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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 2023**

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 2023 (the “**Year**” or “**2023**”). The audited consolidated results of the Company have been reviewed by the Company’s audit committee.

In 2023, the Group recorded a revenue of HK\$1,062 million (for the year ended 31 December 2022 (“**2022**”): HK\$1,065 million), and a loss attributable to owners of the Company of HK\$656 million (2022: a loss attributable to owners of the Company of HK\$296 million). As the global economy suffered from the continuous impact after the pandemic and the recovery of global economy was hindered by multiple interest rate hikes of major central banks, our various investment, operating and finance costs increased. Despite the gradual decline in rates of inflation in major economies during the Year, the global capital market continued to fluctuate volatily in 2023 with a decline in asset prices. The fair value of our properties recorded a decrease of approximately HK\$997 million in 2023.

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 AND PROSPECTS

Property investment and property development businesses in the United States (the “U.S.”) has always been one of the Group’s top priorities. The Group is constantly reviewing and adjusting its investment and operating strategies ahead of schedule in response to the constantly shifting global economic and geopolitical situation. The Group has also been managing the real estate business in the U.S. (which is the principal business of the Group) through Gemini-Rosemont Realty LLC (“**GR Realty**”), our U.S.-based property fund management platform.

In 2023, the Group, through consolidating its operations, maintained stable rental income and ancillary service income from its focus office buildings. According to the our disposition plan, 4 office building properties situated in the U.S. were disposed of under the prevailing market and exit conditions. However, our office building properties were impacted by the U.S. central bank’s interest rate hike, resulting in a negative impact on their asset prices to a certain degree.

Besides, the Group kept pushing forward with the development and sales of its residential development projects in New York, the U.S.. Two projects began recording sales revenue in the previous year and the Year respectively, and they together have recorded a total sales revenue of HK\$186 million for the Year. It is anticipated more units in these projects will be sold in the upcoming year, which is expected to bring additional revenue for the Group.

With the slowdown of inflation in the U.S., it is generally anticipated that the cycle of interest rate hikes would come to an end, entering a period of interest rate reduction in 2024. The schedule of rate reduction by the U.S. Federal Reserve (Fed) will depend on the performance of the U.S. economy and inflation. In its December 2023 forecast, the U.S. Fed’s economic growth target for 2024 is significantly lower than the economic growth of approximately 2.6% in 2023, reflecting that the U.S. Fed is less optimistic regarding the U.S. economic environment in 2024. Therefore, whether 2024, as the year when global central banks initiate a shift in monetary policy, proceeds as smoothly as expected by market, will shape the pace of economic growth in the U.S. and worldwide. Given the aforementioned circumstances, the Company will continue to leverage our professional and experienced team to seize the opportunities arising from the monetary policy shift. Amid the uncertain economic and business environment, we will prudently select suitable investment opportunities with high growth potential to further expand the Company’s property portfolio and enhance its competitiveness to achieve a better return on investment for shareholders.

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. Investment properties in the U.S. and in Hong Kong accounted for 64% and 4% of our total assets as at 31 December 2023 respectively, and properties held for sale and properties under development in the U.S. accounted for 13% of our total assets as at 31 December 2023.

All our property investments and property developments in the U.S. are managed by GR Realty’s team. GR Realty 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. We receive steady income and cash flow from these U.S. assets as well as possible capital gains and fee income from appreciation in value of these assets.

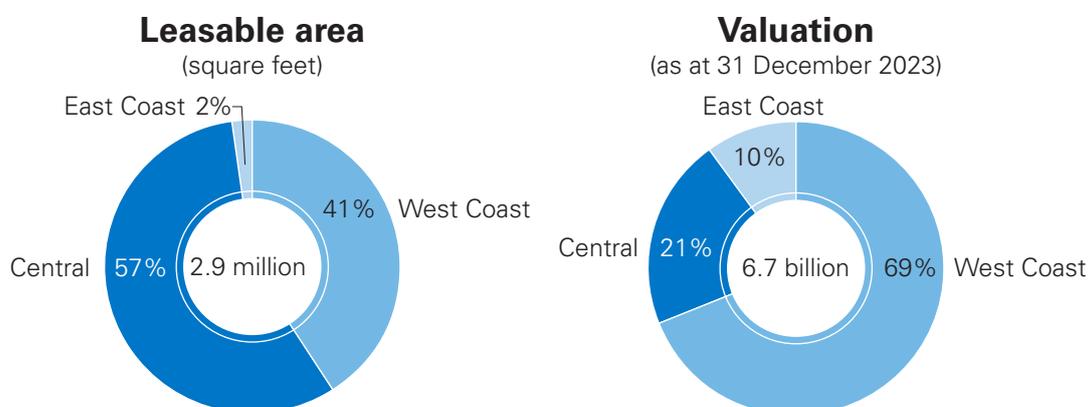
Property Investments in the U.S. (managed by GR Realty)

We focus on top-performing, high growth technology and new economy-centric sub-markets and tenants, while gradually realising investments according to disposition plans.

As at 31 December 2023, our property portfolio comprised 10 commercial properties in West Coast and Central of the U.S., and several units in 3 residential buildings in East Coast of the U.S.. 4 of our commercial properties were disposed of during the Year, with net proceeds reserved for general working capital purpose. There was no acquisition of investment properties during the Year.

As at 31 December 2023, the carrying value of our investment properties in the U.S. was HK\$6,721 million (as at 31 December 2022: HK\$8,141 million). Total revenue generated from investment properties in the U.S. was HK\$868 million (2022: HK\$926 million). As at 31 December 2023, the total leasable area of our investment properties in the U.S. was 2,888,000 square feet (as at 31 December 2022: 3,712,000 square feet), with an average occupancy rate of 74%.

An analysis of investment properties in the U.S. by geographical locations is set out below:



We will continue to optimize our asset mix and stay cautiously optimistic and closely monitor how tenants and corporations move forward to their real estate needs.

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.

Revenue from property development business in New York City increased by 45% in 2023, amounting to HK\$186 million (2022: HK\$128 million), of which project located at Avenue of the Americas and completed in 2022 contributed sales of HK\$103 million (2022: HK\$128 million) and project located at North First Street and completed in the second half of 2023 contributed sales of HK\$83 million (2022: nil). As at 31 December 2023, the total remaining saleable area of these two projects was about 90,000 square feet.

The project located at Second Avenue has completed its demolition stage. However, in view of the project complexity and the uncertain market condition, management is now planning a sale of the whole project in the upcoming year. As a result, this project was reclassified to properties held for sale with a write down to its net realisable value by HK\$131 million during the Year.

We will closely monitor and implement our property development projects and plan to provide quality residential property development products.

Investment Properties in Hong Kong

Investment properties in Hong Kong mainly comprise A-grade offices units in two buildings in Hong Kong Island. The total carrying value of our investment properties in Hong Kong was HK\$396 million (as at 31 December 2022: HK\$406 million), representing 4% of our total assets as at 31 December 2023 (as at 31 December 2022: 3%). During the Year, rental revenue from investment properties in Hong Kong was HK\$7 million (2022: HK\$9 million), and average occupancy rate was 92%.

Other Operations

Other operations mainly include fund investments and securities investments. As at 31 December 2023, the balance of our securities investment was nil (as at 31 December 2022: HK\$118 million), as the Group had realized all of its securities investments as risk mitigation measures given volatile market conditions. Securities investments generated fair value gain of HK\$12 million for the Year (2022: a loss of HK\$42 million).

As at 31 December 2023, the carrying amount of our fund investment portfolio (classified as “**financial assets at fair value through profit or loss**”) was HK\$470 million (as at 31 December 2022: HK\$539 million), with aggregate loss on change of fair value of HK\$7 million recorded during the Year (2022: loss of HK\$156 million).

In May 2023, the Group as limited partner received a partial distribution, mainly in specie, made by Prosperity Risk Balanced Fund LP (“**PRB Fund**”) (the “**Distribution**”). The Distribution to the Group mainly includes the entire equity interest in an investment vehicle 100% owned by the PRB Fund. After the Distribution, the investment vehicle had become a subsidiary of the Company. The major asset and investment of the investment vehicle comprised fund investments which were recorded and classified as financial assets of the Group at fair value through profit or loss. Other than re-classification of assets in the financial statements of the Group, there was no material financial impact to the Group and its results during the Year resulting from the Distribution.

In August 2023, PRB Fund completed the final distribution in cash of HK\$40 million to the Group. After the above distributions, the Group did not hold any investment in PRB Fund.

FINANCIAL REVIEW

Revenue

The components of our revenue are analysed as follows:

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Rental income | 678,760 | 740,921 |
| Ancillary service income to property leasing and management service income | 196,932 | 194,189 |
| Sales of properties | 185,804 | 128,213 |
| Others | 259 | 1,285 |
| | <u>1,061,755</u> | <u>1,064,608</u> |

Rental income decreased by HK\$62 million to HK\$679 million due to disposal of 4 commercial properties in the U.S.. Ancillary service income to property leasing and management service income of HK\$197 million was recorded, which mainly comprised income for services provided to tenants of HK\$126 million and parking lot income of HK\$41 million.

Sale of residential units in the redevelopment projects located in New York City generated revenue of HK\$186 million (2022: HK\$128 million). Increase in sales was due to completion of one more redevelopment project (namely the project located at North First Street) in 2023 which recorded sales during the Year.

Operating expenses

The components of our operating expenses are analysed as follows:

| | 2023 <i>HKD'000</i> | 2022 <i>HKD'000</i> |
|--|------------------------|------------------------|
| Repairs, maintenance and utilities | 164,848 | 188,446 |
| Property insurance and management expense | 55,754 | 59,533 |
| Real estate taxes | 82,099 | 119,281 |
| Cost of properties sold | 150,874 | 107,997 |
| Write down of properties held for sale to net realisable value | 130,991 | 107,878 |
| Selling costs | 10,771 | 119 |
| Other | 6,402 | 3,179 |
| | <u>601,739</u> | <u>478,436</u> |

Decreases in repairs, maintenance and utilities by HK\$24 million and real estate taxes by HK\$37 million were recorded due to the disposal of 4 commercial properties in the U.S..

Cost of properties sold of HK\$151 million was recorded in the Year. Such properties sold related to the units of the redevelopment projects located in New York City.

The redevelopment project located at Second Avenue was written down to its net realisable value by HK\$131 million upon being reclassified to properties held for sale, as management is now planning a sale of the whole project in the upcoming year.

Loss arising from changes in fair value of investment properties and changes in fair value of assets classified as held for sale

Loss arising from changes in fair value of investment properties and changes in fair value of assets classified as held for sale of the Group of HK\$958 million and HK\$39 million were recorded respectively during the Year (2022: loss of HK\$276 million and nil respectively).

Due to slowdown of property markets in the U.S. and Hong Kong brought by multiple factors like continuing interest rate hikes during the Year and weakening economic growth, properties located in Central and East Coast of the U.S. recorded decrease in value of about HK\$387 million in aggregate, whilst properties in the West Coast of the U.S recorded decrease in value of about HK\$600 million in aggregate.

Other income, gains/losses

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

| | 2023 | 2022 |
|---|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Interest income | 6,063 | 4,867 |
| Gain on disposal of investment properties | 2,147 | 31,163 |
| Others | 1,084 | 4,702 |
| | 9,294 | 40,732 |

Administrative and other expenses

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

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|----------------------------|-------------------------|-------------------------|
| Employee costs | 90,655 | 82,209 |
| Legal and professional fee | 47,453 | 40,913 |
| Depreciation | 16,187 | 18,007 |
| Insurance expenses | 7,326 | 6,758 |
| Informative service fee | 11,684 | 10,535 |
| Auditors' remuneration | 5,869 | 7,300 |
| Exchange difference | (8,546) | 4,271 |
| Others | 23,660 | 28,227 |
| | <u>194,288</u> | <u>198,220</u> |

Employee cost increased by HK\$8 million as the US labour market was experiencing labor shortages in various industries with increase in new hiring wages. Legal and professional fee increased by HK\$7 million as a result of active disposal activities during the Year.

Finance costs

Finance costs (net of interest capitalisation) on our borrowings increased by HK\$28 million to HK\$400 million, due to the effect of interest hike offset by settlement of mortgage loans upon the disposal of investment properties located in the U.S..

Loss attributable to limited partners and puttable instrument holders

Loss attributable to limited partners of HK\$229 million (2022: loss of HK\$142 million) and no gain/loss attributable to puttable instrument holders (2022: gain of HK\$11 million) were recorded. 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. 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 are recorded in the consolidated income statement of the Group. The loss of HK\$229 million attributable to limited partners, mainly arose from the fair value decrease of investment properties mainly located in the Central U.S.. The Group mainly acts as general partner, with certain limited partner interest in the parent funds of those investment properties.

Financial Resources and Liquidity

As at 31 December 2023, the Group had cash resources totaling HK\$456 million (as at 31 December 2022: HK\$791 million) and committed undrawn borrowing facilities of HK\$248 million. 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 2023, the borrowings (excluding lease liabilities) of the Group amounted to HK\$3,943 million (as at 31 December 2022: HK\$5,276 million). The Group's borrowings included bank loans and revolving loans and notes payables. The decrease in cash resources and borrowings was mainly due to settlement of mortgage loans upon maturity and disposal of investment properties. As at 31 December 2023, the proportions of short-term borrowings and long term borrowings of the Group were 10% and 90% respectively. The maturities of the Group's borrowings are set out as follows:

| | 31 December 2023 <i>(HK\$ million)</i> | As percentage of borrowings | 31 December 2022 <i>(HK\$ million)</i> | As percentage of borrowings |
|---------------|--|--|--|--|
| Within 1 year | 378 | 10% | 1,112 | 21% |
| 1-2years | 1,806 | 46% | 449 | 8% |
| 2-5 years | 1,576 | 40% | 3,102 | 59% |
| Over 5 years | 183 | 4% | 613 | 12% |
| | <u>3,943</u> | <u>100%</u> | <u>5,276</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 and that all of the underlying assets financed by U.S. dollar borrowings are located in the U.S. and denominated in U.S. dollars, the Group believes that the corresponding adverse 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) was 64% at 31 December 2023 (31 December 2022: 70%). 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 2023, our Group did not have any financial guarantees given for the benefit of third parties.

Pledged Assets

As at 31 December 2023, our Group had pledged bank deposits amounting to HK\$53 million (as at 31 December 2022: HK\$41 million), investment properties of HK\$5,679 million (as at 31 December 2022: HK\$7,393 million) and properties under development of nil value (as at 31 December 2022: HK\$421 million), together with the interests of certain subsidiaries of the Group as securities to secure borrowings of our Group of HK\$3,943 million (as at 31 December 2022: HK\$5,260 million).

Significant Investments

As at 31 December 2023, 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 2023.

Contingent Liabilities

As at 31 December 2023, our Group had no significant contingent liabilities.

Capital Commitments

As at 31 December 2023, our Group had no capital commitments (as at 31 December 2022: HK\$106 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 Stock Exchange of Hong Kong Limited (the “**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 2023 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.

As at 31 December 2023, HK\$96 million was utilized for the general working capital in the Group's property development projects in the U.S.. In view of uncertainties in global economy and business outlook currently, the remaining proceeds of HK\$83 million (46% of the aggregate net proceeds from the Placing Exercises) intended for investment in real estate related projects remains not utilized. Our Group has been looking for good investment opportunities under prudence approach. However, amid the current uncertainties of the global economy and business environment, the Company has been very cautious in identifying suitable investment target which is safe, in line with the Company's strategy and in the interests of the Company and its shareholders as a whole. As such, no suitable investment has yet been made. At this time of highly uncertain economic and market conditions, the Company has taken a responsible and prudent view to undertake any new investment suitable to the Company, and estimates that the expected timeline for utilizing the net proceeds for the above mentioned real estate investment needs to be further postponed from the previously expected timeline of being on or before the fourth quarter of 2023 as disclosed in the Company's 2023 interim report to a further 24-month period (i.e. on or before the fourth quarter of 2025). This expected timeline may be subject to further change based on the future development of the market conditions.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

In February 2024, a subsidiary of the Company entered into a purchase and sale agreement with an independent third party to sell a multi-tenant office building located at Texas, the U.S. for an aggregate consideration of US\$10,100,000. 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 2024. Details of this disposal which constituted a discloseable transaction of the Company under the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") Rules are set out in the announcement of the Company dated 14 February 2024.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2023

| | Notes | 2023 HK\$'000 | 2022 HK\$'000 |
|--|-------|-------------------------|-------------------------|
| Revenue | 3, 4 | 1,061,755 | 1,064,608 |
| Direct costs and operating expenses | 5 | <u>(601,739)</u> | <u>(478,436)</u> |
| | | 460,016 | 586,172 |
| Other income, gains/losses | 6 | 9,294 | 40,732 |
| Administrative and other expenses | | (194,288) | (198,220) |
| Changes in fair value of financial instruments held for trading | | 12,143 | (41,998) |
| Changes in fair value of financial assets at fair value through profit or loss | | (7,048) | (154,797) |
| Changes in fair value of investment properties | | (957,684) | (276,086) |
| Changes in fair value of assets classified as held for sale | | (38,989) | – |
| Provision for impairment loss on financial assets | | (3,216) | (10,509) |
| Share of results of associates | | – | 88 |
| Finance costs | 7 | (400,036) | (371,746) |
| Loss attributable to limited partners and puttable instrument holders | | <u>229,396</u> | <u>130,800</u> |
| Loss before income tax | 8 | (890,412) | (295,564) |
| Income tax | 9 | <u>(23,685)</u> | <u>(34,224)</u> |
| Loss for the year | | <u>(914,097)</u> | <u>(329,788)</u> |
| Loss for the year attributable to: | | | |
| Owners of the Company | | (655,881) | (295,740) |
| Non-controlling interests | | <u>(258,216)</u> | <u>(34,048)</u> |
| | | <u>(914,097)</u> | <u>(329,788)</u> |
| Loss per share for loss attributable to owners of the Company | 10 | | |
| – Basic (HK dollars) | | (1.03) | (0.47) |
| – Diluted (HK dollars) | | <u>(1.03)</u> | <u>(0.47)</u> |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

| | 2023 HK\$'000 | 2022 HK\$'000 |
|---|-------------------------|-------------------------|
| Loss for the year | <u>(914,097)</u> | <u>(329,788)</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>6,938</u> | <u>(2,378)</u> |
| Other comprehensive income for the year | <u>6,938</u> | <u>(2,378)</u> |
| Total comprehensive income for the year | <u><u>(907,159)</u></u> | <u><u>(332,166)</u></u> |
| Total comprehensive income attributable to: | | |
| Owners of the Company | (648,943) | (298,118) |
| Non-controlling interests | <u>(258,216)</u> | <u>(34,048)</u> |
| | <u><u>(907,159)</u></u> | <u><u>(332,166)</u></u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

| | | 2023 | 2022 |
|---|--------------|-------------------|-------------------|
| | <i>Notes</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Non-current assets | | | |
| Investment properties | 12 | 7,117,114 | 8,194,869 |
| Property, plant and equipment | | 224,467 | 26,335 |
| Investments in joint ventures | | 6,288 | 8 |
| Investments in associates | | 5,968 | 6,501 |
| Financial assets at fair value through profit or loss | 13 | 478,641 | 546,938 |
| Deposits, prepayments and other receivables | | 58,991 | 75,949 |
| Other financial assets | | 399,275 | 695,342 |
| Restricted bank deposits | | 348 | 2,202 |
| Deferred tax assets | | 162,251 | 157,955 |
| | | <u>8,453,343</u> | <u>9,706,099</u> |
| Current assets | | | |
| Properties under development | | – | 1,024,961 |
| Properties held for sale | | 1,349,749 | 955,520 |
| Deposits, prepayments and other receivables | | 127,233 | 214,329 |
| Financial instruments held for trading | | – | 118,121 |
| Tax recoverables | | 25,816 | 26,775 |
| Restricted bank deposits | | 122,043 | 124,752 |
| Cash and bank balances | | 455,995 | 790,673 |
| | | <u>2,080,836</u> | <u>3,255,131</u> |
| Assets classified as held for sale | | <u>–</u> | <u>352,128</u> |
| | | <u>2,080,836</u> | <u>3,607,259</u> |
| Total assets | | <u>10,534,179</u> | <u>13,313,358</u> |

| | <i>Notes</i> | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Current liabilities | | | |
| Other payables and accrued charges | | 402,129 | 606,375 |
| Amount due to a shareholder | | 46,428 | – |
| Tax payables | | 4,014 | 4,984 |
| Borrowings | <i>14</i> | 385,088 | 1,124,427 |
| | | <u>837,659</u> | <u>1,735,786</u> |
| Net current assets | | <u>1,243,177</u> | <u>1,871,473</u> |
| Total assets less current liabilities | | <u>9,696,520</u> | <u>11,577,572</u> |
| Capital and reserves | | | |
| Share capital | | 371,191 | 371,191 |
| Reserves | | 4,087,312 | 4,736,481 |
| Equity attributable to owners of the Company | | 4,458,503 | 5,107,672 |
| Non-controlling interests | | 1,004,651 | 1,320,657 |
| Total equity | | <u>5,463,154</u> | <u>6,428,329</u> |
| Non-current liabilities | | | |
| Other payables and accrued charges | | 12,820 | 24,610 |
| Amount due to a shareholder | | 417,814 | 623,988 |
| Borrowings | <i>14</i> | 3,593,897 | 4,172,535 |
| Other financial liabilities | | 92,401 | 225,196 |
| Deferred tax liabilities | | 116,434 | 102,914 |
| | | <u>4,233,366</u> | <u>5,149,243</u> |
| Total equity and non-current liabilities | | <u>9,696,520</u> | <u>11,577,572</u> |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

| | 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> | Accumulated losses <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 2023 | 371,191 | 2,260,565 | 2,259,504 | 308,190 | 20,256 | 27,046 | (139,080) | 5,107,672 | 1,320,657 | 6,428,329 |
| Loss for the year | - | - | - | - | - | - | (655,881) | (655,881) | (258,216) | (914,097) |
| Other comprehensive income | | | | | | | | | | |
| – Exchange differences arising on translation of foreign operations | - | - | - | - | - | 6,938 | - | 6,938 | - | 6,938 |
| Total comprehensive income for the year | - | - | - | - | - | 6,938 | (655,881) | (648,943) | (258,216) | (907,159) |
| Distributions paid to the holders of perpetual bond | - | - | - | - | - | - | (226) | (226) | - | (226) |
| Distribution paid to non-controlling interests | - | - | - | - | - | - | - | - | (57,790) | (57,790) |
| Balance at 31 December 2023 | <u>371,191</u> | <u>2,260,565</u> | <u>2,259,504</u> | <u>308,190</u> | <u>20,256</u> | <u>33,984</u> | <u>(795,187)</u> | <u>4,458,503</u> | <u>1,004,651</u> | <u>5,463,154</u> |

| | Share capital <i>HK\$'000</i> | Convertible preference shares reserve <i>HK\$'000</i> | Perpetual bond <i>HK\$'000</i> | Capital contribution reserve <i>HK\$'000</i> | Revaluation surplus reserve <i>HK\$'000</i> | Translation reserve <i>HK\$'000</i> | Retained profits/ (accumulated losses) <i>HK\$'000</i> | Attributable to owners of the Company <i>HK\$'000</i> | Non- controlling interests <i>HK\$'000</i> | Total equity <i>HK\$'000</i> |
|---|-------------------------------------|---|--------------------------------------|---|--|---|--|---|---|------------------------------------|
| Balance at 1 January 2022 | 371,191 | 2,260,565 | 2,259,504 | 308,190 | 20,256 | 29,424 | 156,886 | 5,406,016 | 1,901,402 | 7,307,418 |
| Loss for the year | - | - | - | - | - | - | (295,740) | (295,740) | (34,048) | (329,788) |
| Other comprehensive income | | | | | | | | | | |
| – Exchange differences arising on translation of foreign operations | - | - | - | - | - | (2,378) | - | (2,378) | - | (2,378) |
| Total comprehensive income for the year | - | - | - | - | - | (2,378) | (295,740) | (298,118) | (34,048) | (332,166) |
| Distributions paid to the holders of perpetual bond | - | - | - | - | - | - | (226) | (226) | - | (226) |
| Distribution paid to non-controlling interests | - | - | - | - | - | - | - | - | (97,004) | (97,004) |
| Change in ownership interest in a subsidiary without change of control | - | - | - | - | - | - | - | - | (449,693) | (449,693) |
| Balance at 31 December 2022 | <u>371,191</u> | <u>2,260,565</u> | <u>2,259,504</u> | <u>308,190</u> | <u>20,256</u> | <u>27,046</u> | <u>(139,080)</u> | <u>5,107,672</u> | <u>1,320,657</u> | <u>6,428,329</u> |

NOTES

1. GENERAL

The financial information relating to the two years ended 31 December 2022 and 2023 included in this preliminary announcement of the annual results for the year ended 31 December 2023 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 2022 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 2023 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. CHANGES IN ACCOUNTING POLICIES

(a) Adoption of new or revised Hong Kong Financial Reporting Standards (“**HKFRSs**”) – from 1 January 2023

The following amendments are effective for the periods beginning 1 January 2023:

| | |
|---|--|
| HKFRS 17 | Insurance Contracts |
| Amendments to HKAS 1 and HKFRS Practice Statement 2 | Disclosure of Accounting Policies |
| Amendments to HKAS 8 | Definition of Accounting Estimates |
| Amendments to HKAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction |
| Amendments to HKAS 12 | International Tax Reform – Pillar Two Model Rules |

None of these amendments has a material impact on the Group’s results and financial position for the current or prior period except for the adoption of Amendments to HKAS 1 and HKFRS Practice Statement 2 “Disclosure of Accounting Policies”. 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 |
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-Current ² |
| Amendments to HKAS 1 | Non-Current Liabilities with Covenants ² |
| Amendments to HKFRS 16 | Lease liability in a Sale and Leaseback ² |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements ² |
| Amendments to HKAS 21 | Lack of Exchangeability ³ |

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

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

The above new or 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.

(c) New guidance on accounting for the MPF-LSP offsetting mechanism in Hong Kong issued by Hong Kong Institute of Certified Public Accountants ("HKICPA")

In June 2022, Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**") was enacted. The Amendment Ordinance abolishes the use of the accrued benefits derived from employers' mandatory contributions under the mandatory provident fund ("**MPF**") scheme to offset severance payment ("**SP**") and long service payments ("**LSP**") (the "**Abolition**"). Subsequently, the Government of HKSAR announced that the Abolition will take effect on 1 May 2025 (the "**Transition Date**").

The following key changes will take effect since the Transition Date:

- Accrued benefits derived from employers' mandatory MPF contributions cannot be used to offset the LSP/SP in respect of the employment period after the Transition Date.
- The pre-transition LSP/SP is calculated using the last month's salary immediately preceding the Transition Date, instead of using the last month's salary of employment termination date.

Due to the complexities of the accounting for the offsetting of accrued benefits derived from an employer's mandatory MPF contributions and its LSP obligation and the accounting for the offsetting mechanism could become material in light of the Abolition, the HKICPA published 'Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong' (the "**Guidance**") in July 2023 to provide guidance to account for the offsetting mechanism and the Abolition. The HKICPA concluded that there are two acceptable accounting approaches for the offsetting mechanism, being:

- Approach 1: Account for the amount expected to be offset as a deemed employee contribution towards that employee's LSP benefits in terms of HKAS 19.93(a)
- Approach 2: Account for the employer MPF contributions and the offsetting mechanism as a funding mechanism for the LSP obligation

For the years ended 31 December 2022 and 2023, the Group's LSP liability before the expected offsetting under the MPF-LSP offsetting mechanism is immaterial. Application of the Guidance had no material effect on the consolidated financial statements of the Group.

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 Segments are as follows:

- Property investment in the United States of America (the "**U.S.**")

Rental income, ancillary service income from leasing of office property and residential condominium and management service income which are managed by Gemini-Rosemont Realty LLC ("**GR Realty**").
- Property development in the U.S.

Income from sale of 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 2023

| | 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> | Consolidated <i>HK\$'000</i> |
| Segment revenue | 868,452 | 185,804 | 7,240 | – | 3,172 | 1,064,668 |
| Less: Inter-segment sales | – | – | – | – | (2,913) | (2,913) |
| Revenue as presented in consolidated income statement | <u>868,452</u> | <u>185,804</u> | <u>7,240</u> | <u>–</u> | <u>259</u> | <u>1,061,755</u> |
| Segment results | <u>(191,082)</u> | <u>(119,444)</u> | <u>(4,872)</u> | <u>(3,318)</u> | <u>11,887</u> | <u>(306,829)</u> |
| Interest income from bank deposits | | | | | | 6,063 |
| Depreciation | | | | | | (16,187) |
| Provision for impairment loss on financial assets | | | | | | (3,216) |
| Finance costs | | | | | | (400,036) |
| Unallocated corporate expenses | | | | | | <u>(170,207)</u> |
| Loss before income tax | | | | | | <u><u>(890,412)</u></u> |

For the year ended 31 December 2022

| | Managed by GR Realty | | | | | |
|--|---|--|--|---------------------------------|--|--------------------------|
| | 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 | Consolidated HK\$'000 |
| Segment revenue | 925,927 | 128,342 | 9,054 | – | 5,001 | 1,068,324 |
| Less: Inter-segment sales | – | – | – | – | (3,716) | (3,716) |
| Revenue as presented in consolidated income statement | <u>925,927</u> | <u>128,342</u> | <u>9,054</u> | <u>–</u> | <u>1,285</u> | <u>1,064,608</u> |
| Segment results | <u>465,890</u> | <u>25,919</u> | <u>(29,494)</u> | <u>(157,791)</u> | <u>(42,453)</u> | 262,071 |
| Interest income from bank deposits | | | | | | 3,151 |
| Depreciation | | | | | | (18,007) |
| Provision for impairment loss on financial assets | | | | | | (10,509) |
| Finance costs | | | | | | (371,746) |
| Unallocated corporate expenses | | | | | | <u>(160,524)</u> |
| Loss before income tax | | | | | | <u>(295,564)</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, 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:

| | 2023 | 2022 |
|---------------------------------------|-------------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Assets | | |
| Segment assets | | |
| – Property investment in the U.S. | 7,897,599 | 9,927,328 |
| – Property development in the U.S. | 1,664,570 | 2,147,883 |
| – Property investment in Hong Kong | 396,839 | 406,789 |
| – Fund investments | 470,501 | 538,612 |
| – Securities and other investments | 8,652 | 190,925 |
| Unallocated assets | 96,018 | 101,821 |
| | <hr/> | <hr/> |
| Consolidated total assets | 10,534,179 | 13,313,358 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Liabilities | | |
| Segment liabilities | | |
| – Property investment in the U.S. | 4,358,322 | 5,921,684 |
| – Property development in the U.S. | 473,979 | 636,310 |
| – Property investment in Hong Kong | 4,011 | 4,011 |
| – Fund investments | 268 | 268 |
| – Securities and other investments | 190 | 190 |
| Unallocated liabilities | 234,255 | 322,566 |
| | <hr/> | <hr/> |
| Consolidated total liabilities | 5,071,025 | 6,885,029 |
| | <hr/> <hr/> | <hr/> <hr/> |

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.

Other segment information

| | Managed by GR Realty | | | | | Total |
|--|--|---|---|--|---|-----------------|
| | 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> | <i>HK\$'000</i> |
| <i>For the year ended 31 December 2023</i> | | | | | | |
| Amounts included in the measure of segment profit or loss or segment assets: | | | | | | |
| Changes in fair value of financial instruments held for trading | - | - | - | - | 12,143 | 12,143 |
| Changes in fair value of financial assets at fair value through profit or loss | - | - | - | (6,898) | (150) | (7,048) |
| Changes in fair value of investment properties | (947,734) | - | (9,950) | - | - | (957,684) |
| Gain on disposal of investment properties | 2,147 | - | - | - | - | 2,147 |
| Loss attributable to limited partners | <u>229,396</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>229,396</u> |
| <i>For the year ended 31 December 2022</i> | | | | | | |
| Amounts included in the measure of segment profit or loss or segment assets: | | | | | | |
| Changes in fair value of financial instruments held for trading | - | - | - | - | (41,998) | (41,998) |
| Changes in fair value of financial assets at fair value through profit or loss | - | - | - | (156,305) | 1,508 | (154,797) |
| Changes in fair value of investment properties | (247,953) | 9,218 | (37,351) | - | - | (276,086) |
| Gain on disposal of investment properties | 31,163 | - | - | - | - | 31,163 |
| Loss attributable to limited partners and puttable instrument holders | <u>130,800</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>130,800</u> |

(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 | |
|-----------|--|-------------------------|---|-------------------------|
| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
| Hong Kong | 7,240 | 9,515 | 396,330 | 406,280 |
| The U.S. | 1,054,508 | 1,054,902 | 6,945,251 | 7,814,924 |
| Others | 7 | 191 | – | – |
| | <u>1,061,755</u> | <u>1,064,608</u> | <u>7,341,581</u> | <u>8,221,204</u> |

(c) Information about major customers

For the years ended 31 December 2023 and 2022, no revenue from a single customer accounted for 10% or more of the total revenue of the Group.

4. REVENUE

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Rental income | 678,760 | 740,921 |
| Dividend income | 259 | 1,285 |
| Revenue from contracts with customers recognised at a point in time | | |
| – Sales of properties | 185,804 | 128,213 |
| Revenue from contracts with customers recognised overtime | | |
| – Ancillary service income to property leasing and management service income | 196,932 | 194,189 |
| | <u>1,061,755</u> | <u>1,064,608</u> |

5. DIRECT COSTS AND OPERATING EXPENSES

| | 2023 | 2022 |
|--|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Repairs, maintenance and utilities | 164,848 | 188,446 |
| Property insurance costs | 18,750 | 22,064 |
| Property management expenses | 37,004 | 37,469 |
| Real estate taxes | 82,099 | 119,281 |
| Cost of properties sold | 150,874 | 107,878 |
| Write down of properties held for sale to net realisable value | 130,991 | – |
| Selling costs | 10,771 | 119 |
| Others | 6,402 | 3,179 |
| | <u>601,739</u> | <u>478,436</u> |

6. OTHER INCOME, GAINS/LOSSES

| | 2023 | 2022 |
|---|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Interest income | 6,063 | 4,867 |
| Gain on disposal of investment properties | 2,147 | 31,163 |
| Others | 1,084 | 4,702 |
| | <u>9,294</u> | <u>40,732</u> |

7. FINANCE COSTS

| | 2023 | 2022 |
|--|-----------------|-----------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Interest on bank and other borrowings | 384,574 | 367,531 |
| Interest expenses on lease liabilities | 1,064 | 1,450 |
| Total interest expenses for financial liabilities that are not measured at fair value through profit or loss | 385,638 | 368,981 |
| Amortisation of arrangement fee | 14,398 | 8,536 |
| Less: Amount capitalised (<i>Note</i>) | – | (5,771) |
| | <u>400,036</u> | <u>371,746</u> |

Note:

Borrowing costs have been capitalised during the year ended 31 December 2022 at various applicable rates ranging from 5% to 9.25% per annum and included in the additions to properties under development.

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging and (crediting):

| | 2023 | 2022 |
|---|-------------------------|------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Auditor's remuneration | | |
| – Statutory audit services | 2,250 | 2,250 |
| – Other audit services | 3,619 | 5,050 |
| | <u>5,869</u> | <u>7,300</u> |
| Gross rental income from investment properties | (678,760) | (740,921) |
| Direct operating expenses arising from investment properties that generate rental income | 309,103 | 370,439 |
| | <u>(369,657)</u> | <u>(370,482)</u> |
| Net foreign exchange (gain)/loss | (8,546) | 4,271 |
| Retirement benefits scheme contributions (excluding amounts paid under directors' emoluments) | 1,890 | 1,703 |
| | <u>1,890</u> | <u>1,703</u> |

9. INCOME TAX

The taxation attributable to the Group's operation comprises:

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Current tax – Hong Kong Profits Tax | | |
| Provision for the year | 163 | – |
| (Over)/under provision in respect of prior years | <u>(97)</u> | <u>58</u> |
| | <u>66</u> | <u>58</u> |
| Current tax – Overseas tax | | |
| Provision for the year | 14,342 | 28,697 |
| Under provision in respect of prior years | <u>77</u> | <u>16</u> |
| | <u>14,419</u> | <u>28,713</u> |
| Total current tax | 14,485 | 28,771 |
| Deferred tax expenses | <u>9,200</u> | <u>5,453</u> |
| Income tax | <u><u>23,685</u></u> | <u><u>34,224</u></u> |

Hong Kong Profits Tax has been provided at the rate of 16.5% (2022: 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%.

Current taxes for subsidiaries outside Hong Kong are charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

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\$656,107,000 (2022: approximately HK\$295,966,000) and on the weighted average number of ordinary shares of 635,570,000 (2022: 635,570,000) in issue during the year.

| | 2023 | 2022 |
|---|-------------------------|-------------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Loss attributable to owners of the Company | (655,881) | (295,740) |
| Less: Distributions paid to the holders of perpetual bond during the year | (226) | (226) |
| Adjusted loss attributable to the owners of the Company | <u>(656,107)</u> | <u>(295,966)</u> |

(b) Diluted loss per share

No adjustment has been made to basic loss per share amount presented for the years ended 31 December 2023 and 2022 in respect of a dilution as the impact of 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 2023 and 2022, nor has any dividend been proposed since the end of the reporting period.

12. INVESTMENT PROPERTIES

The Group's investment properties comprise:

| | 2023 | 2022 |
|-------------------------|-------------------------|-------------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Properties in Hong Kong | 396,330 | 406,280 |
| Properties in the U.S. | <u>6,720,784</u> | <u>7,788,589</u> |
| | <u><u>7,117,114</u></u> | <u><u>8,194,869</u></u> |

Note:

All of the Group's property interests held 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\$957,684,000 (2022: approximately HK\$276,086,000) which has been recognised in profit or loss. Approximately 70% (2022: approximately 74%) of the investment properties of the Group were rented out under operating leases as at 31 December 2023.

As at 31 December 2023, investment properties of approximately HK\$5,679,485,000 (2022: approximately HK\$7,392,670,000) were pledged as collateral for bank borrowings of approximately HK\$3,565,408,000 (2022: approximately HK\$4,463,079,000).

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 2023 | 2022 |
|---|-----------------------|-----------------------|
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Other assets (<i>Note (a)</i>) | 8,210 | 8,360 |
| Unlisted fund investments (<i>Note (b)</i>) | <u>470,431</u> | <u>538,578</u> |
| | <u><u>478,641</u></u> | <u><u>546,938</u></u> |

The fair value of these investments as at 31 December 2023 and 2022 were estimated by BMI Appraisals Limited.

Notes:

- (a) 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\$8,210,000 (2022: HK\$8,360,000).
- (b)(i) 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 the PRB Fund.

The investment objective of the PRB Fund is to invest in debt instruments of special purpose vehicles with an expected return of not less than 6% per annum on the debt instruments and to invest in other investment funds.

On 27 April 2023, its directors have resolved to make a partial distribution partly in cash and partly in specie to its limited partner. Resolutions have been passed for voluntary liquidation thereafter. On 28 July 2023 and 31 August 2023, PRB Fund make a final distribution in cash to the Group. The fair value of the investment in the PRB Fund as at 31 December 2022 was approximately HK \$538,578,000.

As at 31 December 2022, the Group has no outstanding commitments to make capital contribution.

- (b)(ii) On 27 April 2023, the PRB Fund’s directors have resolved to make a partial distribution to its limited partner. After distribution, the Group indirectly held limited partner interest of an entity (the “**Fund**”) and the investment objective of the Fund is to invest in real estates. The fair value of the investment in the Fund as at 31 December 2023 was approximately HK\$470,431,000 (2022: Nil).

The amount of the Group’s maximum exposure to loss from its interests in the Fund was the balance of the Fund of approximately HK\$470,431,000 as at 31 December 2023 (2022: Nil). As at 31 December 2023 and 2022, the Group has no outstanding commitments to make capital contribution.

As at 31 December 2023 and 2022, the fair value measurement of the other assets as mentioned in Note (a) above and unlisted fund investments as mentioned in Notes (b)(i) and (b)(ii) above was categorised within level 3 of the fair value hierarchy.

14. BORROWINGS

| | 2023 <i>HK\$'000</i> | 2022 <i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Lease liabilities | | |
| Within 1 year | 7,347 | 12,746 |
| After 1 year but within 2 years | 7,527 | 4,876 |
| After 2 years but within 5 years | <u>21,230</u> | <u>3,621</u> |
| | <u>36,104</u> | <u>21,243</u> |
| Bank loans and revolving loans (<i>Note (a)</i>) | | |
| Within 1 year | 135,543 | 854,373 |
| After 1 year but within 2 years | 1,806,021 | 209,060 |
| After 2 years but within 5 years | 1,440,398 | 2,967,325 |
| Over 5 years | <u>183,446</u> | <u>612,828</u> |
| | <u>3,565,408</u> | <u>4,643,586</u> |
| Notes payable (<i>Note (b)</i>) | | |
| Within 1 year | 242,198 | 257,308 |
| After 1 year but within 2 years | – | 239,805 |
| After 2 years but within 5 years | <u>135,275</u> | <u>135,020</u> |
| | <u>377,473</u> | <u>632,133</u> |
| Total borrowings | 3,978,985 | 5,296,962 |
| Amount due within 1 year included under current liabilities | <u>(385,088)</u> | <u>(1,124,427)</u> |
| | <u><u>3,593,897</u></u> | <u><u>4,172,535</u></u> |

Notes:

- (a) The bank loans and revolving loans are denominated in the following currencies:

| | 2023 | 2022 |
|--------------|------------------|------------------|
| | HK\$'000 | HK\$'000 |
| Secured | | |
| HK\$ | 103,200 | 201,600 |
| U.S. dollars | 3,462,208 | 4,426,392 |
| | 3,565,408 | 4,627,992 |
| Unsecured | | |
| U.S. dollars | – | 15,594 |
| | 3,565,408 | 4,643,586 |

The bank loans and revolving loans amounted to approximately HK\$3,565,408,000 (2022: approximately HK\$4,627,992,000) were secured by way of legal charges over certain of the Group's investment properties, pledged bank deposits, properties under development and the interests of certain subsidiaries of the Group.

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

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 C3 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**”) as set out in Part 2 of Appendix C1 (Corporate Governance Code) to the Listing Rules as and when they were/are in force, except for Code Provision C.2.7.

Code Provision C.2.7 requires that the chairman of the Board (the “**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.

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 2023.

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 2023 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 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 2023 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, 22 March 2024

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 Director:

Mr. TANG Runjiang

Independent non-executive Directors:

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