exercises, for the investment in a real estate related project in the Metropolitan Area of the State of New York, and the remaining balance of the net proceeds was intended to be used as general working capital of our Group. Subject to the emerging opportunities, the Company considered applying the remaining balance of the net proceeds and other available cash resources of the Company for other good real estate investments in the U.S., if the investments would be in the interests of the Company and its shareholders as a whole.

Our Group has been actively looking for good investment opportunities under prudence approach. However, in view of uncertainties amid the COVID-19 pandemic and the geopolitical tension, our Group had yet to make any significant investment nor utilise any portion as working capital of our Group out of the net proceeds from the Placing Exercises as at 31 December 2021, and this is considered in line with the interests of the Company and its shareholders as a whole. Based on the best estimation made by the Group barring unforeseen circumstances (including in particular the development of the COVID-19 pandemic and the identification of a suitable investment target in the U.S. in the interest of the Company and its shareholders as a whole), the Company estimates that the expected timeline for utilizing the net proceeds for the above mentioned real estate investment is on or before the fourth quarter of 2022 whilst the expected timeline for applying the remaining balance of the net proceeds for general working capital of the Group is on or before the second quarter of 2022. These expected timelines may be subject to further change based on the future development of the market conditions.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

- (1) In December 2021, a subsidiary of the Company entered into a purchase and sale agreement with an independent third party to sell multi-storey office buildings and multi-level parking garages with several ground leases located at Oklahoma, the U.S. for an aggregate consideration of US\$101,170,000. Subsequently, both parties entered into a first amendment to the purchase and sale agreement in Feb 2022 to extend the inspection period in respect of the properties from 15 February 2022 to 1 March 2022 (U.S. Eastern Time). Upon the expiration of the inspection period, both parties entered into a second amendment to the purchase and sale agreement and the purchaser agreed to waive the right to terminate the purchase and sale agreement. Closing of this transaction is still subject to the purchaser having obtained satisfactory financing arrangement to fund the acquisition, and may or may not proceed. Subject to closing, the gain arising from this disposal will be recognised in 2022. Details of this disposal which constituted a major transaction of the Company under the Listing Rules are set out in the announcements of the Company respectively dated 22 December 2021, 16 February 2022 and 2 March 2022; and circular of the Company dated 14 January 2022.
- (2) In January 2022, a subsidiary of the Company entered into a purchase and sale agreement with an independent third party to sell a shopping center with various car parking spaces located at New Mexico, the U.S. for an aggregate consideration of US\$3,900,000. Closing of this transaction is still subject to satisfaction of certain conditions precedent, and may or may not proceed. Subject to closing, the gain arising from this disposal will be recognised in 2022. Details of this disposal which constituted a discloseable transaction of the Company under the Listing Rules are set out in the announcement of the Company dated 31 January 2022.

PROSPECTS

The world has been under the impact of the COVID-19 pandemic since its outbreak over two years ago. The recurrent nature of the pandemic and the emergence of the virus variants as well as geopolitical tension have brought great uncertainties to the recovery of the global economy. Major economies have not yet released their official schedule for border opening. In 2022, due to the uncertainties regarding the development prospect, we expect to witness a weak recovery in the global economy amidst the recurrent outburst of the pandemic, geopolitical tension, high inflation rate and exit of the stimulus policies, with the growth momentum remaining very fragile. How to reopen the economy and restore the economy to normalized growth will be the priority of the government decision-makers and the management of the enterprises. We will keep a close watch on the development and transformation trend of the industry, continue to implement our strategic development plan, keep abreast of the current trend, seize future investment opportunities arising from economic recovery and make continuous effort to optimize our investment portfolio, with an aim to improve the value and market competitiveness of the Company.

Faced with various challenges brought by the pandemic as well as geopolitical tension which have not been seen in centuries, we are grateful to have Sino-Ocean Group Holding Limited and Sino-Ocean Capital Holding Limited, the substantial shareholders of the Company, as our strong support and backing force. We hope to combine the efforts of our management team and professional teams to leverage commercial synergies to explore more valuable business opportunities and strengthen our overall competitiveness.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Revenue	3,4	1,227,106	603,856
Operating expenses	5	<u>(493,701)</u>	<u>(193,293)</u>
		733,405	410,563
Other income, gains/losses	6	63,434	(26,734)
Administrative and other expenses		(202,889)	(129,153)
Changes in fair value of financial instruments held for trading		28,883	58,403
Changes in fair value of financial assets at fair value through profit or loss		45,430	3,419
Changes in fair value of investment properties		(150,799)	(404,775)
Provision for impairment loss on financial assets		(1,418)	(5,636)
Share of results of joint ventures		—	(98,993)
Gain on effective settlement of loan receivables		—	60,787
		—	(38,206)
Share of results of associates		1,063	(1,500)
Finance costs	7	(419,329)	(191,122)
Loss attributable to limited partners and puttable instrument holders		<u>186,386</u>	<u>187,285</u>
Profit/(loss) before income tax	8	284,166	(137,456)
Income tax	9	<u>(45,551)</u>	<u>(95,780)</u>
Profit/(loss) for the year		<u>238,615</u>	<u>(233,236)</u>
Profit/(loss) for the year attributable to:			
Owners of the Company		(8,111)	(233,036)
Non-controlling interests	16	<u>246,726</u>	<u>(200)</u>
		<u>238,615</u>	<u>(233,236)</u>
Loss per share for profit/(loss) attributable to owners of the Company	10		
– Basic (HK dollar)		(0.01)	(0.41)
– Diluted (HK dollar)		<u>(0.01)</u>	<u>(0.41)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 HK\$'000	2020 HK\$'000
Profit/(loss) for the year		<u>238,615</u>	<u>(233,236)</u>
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		<u>22,030</u>	<u>(4,533)</u>
Other comprehensive income for the year		<u>22,030</u>	<u>(4,533)</u>
Total comprehensive income for the year		<u><u>260,645</u></u>	<u><u>(237,769)</u></u>
Total comprehensive income attributable to:			
Owners of the Company		13,919	(237,569)
Non-controlling interests	16	<u>246,726</u>	<u>(200)</u>
		<u><u>260,645</u></u>	<u><u>(237,769)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

		2021	2020
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets			
Investment properties	12	8,498,509	11,363,561
Property, plant and equipment		40,901	75,176
Investments in associates		6,491	5,393
Financial assets at fair value through profit or loss	13	1,958,982	2,161,047
Deposits, prepayments and other receivables		69,398	110,412
Other financial assets		536,572	420,191
Restricted bank deposits		1,769	1,328
Deferred tax assets		90,671	128,429
		<u>11,203,293</u>	<u>14,265,537</u>
Current assets			
Properties under development		1,861,601	1,563,839
Deposits, prepayments and other receivables		498,173	69,290
Financial instruments held for trading		324,597	545,854
Tax recoverables		39,912	39,807
Restricted bank deposits		161,834	309,005
Cash and bank balances		824,947	1,162,189
		<u>3,711,064</u>	<u>3,689,984</u>
Assets classified as held for sale	14	<u>1,108,310</u>	<u>—</u>
		<u>4,819,374</u>	<u>3,689,984</u>
Total assets		<u>16,022,667</u>	<u>17,955,521</u>

	<i>Notes</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current liabilities			
Other payables and accrued charges		750,192	717,832
Financial instruments held for trading		–	5,465
Amounts due to shareholders		429,543	488,763
Tax payables		2,547	1,903
Borrowings	15	1,864,426	2,271,354
Other financial liabilities		<u>139,009</u>	<u>150,345</u>
		<u>3,185,717</u>	<u>3,635,662</u>
Net current assets		<u>1,633,657</u>	<u>54,322</u>
Total assets less current liabilities		<u><u>12,836,950</u></u>	<u><u>14,319,859</u></u>
Capital and reserves			
Share capital		371,191	371,191
Reserves		<u>5,034,825</u>	<u>5,021,132</u>
Equity attributable to owners of the Company		5,406,016	5,392,323
Non-controlling interests	16	<u>1,901,402</u>	<u>1,794,362</u>
Total equity		<u>7,307,418</u>	<u>7,186,685</u>
Non-current Liabilities			
Other payables and accrued charges		25,065	31,219
Amounts due to shareholders		896,770	891,538
Borrowings	15	4,291,163	5,783,203
Other financial liabilities		268,758	375,663
Deferred tax liabilities		<u>47,776</u>	<u>51,551</u>
		<u>5,529,532</u>	<u>7,133,174</u>
Total equity and non-current liabilities		<u><u>12,836,950</u></u>	<u><u>14,319,859</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Share capital <i>HKS'000</i>	Convertible preference shares reserve <i>HKS'000</i>	Perpetual bond <i>HKS'000</i>	Capital contribution reserve <i>HKS'000</i>	Revaluation surplus reserve <i>HKS'000</i>	Translation reserve <i>HKS'000</i>	Retained profits <i>HKS'000</i>	Attributable to owners of the Company <i>HKS'000</i>	Non- controlling interests <i>HKS'000</i>	Total equity <i>HKS'000</i>
Balance at 1 January 2021	371,191	2,260,565	2,259,504	308,190	20,256	7,394	165,223	5,392,323	1,794,362	7,186,685
Other comprehensive income										
– Exchange differences arising on translation of foreign operations	-	-	-	-	-	22,030	-	22,030	-	22,030
Profit for the year	-	-	-	-	-	-	(8,111)	(8,111)	246,726	238,615
Total comprehensive income for the year	-	-	-	-	-	22,030	(8,111)	13,919	246,726	260,645
Distribution paid to the holder of perpetual bond	-	-	-	-	-	-	(226)	(226)	-	(226)
Distribution paid to non-controlling interests	-	-	-	-	-	-	-	-	(139,686)	(139,686)
Balance at 31 December 2021	<u>371,191</u>	<u>2,260,565</u>	<u>2,259,504</u>	<u>308,190</u>	<u>20,256</u>	<u>29,424</u>	<u>156,886</u>	<u>5,406,016</u>	<u>1,901,402</u>	<u>7,307,418</u>

	Convertible preference		Perpetual bond	Capital contribution reserve	Capital reduction reserve	Share option reserve	Revaluation surplus reserve	Translation reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	shares reserve	Perpetual bond	contribution reserve	reduction reserve	option reserve	surplus reserve	Translation reserve	profits	to owners of the Company	controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2020	185,453	2,355,533	2,259,504	308,190	-	22,336	20,256	11,927	282,884	5,446,083	300,764	5,746,847
Other comprehensive income												
– Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	-	(4,533)	-	(4,533)	-	(4,533)
Loss for the year	-	-	-	-	-	-	-	-	(233,036)	(233,036)	(200)	(233,236)
Total comprehensive income for the year	-	-	-	-	-	-	-	(4,533)	(233,036)	(237,569)	(200)	(237,769)
Distribution paid to the holder of perpetual bond	-	-	-	-	-	-	-	-	(226)	(226)	-	(226)
Distribution paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(39,003)	(39,003)
Share allotment	180,556	-	-	-	-	-	-	-	-	180,556	-	180,556
Capital reduction	-	(94,968)	-	-	94,968	-	-	-	-	-	-	-
Transfer arising from capital reduction	-	-	-	-	(94,968)	-	-	-	94,968	-	-	-
Consolidation of Gemini-Rosemont Realty LLC	-	-	-	-	-	-	-	-	-	-	1,532,801	1,532,801
Exercise of share option	5,182	-	-	-	-	(1,703)	-	-	-	3,479	-	3,479
Vested share options forfeited/cancelled	-	-	-	-	-	(20,633)	-	-	20,633	-	-	-
Balance at 31 December 2020	<u>371,191</u>	<u>2,260,565</u>	<u>2,259,504</u>	<u>308,190</u>	<u>-</u>	<u>-</u>	<u>20,256</u>	<u>7,394</u>	<u>165,223</u>	<u>5,392,323</u>	<u>1,794,362</u>	<u>7,186,685</u>

NOTES

1. GENERAL

The financial information relating to the two years ended 31 December 2020 and 2021 included in this preliminary announcement of the annual results for the year ended 31 December 2021 do not constitute the statutory annual consolidated financial statements of Gemini Investments (Holdings) Limited (the “**Company**”) for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong (the “**Companies Ordinance**”)) is as follows:

The Company has delivered the financial statements for the year ended 31 December 2020 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2021 in due course.

The Company’s auditor has reported on the financial statements of the Company and its subsidiaries (collectively referred to as the “**Group**”) for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Companies Ordinance.

2. APPLICATION OF HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

(a) Adoption of new or revised HKFRSs – from 1 January 2021

Amendments to HKFRS 16	COVID-19 Related Rent Concessions
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

None of these new or amended HKFRSs has a material impact on the Group’s results and financial position for the current or prior period. The Group has not early applied any new or amended HKFRSs that is not yet effective for the current accounting period.

(b) New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group’s financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
2021 Amendments to HKFRS 16	COVID-19 Related Rent Concessions beyond 30 June 2021 ²
Amendments to HKAS 16	Property, Plant and Equipment: Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ³

Annual Improvements to HKFRSs 2018–2020 Cycle	Amendments to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards, HKFRS 9 Financial Instruments and HKFRS 16 Leases ³
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁴
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020) Presentation of Financial Statements ⁵
HKFRS 17	Insurance Contracts ⁵
Amendments to HKAS1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ⁵
Amendments to HKAS 8	Definition of Accounting Estimates ⁵
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ⁵

¹ No mandatory effective date yet determined but available for adoption.

² Effective for annual periods beginning on or after 1 April 2021.

³ Effective for annual periods beginning on or after 1 January 2022.

⁴ Effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022.

⁵ Effective for annual periods beginning on or after 1 January 2023.

The above new/revised HKFRSs that have been issued but not yet effective are unlikely to have material impact on the Group’s consolidated results and consolidated financial statements upon application.

3. SEGMENT INFORMATION

Information reported to 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 Operating Segment are as follows:

- Property investment in the United States of America (the “U.S.”)

Rental income and ancillary service income from leasing of office property and residential condominium which are managed by Gemini-Rosemont Realty LLC (“GR Realty”).

- Property development in the U.S.

Income from sale of quality commercial and residential properties in the U.S. which are managed by GR Realty.

- Property investment in Hong Kong

Rental income from leasing of office and residential properties in Hong Kong.

- Fund investments

Investing in various investment funds and generating investment income.

- Securities and other investments

Investing in various securities and generating investment income.

Revenue and expenses are allocated to the reportable and operating segments with reference to the income generated from and the expenses incurred by those segments. Each of the reportable and 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 segments.

For the year ended 31 December 2021

	Managed by GR Realty						
	Property investment in the U.S. <i>HK\$'000</i>	Property development in the U.S. <i>HK\$'000</i>	Property investment in Hong Kong <i>HK\$'000</i>	Fund Investments <i>HK\$'000</i>	Securities and other investments <i>HK\$'000</i>	Elimination <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	1,211,908	–	9,709	–	5,489	–	1,227,106
Less: Inter-segment sales	–	–	–	–	3,976	(3,976)	–
Revenue as presented in consolidated income statement	<u>1,211,908</u>	<u>–</u>	<u>9,709</u>	<u>–</u>	<u>9,465</u>	<u>(3,976)</u>	<u>1,227,106</u>
Segment results	<u>820,708</u>	<u>(1,082)</u>	<u>(2,541)</u>	<u>44,727</u>	<u>29,936</u>		891,748
Interest income from bank deposits							5,833
Depreciation							(15,875)
Provision for impairment loss on financial assets							(1,418)
Finance costs							(419,329)
Unallocated corporate expenses							<u>(176,793)</u>
Profit before income tax							<u>284,166</u>

For the year ended 31 December 2020

	Managed by GR Realty					Elimination HK\$'000	Consolidated HK\$'000
	Property investment in the U.S. HK\$'000	Property development in the U.S. HK\$'000	Property investment in Hong Kong HK\$'000	Fund Investments HK\$'000	Securities and other investments HK\$'000		
Segment revenue	590,322	–	10,646	–	2,888	–	603,856
Less: Inter-segment sales	–	–	–	–	5,196	(5,196)	–
Revenue as presented in consolidated income statement	<u>590,322</u>	<u>–</u>	<u>10,646</u>	<u>–</u>	<u>8,084</u>	<u>(5,196)</u>	<u>603,856</u>
Segment results	<u>119,209</u>	<u>(4,906)</u>	<u>(1,104)</u>	<u>3,066</u>	<u>64,531</u>		180,796
Interest income from bank deposits							4,844
Depreciation							(10,137)
Provision for impairment loss on financial assets							(5,636)
Corporate legal and professional fee							(20,160)
Finance costs							(191,122)
Unallocated corporate expenses							<u>(96,041)</u>
Loss before income tax							<u>(137,456)</u>

Segment result represents the profit or loss by each segment without allocation of interest income from bank deposits, depreciation, unallocated provision for impairment loss on financial assets, corporate legal and professional fee, unallocated corporate expenses (including central administration and staff costs 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.

(a) **Segment assets and liabilities**

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Assets		
Segment assets		
– Property investment in the U.S.	10,908,546	12,493,122
– Property development in the U.S.	1,929,641	1,660,888
– Property investment in Hong Kong	440,063	450,560
– Fund investments	2,199,615	2,215,529
– Securities and other investments	361,900	928,944
Unallocated assets	<u>182,902</u>	<u>206,478</u>
Consolidated total assets	<u><u>16,022,667</u></u>	<u><u>17,955,521</u></u>
Liabilities		
Segment liabilities		
– Property investment in the U.S.	7,508,249	9,571,846
– Property development in the U.S.	484,542	629,963
– Property investment in Hong Kong	2,910	4,013
– Fund investments	–	268
– Securities and other investments	5,403	4,186
Unallocated liabilities	<u>714,145</u>	<u>558,560</u>
Consolidated total liabilities	<u><u>8,715,249</u></u>	<u><u>10,768,836</u></u>

Segment assets include all assets allocated to operating segments other than unallocated property, plant and equipment, deferred tax assets, unallocated deposits, prepayments and other receivables, tax recoverables, unallocated cash and bank balances which are not allocated to a segment.

Segment liabilities included all liabilities allocated to operating segments other than tax payables, deferred tax liabilities, unallocated amounts due to shareholders, unallocated lease liabilities and unallocated other payables and accrued charges.

The information disclosed above represented the segments to be identified on the basis of annual reports about components of the Group that are regularly reviewed by the chief operating decision makers for the purpose of assessing their performance and allocating resources to segments.

For the year ended 31 December 2021

Other segment information

	Managed by GR Realty					Total HK\$'000
	Property investment in the U.S.	Property development in the U.S.	Property investment in Hong Kong	Fund Investments	Securities and other investments	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Amounts included in the measure of segment profit or loss or segment assets:						
Changes in fair value of financial instruments held for trading	-	-	-	-	28,883	28,883
Changes in fair value of financial assets at fair value through profit or loss	-	-	-	44,719	711	45,430
Changes in fair value of investment properties	(139,929)	-	(10,870)	-	-	(150,799)
Gain on disposal of investment properties	36,175	-	-	-	-	36,175
Loss attributable to limited partners and puttable instrument holders	186,386	-	-	-	-	186,386

For the year ended 31 December 2020

Other segment information

	Managed by GR Realty					Total HK\$'000
	Property investment in the U.S.	Property development in the U.S.	Property investment in Hong Kong	Fund Investments	Securities and other investments	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Amounts included in the measure of segment profit or loss or segment assets:						
Changes in fair value of financial instruments held for trading	-	-	-	-	58,403	58,403
Changes in fair value of financial assets at fair value through profit or loss	-	-	-	3,148	271	3,419
Changes in fair value of investment properties	(395,135)	-	(9,640)	-	-	(404,775)
Loss on re-measurement of interests in joint ventures	(50,339)	-	-	-	-	(50,339)
Share of results of joint ventures	(98,993)	-	-	-	-	(98,993)
Gain on effective settlement of loan receivables	60,787	-	-	-	-	60,787
Loss attributable to limited partners and puttable instrument holders	187,285	-	-	-	-	187,285

(b) Geographical information

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

The Group's revenue (excluded inter-segment sales) and its non-current assets other than financial instruments and deferred tax assets by geographical location of the assets regarding its operations are detailed below:

	Revenue (excluded inter-segment sales)		Non-current assets other than financial instruments and deferred tax assets	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Hong Kong	10,585	10,766	451,964	456,353
The U.S.	1,213,555	591,972	8,087,446	10,987,777
Others	2,966	1,118	—	—
	<u>1,227,106</u>	<u>603,856</u>	<u>8,539,410</u>	<u>11,444,130</u>

(c) Information about major customers

For the year ended 31 December 2021, no revenue from a single customer accounted for 10% or more of the total revenue of the Group. For the year ended 31 December 2020, there was revenue received from a tenant generated from the Group's property investment in the U.S., whom contributed approximately HK\$72,927,000, represented approximately 12% of the Group's total revenue.

4. REVENUE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Rental income	983,833	502,089
Dividend income	5,490	2,888
Revenue from contracts with customers recognised overtime		
– Ancillary service income to property leasing	<u>237,783</u>	<u>98,879</u>
	<u>1,227,106</u>	<u>603,856</u>

5. OPERATING EXPENSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Repairs, maintenance and utilities	256,694	127,335
Property insurance costs	23,756	9,004
Property management expenses	38,114	24,559
Real estate taxes	170,998	29,093
Others	4,139	3,302
	<u>493,701</u>	<u>193,293</u>

6. OTHER INCOME, GAINS/LOSSES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest income	7,966	19,623
Loss on re-measurement of interests in joint ventures	–	(50,339)
Gain on disposal of a subsidiary	–	1,253
Gain on disposal of investment properties	36,175	–
Government grant (<i>Note</i>)	18,055	–
Others	1,238	2,729
	<u>63,434</u>	<u>(26,734)</u>

Note:

Government grant related to the paycheck protection program set up by the U.S. Department of the Treasury for the purpose of providing financial support to enterprises to maintain their payroll and cover applicable overhead. There were no unfulfilled conditions or contingencies relating to this government grant in which it was recognised during the year.

7. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on bank and other borrowings	404,604	194,747
Interest expenses on lease liabilities	5,524	3,488
Total interest expenses for financial liabilities		
that are not measured at fair value through profit or loss	410,128	198,235
Amortisation of arrangement fee	9,201	3,643
Less: Amount capitalised (<i>Note</i>)	–	(10,756)
	<u>419,329</u>	<u>191,122</u>

Note:

Borrowing costs have been capitalised during the year ended 31 December 2020 at various applicable rates ranging from 2.8% to 4.4% per annum and included in the additions to properties under development.

8. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging and (crediting):

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
Auditors' remuneration		
– Statutory audit services	2,100	2,000
– Other audit services	5,173	3,365
	<u>7,273</u>	<u>5,365</u>
Gross rental income from investment properties	(983,833)	(502,089)
Direct operating expenses arising from investment properties that generate rental income	493,701	193,293
	<u>(490,132)</u>	<u>(308,796)</u>
Net foreign exchange loss/(gain)	4,356	(3,712)
Retirement benefits scheme contributions (excluding amounts paid under directors' emoluments)	1,961	1,497
	<u><u>1,961</u></u>	<u><u>1,497</u></u>

9. INCOME TAX

The taxation attributable to the Group's operation comprises:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax – Hong Kong Profits Tax		
Provision for the year	180	165
Over-provision in respect of prior years	<u>(5)</u>	<u>(102)</u>
	<u>175</u>	<u>63</u>
Current tax – People's Republic of China (“PRC”)		
Enterprise Income Tax		
Provision for the year	<u>–</u>	<u>2</u>
Current tax – Overseas tax		
Provision for the year	8,958	1,870
Under-provision in respect of prior years	<u>2,106</u>	<u>8,023</u>
	<u>11,064</u>	<u>9,893</u>
Deferred tax expenses	<u>34,312</u>	<u>85,822</u>
Income tax	<u><u>45,551</u></u>	<u><u>95,780</u></u>

Hong Kong Profits Tax has been provided at the rate of 16.5% (2020: 16.5%) on the estimated assessable profits arising in Hong Kong for the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2 million of assessable profits of the qualifying entity is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

All of the Group's PRC subsidiaries are subject to PRC Enterprise Income Tax rate of 25% for the year (2020: 25%).

Overseas tax is calculated at the rates applicable in the respective jurisdictions in which the Group operates.

10. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share attributable to owners of the Company is based on the adjusted loss for the year attributable to owners of the Company of approximately HK\$8,337,000 (2020: approximately HK\$233,262,000) and on the weighted average number of ordinary shares of 635,570,000 (2020: 569,652,000) in issue during the year.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss attributable to owners of the Company	(8,111)	(233,036)
Less: Distribution paid to the holder of perpetual bond during the year	<u>(226)</u>	<u>(226)</u>
Adjusted loss attributable to the owners of the Company	<u>(8,337)</u>	<u>(233,262)</u>

(b) Diluted loss per share

No adjustment was made to basic loss per share amount presented for the years ended 31 December 2021 and 2020 in respect of a dilution as the impact of share options and convertible preference shares outstanding had an anti-dilutive effect on the basic loss per share amount presented.

11. DIVIDENDS

No dividend was paid or proposed in respect of the convertible preference shares and the ordinary shares of the Company during the years ended 31 December 2021 and 2020, nor has any dividend been proposed since the end of the reporting period.

12. INVESTMENT PROPERTIES

The Group's investment properties comprise:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Properties in Hong Kong	439,690	450,560
Properties in the U.S.	<u>8,058,819</u>	<u>10,913,001</u>
	<u><u>8,498,509</u></u>	<u><u>11,363,561</u></u>

Note:

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

The revaluation of investment properties during the current year gave rise to a net loss arising from changes in fair value of approximately HK\$150,799,000 (2020: approximately HK\$404,775,000) which has been recognised in profit or loss. Approximately 72% (2020: approximately 74%) of the investment properties of the Group were rented out under operating leases as at 31 December 2021.

As at 31 December 2021, investment properties of approximately HK\$7,816,898,000 (2020: approximately HK\$10,578,093,000) were pledged as collateral for bank borrowings of approximately HK\$4,647,150,000 (2020: approximately HK\$6,922,096,000).

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Unlisted equity investments (<i>Note (a)</i>)	82	71
Other assets (<i>Note (b)</i>)	6,810	6,110
Unlisted fund investments (<i>Note (c)</i>)	<u>1,952,090</u>	<u>2,154,866</u>
	<u><u>1,958,982</u></u>	<u><u>2,161,047</u></u>

The fair value of these investments as at 31 December 2021 and 2020 were estimated by BMI Appraisals Limited.

Notes:

- (a) At the end of the reporting period, the fair value of the Group's investments in unlisted equity securities issued by a private entity incorporated outside Hong Kong was approximately RMB67,000 (equivalent to approximately HK\$82,000) (2020: approximately RMB59,000 (equivalent to approximately HK\$71,000)).
- (b) Other assets represented the club debentures. As the end of the reporting period, the fair value of the club debentures held by the Group was HK\$6,810,000 (2020: HK\$6,110,000).

As at 31 December 2021 and 2020, the fair value measurement of the financial assets at fair value through profit or loss (i.e. unlisted equity investments and others) as mentioned above was categorised within level 3 of the fair value hierarchy.

- (c)(i) At the end of the reporting period, the Group held nil (2020: 341,000) participating redeemable preference shares (the “**Participating Shares**”) in an investment entity incorporated outside Hong Kong for diversifying the Group's securities investment risk and further enhance the rate of return of the Group's core business of securities investment. The fair value of the Participating Shares held by the Group as at 31 December 2020 was approximately HK\$138,845,000. During the year ended 31 December 2021, the Participating Shares were fully redeemed.
- (c)(ii) At the end of the reporting period, the Group held nil (2020: 141,000) participating redeemable preference shares in a sub-fund of an investment entity incorporated in the Cayman Islands (the “**Sub-Fund A**”). The Sub-Fund A is focus on, but not limited to, Asia (excluding Japan) equity to generate positive returns in all market conditions. The fair value of participating redeemable preference shares of the Sub-Fund A held by the Group as at 31 December 2020 was approximately HK\$176,749,000. During the year ended 31 December 2021, 80,000 participating redeemable preference shares in the Sub-Fund A were redeemed, and the remaining participating redeemable preference shares were converted into approximately 41,000 participating redeemable preference shares in the another sub-fund of the above mentioned investment entity (the “**Sub-Fund B**”) with the equivalent carrying fair value.
- (c)(iii) At the end of the reporting period, the Group also held approximately 151,000 (2020: 110,000) participating redeemable preference shares in the Sub-Fund B. 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. The fair value of participating redeemable preference shares of the Sub-Fund B held by the Group as at 31 December 2021 was approximately HK\$279,028,000 (2020: approximately HK\$184,042,000).

As at 31 December 2021 and 2020, the fair value measurement of the financial assets at fair value through profit or loss (i.e. unlisted fund investments) as mentioned in Notes (c)(i) to (c)(iii) above was categorised within level 2 of the fair value hierarchy.

(c)(iv) At the end of the reporting period, the Group held approximately 1,012,000 (2020: 1,012,000) non-redeemable, non-voting participating shares of the Neutron Property Fund Limited (the “**Property Fund**”), which incorporated in Cayman Islands and 637,000 (2020: 637,000) non-redeemable, non-voting participating shares of an investment entity incorporated in the Cayman Islands (the “**Private Equity Fund**”). The fair value of the investments in the Property Fund and the Private Equity Fund as at 31 December 2021 was approximately HK\$475,453,000 (2020: approximately HK\$496,329,000) and approximately HK\$529,614,000 (2020: approximately HK\$536,869,000) respectively.

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 Hong Kong, the U.S. and potentially to a lesser extent in Singapore and countries that are members of the Organisation for Economic Co-operation and Development.

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 U.S., Europe, Japan and/or Australia.

(c)(v) On 3 November 2015, an indirect wholly-owned subsidiary of the Company entered into a subscription agreement with Prosperity Risk Balanced Fund LP (the “**PRB Fund**”), pursuant to which the Group agreed to contribute commitments for a total amount of US\$60,000,000 (equivalent to approximately HK\$465,000,000) as a limited partner to PRB Fund. The amount of the Group’s commitments represents 23.08% of the total commitments of US\$260,000,000 (equivalent to approximately HK\$2,025,000,000). As at 31 December 2021, the fair value of the investments in the PRB Fund was approximately HK\$667,995,000 (2020: approximately HK\$622,032,000).

The investment objective of the PRB Fund is to invest in debt instruments of special purpose vehicles which in turn hold shares in PRC companies established for the purpose of developing real estates in the PRC with an expected return of not less than 6% per annum on the debt instruments and to invest in other investment funds.

As at 31 December 2021 and 2020, the Group has no outstanding commitments to make capital contribution.

As at 31 December 2021 and 2020, the fair value measurement of the financial assets at fair value through profit or loss (i.e. unlisted fund investments) as mentioned in Notes (c)(iv) and (c)(v) above was categorised within level 3 of the fair value hierarchy.

14. ASSETS CLASSIFIED AS HELD FOR SALE

The major classes of assets classified as held for sale is as follows:

	2021 HK\$'000
Investment properties	<u>1,108,310</u>

15. BORROWINGS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Lease liabilities		
Within 1 year	14,173	9,287
After 1 year but within 2 years	12,279	6,984
After 2 years but within 5 years	7,161	10,842
Over 5 years	53,674	95,404
	<u>87,287</u>	<u>122,517</u>
Bank loans and revolving loans (<i>Note (a)</i>)		
Within 1 year	1,654,964	2,152,365
After 1 year but within 2 years	264,005	398,851
After 2 years but within 5 years	2,684,950	3,751,773
Over 5 years	714,176	860,210
	<u>5,318,095</u>	<u>7,163,199</u>
Notes payable (<i>Note (b)</i>)		
Within 1 year	195,289	109,702
After 1 year but within 2 years	203,490	241,708
After 2 years but within 5 years	351,428	417,431
	<u>750,207</u>	<u>768,841</u>
Total borrowings	6,155,589	8,054,557
Amount due within 1 year included under current liabilities	<u>(1,864,426)</u>	<u>(2,271,354)</u>
	<u>4,291,163</u>	<u>5,783,203</u>

Notes:

(a) Bank loans and revolving loans

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Secured loans	5,318,095	6,980,240
Unsecured loans	—	182,959
	<u>5,318,095</u>	<u>7,163,199</u>

All the bank loans and revolving loans are denominated in U.S. dollars.

The bank loans and revolving loans amounted to approximately HK\$5,318,095,000 (2020: approximately HK\$6,980,240,000) were secured by way of legal charges over certain of the Group's investment properties, pledged bank deposits and the interests of certain subsidiaries of the Group.

(b) Notes payable

	2021	2020
	HK\$'000	HK\$'000
Secured notes payable	750,207	768,841

All the notes payable are denominated in U.S. dollars and were secured by way of legal charges over the interests of certain subsidiaries of the Group.

16. NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests/limited partners as at 31 December 2021 and 2020:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests/limited partners	
		2021	2020
		GR Realty (<i>Note (i)</i>)	54%
600 Clipper Investment Partnership LP (<i>Note (ii)</i>)	The U.S.	80%	80%

Notes:

- (i) The ownership interest of GR Realty included certain Class A units not held by the Group, Class B units and Class C units. As detailed in the announcement issued by the Company dated 31 July 2020, the Group, through the revise provisions regarding proceedings of the Operating Committee in the operating agreement of GR Realty with other members of GR Realty, whereby the control in GR Realty was passed to the Group. Accordingly, it has been accounted for as acquisition of business using acquisition accounting under HKFRS 3.
- (ii) As the Group is the general partner of 600 Clipper Investment Partnership LP (“600 Clipper”), the Group is able to direct the relevant activities and achieves control of 600 Clipper.
- (iii) For the year ended 31 December 2021, profit and total comprehensive income allocated to non-controlling interests amounted to approximately HK\$246,726,000 (2020: loss of approximately HK\$200,000) were contributed by GR Realty of approximately HK\$233,425,000 (2020: loss of approximately HK\$34,130,000) and 600 Clipper of approximately HK\$13,301,000 (2020: approximately HK\$33,930,000).

Summarised financial information of certain non-controlling interests in GR Realty before intra-group eliminations is presented below:

	For the year ended 31 December 2021 HK\$'000	For the period from date of consolidation of GR Realty to 31 December 2020 HK\$'000
Revenue	1,081,508	491,775
Profit/(loss) for the year	237,775	(95,683)
Total comprehensive income	<u>237,775</u>	<u>(95,683)</u>
Profit/(loss) and total comprehensive income allocated to non-controlling interests*	<u>233,425</u>	<u>(34,130)</u>
	2021 HK\$'000	2020 HK\$'000
As at 31 December		
Current assets	2,731,379	1,680,075
Non-current assets	7,286,593	9,959,084
Current liabilities	(3,538,087)	(3,001,571)
Non-current liabilities	<u>(4,568,592)</u>	<u>(6,853,456)</u>
Net assets	<u>1,911,293</u>	<u>1,784,132</u>
Accumulated non-controlling interests	<u>1,591,662</u>	<u>1,478,424</u>

* the profit/(loss) and total comprehensive income allocated to non-controlling interests included limited partner interests classified as non-controlling interests and excluded the loss attributable to Class B units.

Summarised financial information of 600 Clipper before intra-group eliminations is presented below:

	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
For the year ended 31 December		
Revenue	72,728	73,067
Profit for the year	15,859	38,639
Total comprehensive income	<u>15,859</u>	<u>38,639</u>
Profit and total comprehensive income allocated to non-controlling interests	<u>13,301</u>	<u>33,930</u>
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
As at 31 December		
Current assets	62,758	48,800
Non-current assets	734,336	734,016
Current liabilities	(3,877)	(2,112)
Non-current liabilities	<u>(423,431)</u>	<u>(420,961)</u>
Net assets	<u>369,786</u>	<u>359,743</u>
Accumulated non-controlling interests	<u>309,740</u>	<u>315,938</u>

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

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

COMPLIANCE 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. 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.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

During the Year, the Company has complied with the applicable code provisions (the “**Code Provisions**”) of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules as and when they were/are in force, except for Code Provisions A.2.7 and E.1.2. For the avoidance of doubt, the “Code Provisions” referred to in this announcement are those code provisions prevailing prior to the amendments thereto as introduced by The Stock Exchange of Hong Kong Limited under Update No.135 for amendments to the Listing Rules, where such new amendments to Appendix 14 will only apply to issuers' corporate governance reports for financial year commencing on or after 1 January 2022.

Code Provision A.2.7 requires that the chairman of the Board (“**Chairman**”) should at least annually hold meetings with the independent non-executive Directors without other Directors present. Although the Chairman did not hold a meeting with the independent non-executive Directors without the presence of other Directors during the Year, the Chairman delegated the chief executive officer of the Company to gather any concerns and/or questions that the independent non-executive Directors might have and report to him for setting up follow-up meetings, whenever necessary, in due course.

The Chairman should attend the annual general meeting of the Company under Code Provision E.1.2. Due to other pre-arranged business commitments which had to be attended, Mr. SUM Pui Ying (being the Chairman of the Board) was unable to attend the annual general meeting of the Company held on 7 May 2021.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed the accounting principles and policies adopted by the Group and the annual results for the year ended 31 December 2021.

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 2021 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 a sufficient amount of public float for its ordinary shares as required under the Listing Rules as at the date of this announcement.

PUBLICATION OF ANNUAL REPORT

The 2021 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 and HKExnews website at www.hkexnews.hk in due course.

APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to all shareholders, business partners and bank enterprises for their trust and unwavering support over the years and to its fellow Board members, the management and staff for their commitment and dedication to the Group.

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

Hong Kong, 11 March 2022

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. SUM Pui Ying
Mr. LAI Kwok Hung, Alex
Ms. LAM Yee Lan

Non-executive Directors:

Mr. TANG Runjiang
Mr. ZHOU Yue

Independent non-executive Directors:

Mr. LO Woon Bor, Henry
Ms. CHEN Yingshun
Mr. LEE Sai Kai, David