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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 2011

The board of directors of the Company (the “Board”) is pleased to announce the audited consolidated results of Gemini Investments (Holdings) Limited (the “Company”) and its subsidiaries (together referred to as “our Group” or “we”) for the year ended 31 December 2011. The audited consolidated results of the Company have been reviewed by the Company’s audit committee.

Under the current fragile and volatile market environment, the Board believes that there will be more opportunities coming into the property investment and securities investment sector. Therefore, the Board does not recommend any final dividend for the financial year of 2011 and intends to reserve more cash resources for further growth in 2012.

MARKET OVERVIEW

The global economy experienced a very challenging period and the capital market suffered considerably during the year of 2011 as a result of the difficulties arising from the European sovereign debt, downgrading of the US government credit rating, and intensifying stress in the banking sector. Even though the PRC economy maintained a growth rate of 9.2% in 2011, inflation and credit tightening policy, together with decreasing export figures due to slowdown of global demand, all led to concern about the possible hard landing of the PRC economy.

Nevertheless, while the stock market was down substantially in Hong Kong and in the PRC in 2011, we believe that there will be chances to capture undervalued investments and rewarding investment opportunities coming in the market in 2012. With continuous good news from the US economy and the US real estate market, we believe that the US market may be bottoming out and a gradual recovery could be in sight. Even though there is still concern about the

European sovereign debt, leaders in Europe are taking steps to resolve the potential debt crisis. These steps will ultimately help revive the global economy and benefit the PRC. Therefore, we are optimistic towards 2012 and will continue to take a cautious approach in our investment, still focusing primarily on the Hong Kong, PRC and US stock markets.

FINANCIAL OVERVIEW

During 2011, our Group recorded a total revenue of approximately HK\$12,872,000 (2010: approximately HK\$18,727,000) and a loss attributable to owners of the Company of approximately HK\$18,699,000 (2010: approximately HK\$29,490,000). A loss was recorded mainly due to the one-off loss of approximately HK\$27,994,000 (excluding approximately HK\$12,689,000 recognized from the reclassification from translation reserve upon disposal) arising from the restructuring cost of our Group to clean up investment properties with relatively low return. In addition, our Group recorded a one-off expense for employee share option of approximately HK\$5,579,000 and the relevant one-off professional fee of approximately HK\$2,156,000 incurred in connection with the two aforesaid transactions in 2011. As a result, our Group recorded a loss per share of 4.20 HK cents in 2011 versus a loss per share of 5.76 HK cents in 2010.

Nevertheless, excluding the above one-off items, a profit before taxation of approximately HK\$6,513,000 and a profit attributable to owners of the Company of approximately HK\$4,341,000 would be recorded in 2011 from our continuing operation.

As at 31 December 2011, the cash and short term bank deposits of our Group amounted to approximately HK\$274,489,000 (2010: approximately HK\$128,471,000).

Our Group obtained a 3-year HK\$500,000,000 term loan facility from a commercial bank in Hong Kong in August 2011 and as at 31 December 2011, our Group had a total bank borrowing of HK\$500,000,000. Apart from this bank borrowing, our Group did not have any other interest bearing debt as at 31 December 2011. As at 31 December 2011, the gearing ratio (total net debt divided by total shareholders' equity) of our Group was 0.46 (2010: nil).

As at 31 December 2011, total assets and net current assets of our Group were approximately HK\$1,183,908,000 (2010: approximately HK\$538,062,000) and HK\$618,965,000 (2010: approximately HK\$212,073,000) respectively. The net asset value of our Group as at 31 December 2011 was approximately HK\$488,124,000 (2010: approximately HK\$501,140,000).

SUBSEQUENT EVENT

On 23 February 2012, the Group entered into a sale and purchase agreement with an independent third party in relation to the acquisition of two commercial units located at Unit No. 2119 and Unit No. 2120 on 21st Floor, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong for a consideration of HK\$42,485,000. This acquisition constituted a discloseable transaction under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") which was disclosed in the Company's announcement dated 23 February 2012. The acquisition is expected to be completed in the first half of 2012.

Consolidated Statement of Comprehensive Income

For the year ended 31st December, 2011

	NOTES	2011 HK\$'000	2010 HK\$'000
Continuing operations			
Turnover	2	12,872	18,727
Other income		768	8,518
Staff costs			
– Share-based compensation		(5,579)	—
– Other emoluments		(2,769)	(8,428)
Depreciation		(130)	(682)
Other expenses		(10,372)	(20,957)
Gain (loss) arising from changes in fair value of financial instruments held for trading		8,228	(2,797)
(Loss) gain arising from changes in fair value of other investment		(146)	10,222
Gain (loss) arising from changes in fair value of investment properties		722	(29,417)
Loss on disposal of a subsidiary			
– Excluding the translation reserve		(27,994)	—
– Reclassification from translation reserve upon disposal of the subsidiary		12,689	—
Share of results of jointly controlled entities		1,006	—
Finance costs	3	(5,822)	(151)
Loss before taxation		(16,527)	(24,965)
Income tax expense	4	(1,752)	(1,372)
Loss for the year from continuing operations		<u>(18,279)</u>	<u>(26,337)</u>
Discontinued operations			
Profit for the year from discontinued operations		—	16,595
Loss arising from distribution in specie of shares in a subsidiary	9	—	(18,371)
		—	(1,776)
Loss for the year		<u>(18,279)</u>	<u>(28,113)</u>

	<i>NOTES</i>	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Other comprehensive income (expense)			
Exchange differences arising on translation		13,157	16,081
Release of translation reserve upon disposal of a subsidiary/distribution in specie of shares in a subsidiary	8, 9	(12,689)	(10,858)
Other comprehensive income for the year		468	5,223
Total comprehensive expense for the year		(17,811)	(22,890)
Loss for the year attributable to owners of the Company			
– from continuing operations		(18,699)	(25,645)
– from discontinued operations		—	(3,845)
Loss for the year attributable to owners of the Company		(18,699)	(29,490)
Profit (loss) for the year attributable to non-controlling interests			
– from continuing operations		420	(692)
– from discontinued operations		—	2,069
Profit for the year attributable to non-controlling interests		420	1,377
		(18,279)	(28,113)
Total comprehensive (expense) income attributable to:			
Owners of the Company		(18,595)	(25,459)
Non-controlling interests		784	2,569
		(17,811)	(22,890)
From continuing and discontinued operations			
Loss per share - basic (HK cents)	5	4.20	6.62
- diluted (HK cents)	5	4.20	—
From continuing operations			
Loss per share - basic (HK cents)	5	4.20	5.76
- diluted (HK cents)	5	4.20	—

Statements of Financial Position

At 31st December

		THE GROUP		THE COMPANY	
		2011	2010	2011	2010
	NOTES	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Non-current Assets					
Investment properties		142,593	311,428	—	—
Property, plant and equipment		424	191	—	—
Investments in subsidiaries		—	—	13,449	29
Interests in jointly controlled entities		4,531	—	—	—
Available-for-sale investments		31,766	—	—	—
Amounts due from subsidiaries		—	—	94,616	280,248
Refundable deposit paid	7	185,025	—	—	—
Deposit for acquisition of investment properties		9,690	—	—	—
		<u>374,029</u>	<u>311,619</u>	<u>108,065</u>	<u>280,277</u>
Current Assets					
Deposits and prepayments		5,802	6,211	5,378	165
Amounts due from jointly controlled entities		1,105	—	—	—
Amount due from a fellow subsidiary		440	6,091	—	—
Amounts due from subsidiaries		—	—	739,263	—
Financial instruments held for trading		508,825	34,199	—	—
Other investment		19,218	51,364	—	—
Taxation recoverable		—	107	—	—
Short-term bank deposits		529	40,008	—	19,464
Bank balances and cash		273,960	88,463	74,772	20,064
		<u>809,879</u>	<u>226,443</u>	<u>819,413</u>	<u>39,693</u>
Current Liabilities					
Other payables and accrued charges		5,137	10,244	2,710	1,002
Refundable deposit received	7	185,025	—	—	—
Amounts due to minority shareholders of subsidiaries		—	4,048	—	—
Taxation payable		752	78	—	—
		<u>190,914</u>	<u>14,370</u>	<u>2,710</u>	<u>1,002</u>
Net Current Assets		<u>618,965</u>	<u>212,073</u>	<u>816,703</u>	<u>38,691</u>
Total Assets Less Current Liabilities		<u>992,994</u>	<u>523,692</u>	<u>924,768</u>	<u>318,968</u>

	THE GROUP		THE COMPANY	
	2011	2010	2011	2010
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital and Reserves				
Share capital	22,275	22,275	22,275	22,275
Share premium and reserves	465,849	478,865	402,493	296,693
	<hr/>	<hr/>	<hr/>	<hr/>
Equity attributable to owners of the Company	488,124	501,140	424,768	318,968
Non-controlling interests	—	14,336	—	—
	<hr/>	<hr/>	<hr/>	<hr/>
Total Equity	488,124	515,476	424,768	318,968
	<hr/>	<hr/>	<hr/>	<hr/>
Non-current Liabilities				
Deferred tax liabilities	4,870	8,216	—	—
Bank borrowings	500,000	—	500,000	—
	<hr/>	<hr/>	<hr/>	<hr/>
	504,870	8,216	500,000	—
	<hr/>	<hr/>	<hr/>	<hr/>
Total Equity and Non-current Liabilities	992,994	523,692	924,768	318,968
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Consolidated Statement of Changes in Equity

For the year ended 31st December, 2011

	Share capital HK\$'000	Share premium HK\$'000	Share option reserve HK\$'000	Property revaluation reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Attributable to owners of the Company HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
At 1st January, 2010	22,275	153,728	—	18,840	22,923	418,332	636,098	34,306	670,404
Exchange differences arising on translation of foreign operations	—	—	—	—	14,889	—	14,889	1,192	16,081
Release upon distribution in specie of shares in subsidiary (Note 9)	—	—	—	—	(10,858)	—	(10,858)	—	(10,858)
(Loss) profit for the year	—	—	—	—	—	(29,490)	(29,490)	1,377	(28,113)
Total comprehensive income (expense) for the year	—	—	—	—	4,031	(29,490)	(25,459)	2,569	(22,890)
Release of deferred tax liability upon distribution in specie of shares in a subsidiary	—	—	—	2,766	—	—	2,766	—	2,766
Dividend paid	—	—	—	—	—	(26,730)	(26,730)	(3,884)	(30,614)
Special dividend by way of distribution in specie of shares in a subsidiary (Note 9)	—	—	—	—	—	(85,535)	(85,535)	(18,655)	(104,190)
Release upon distribution in specie of shares in a subsidiary	—	—	—	(21,606)	—	21,606	—	—	—
At 31st December, 2010	22,275	153,728	—	—	26,954	298,183	501,140	14,336	515,476
Exchange differences arising on translation of foreign operations	—	—	—	—	12,793	—	12,793	364	13,157
Release upon disposal of a subsidiary (Note 8)	—	—	—	—	(12,689)	—	(12,689)	—	(12,689)
(Loss) profit for the year	—	—	—	—	—	(18,699)	(18,699)	420	(18,279)
Total comprehensive income (expense) for the year	—	—	—	—	104	(18,699)	(18,595)	784	(17,811)
Dividend paid	—	—	—	—	—	—	—	(247)	(247)
Contribution from a minority shareholder of a subsidiary	—	—	—	—	—	—	—	3,713	3,713
Disposal of a non-wholly owned subsidiary	—	—	—	—	—	—	—	(18,586)	(18,586)
Share-based compensation	—	—	5,579	—	—	—	5,579	—	5,579
At 31st December, 2011	22,275	153,728	5,579	—	27,058	279,484	488,124	—	488,124

NOTES TO THE FINANCIAL STATEMENTS

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Amendments to HKFRSs HKAS 24 (as revised in 2009)	Improvements to HKFRSs issued in 2010 Related Party Disclosures
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC) - Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC) - Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the new and revised HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these financial statements.

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

Amendments to HKFRS 7	Disclosures - Transfers of Financial Assets ¹
Amendments to HKFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities ²
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ²
HKFRS 11	Joint Arrangements ²
HKFRS 12	Disclosure of Interests in Other Entities ²
HKFRS 13	Fair Value Measurement ²
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ⁵
Amendments to HKAS 12	Deferred Tax - Recovery of Underlying Assets ⁴
HKAS 19 (as revised in 2011)	Employee Benefits ²
HKAS 27 (as revised in 2011)	Separate Financial Statements ²
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ²
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ⁶
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine ²

¹ Effective for annual periods beginning on or after 1st July, 2011.

² Effective for annual periods beginning on or after 1st January, 2013

³ Effective for annual periods beginning on or after 1st January, 2015.

⁴ Effective for annual periods beginning on or after 1st January, 2012

⁵ Effective for annual periods beginning on or after 1st July, 2012.

⁶ Effective for annual periods beginning on or after 1st January, 2014.

2. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The change of the Company's executive directors resulting from group reorganisation has resulted in the inclusion of the sales proceeds from trading of financial instruments held for trading as segment revenue in current year. Information on sales proceeds from trading of financial instruments held for trading in prior year is not available for presentation, as part of it was attributable to a group of subsidiaries distributed upon group reorganisation on 7th October, 2010 as described in note 9.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

1. Property investments -rental income from leasing of office properties
2. Securities and other investments -investing in various securities and generating investment income

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

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

For the year ended 31st December, 2011

Continuing operations

	Property investments HK\$'000	Securities and other investments HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
Segment revenue	12,272	213,416	—	225,688
Less: Sales proceeds from trading of financial instruments held for trading	—	(212,816)	—	(212,816)
Turnover as presented in consolidated statement of comprehensive income	<u>12,272</u>	<u>600</u>	<u>—</u>	12,872
Segment result	<u>9,365</u>	<u>6,998</u>	<u>—</u>	16,363
Interest income from bank deposits				768
Loss on disposal of a subsidiary				(15,305)
Share of results of jointly controlled entities				1,006
Unallocated corporate expenses				(13,537)
Finance costs				(5,822)
Loss before taxation				<u>(16,527)</u>

For the year ended 31st December, 2010

Continuing operations

	Property investments <i>HK\$'000</i>	Securities and other investments <i>HK\$'000</i>	Eliminations <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue				
External sales	17,801	926	—	18,727
Inter-segment sales	<u>836</u>	<u>—</u>	<u>(836)</u>	<u>—</u>
Turnover as presented in consolidated statement of comprehensive income	<u>18,637</u>	<u>926</u>	<u>(836)</u>	<u>18,727</u>
Segment result	<u>(13,977)</u>	<u>7,830</u>	<u>—</u>	<u>(6,147)</u>
Interest income from bank deposits				635
Unallocated other income				3,700
Unallocated corporate expenses				(23,002)
Finance costs				<u>(151)</u>
Loss before taxation				<u>(24,965)</u>

Inter-segment sales are charged at prevailing market rates.

Except for the inclusion of sales proceeds from trading of financial instruments held for trading in the segment revenue of securities and other investments reported to the chief operating decision makers, the accounting policies of the operating segments are in compliance with HKFRSs. Segment result represents the profit or loss by each segment without allocation of interest income from bank deposits, unallocated other income, loss on disposal of a subsidiary, share of results of jointly controlled entities, unallocated corporate expenses (including central administration costs, share-based compensations and directors' remuneration) and finance costs. This is the measure reported to the chief operating decision makers, the executive directors, for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

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

	31.12.2011 <i>HK\$'000</i>	31.12.2010 <i>HK\$'000</i>
<i>Assets</i>		
Segment assets		
– Property investments	152,842	323,722
– Securities and other investments	559,809	85,593
Unallocated assets	471,257	128,747
	<hr/>	<hr/>
Consolidated total assets	1,183,908	538,062
	<hr/> <hr/>	<hr/> <hr/>
<i>Liabilities</i>		
Segment liabilities		
– Property investments	7,603	2,111
– Securities and other investments	83	551
Unallocated liabilities	688,098	19,924
	<hr/>	<hr/>
Consolidated total liabilities	695,784	22,586
	<hr/> <hr/>	<hr/> <hr/>

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

- all assets are allocated to operating segments other than interests in jointly controlled entities, amounts due from jointly controlled entities, other receivables, refundable deposit paid, taxation recoverable, short-term bank deposits, bank balances and cash; and
- all liabilities are allocated to operating segments other than other payables, refundable deposit received, amounts due to minority shareholders of subsidiaries, taxation payable, bank borrowings and deferred tax liabilities.

Other segment information

Continuing operations

For the year ended 31st December, 2011

	Property investments <i>HK\$'000</i>	Securities and other investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:			
Capital expenditure	9,690	—	9,690
Depreciation	82	48	130
Gain arising from changes in fair value of investment properties	722	—	722
Gain arising from changes in fair value of financial instruments held for trading	—	8,228	8,228
Loss arising from changes in fair value of other investment	—	(146)	(146)

For the year ended 31st December, 2010

	Property investments <i>HK\$'000</i>	Securities and other investments <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:			
Capital expenditure	7	26	33
Depreciation	681	1	682
Loss arising from changes in fair value of investment properties	(29,417)	—	(29,417)
Loss arising from changes in fair value of financial instruments held for trading	—	(2,797)	(2,797)
Gain arising from changes in fair value of other investment	—	10,222	10,222

Geographical information

The Group's operations are located in Hong Kong (place of domicile) and elsewhere in the People's Republic of China (the "PRC").

The Group's revenue from external customers and its non-current assets, other than financial instruments and interests in jointly controlled entities, by geographical location of the assets regarding its continuing operations are detailed below:

	Revenue from external customers		Non- current assets	
	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Hong Kong	289	757	9,802	25
Elsewhere in the PRC	12,272	17,044	142,905	311,594
Others	311	926	—	—
	<u>12,872</u>	<u>18,727</u>	<u>152,707</u>	<u>311,619</u>

Information about major customers

Revenues from two customers of the corresponding years individually contributing over 10% of total revenue of the Group are as follows:

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Tenant A (from property investments segment)	1,825	N/A
Tenant B (from property investments segment)	1,525	N/A
	<u>3,350</u>	<u>N/A</u>

In prior year, no revenue from individual customer contributed over 10% of the total revenue of the Group.

3. FINANCE COSTS

The finance costs represent interest on bank borrowings wholly repayable within five years.

4. INCOME TAX EXPENSE

	2011 HK\$'000	2010 <i>HK\$'000</i>
The taxation attributable to the Group's continuing operation comprises:		
Current taxation		
Hong Kong Profits Tax	—	215
Profits tax outside Hong Kong	<u>1,698</u>	<u>3,336</u>
	1,698	3,551
Underprovision in prior years		
Hong Kong Profits Tax	<u>—</u>	<u>21</u>
	1,698	3,572
Deferred taxation		
Current year	<u>54</u>	<u>(2,200)</u>
	<u>1,752</u>	<u>1,372</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of relevant PRC subsidiaries of the Company is calculated at 25%.

Income tax expense for the year can be reconciled to the loss before taxation per the consolidated statement of comprehensive income as follows:

	Hong Kong		Elsewhere in the PRC		Total	
	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000	2011 HK\$'000	2010 HK\$'000
(Loss) profit before taxation from continuing operations	<u>(22,408)</u>	<u>(11,273)</u>	<u>5,881</u>	<u>(13,692)</u>	<u>(16,527)</u>	<u>(24,965)</u>
Applicable tax rate	<u>16.5%</u>	<u>16.5%</u>	<u>25%</u>	<u>25%</u>		
Tax at the applicable income tax rate	(3,697)	(1,860)	1,470	(3,423)	(2,227)	(5,283)
Land appreciation tax	—	—	—	1,409	—	1,409
Tax effect of expenses not deductible for tax purpose	6,208	1,561	851	1,483	7,059	3,044
Tax effect of income not taxable for tax purpose	(2,718)	(105)	(443)	(2,853)	(3,161)	(2,958)
Tax effect of share of results of jointly controlled entities	(166)	—	—	—	(166)	—
Tax effect of unrecognised tax loss	373	1,359	—	—	373	1,359
Underprovision in prior years	—	—	—	21	—	21
Others	—	157	(126)	3,623	(126)	3,780
Income tax expense for the year	<u>—</u>	<u>1,112</u>	<u>1,752</u>	<u>260</u>	<u>1,752</u>	<u>1,372</u>

5. LOSS PER SHARE

Basic loss per share

For continuing and discontinued operations

The calculation of the basic loss per share attributable to equity holders of the Company is based on the loss for the year of HK\$18,699,000 (2010: loss of HK\$29,490,000) and on 445,500,000 number of ordinary shares (2010: 445,500,000 ordinary shares) in issue during the year.

For continuing operations

The calculation of the basic loss per share attributable to equity holders of the Company is based on the loss for the year of HK\$18,699,000 (2010: loss of HK\$25,645,000) and on 445,500,000 number of ordinary shares (2010: 445,500,000 ordinary shares) in issue during the year.

For discontinued operations

The basic loss per share attributable to equity holders of the Company was 0.86 HK cents for the year ended 31st December, 2010 which was based on the loss of HK\$3,845,000 and on 445,500,000 ordinary shares in issue during the year.

Diluted loss per share

For the year ended 31st December, 2011, the computation of diluted loss per share does not assume the exercise of the Company's outstanding share options since their exercise would result in a decrease in loss per share.

In prior year, no diluted loss per share has been presented as there were no dilutive potential ordinary shares in issue.

6. DIVIDENDS

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Dividends recognised as distribution during the year:		
Final dividend paid in respect of 2009 of 6 HK cents per ordinary share	—	26,730
Special dividend by way of distribution in specie of shares in a subsidiary (Note 9)	—	85,535
	<u>—</u>	<u>112,265</u>

7. REFUNDABLE DEPOSITS PAID/RECEIVED

On 23rd August, 2011, two wholly-owned subsidiaries of the Company, Max Energy Development Limited (“Max”) and 杭州盛能投資諮詢有限公司 (“HZ Max”), entered into a memorandum of understanding with an independent third party in Hong Kong for investment cooperation. The third party will help the Group to solicit potential property investment opportunities in Hong Kong and overseas. In return, the Group will help the third party to source for investment opportunities in the PRC. To facilitate the investment cooperation of future joint investment, which may or may not take place, Max paid RMB150,000,000 equivalent Hong Kong dollars to the third party as refundable deposit. Under this arrangement, even if potential projects are identified with terms and conditions subject to further negotiation, the Group still retains full discretion power to decide whether to invest in and whether to use any part or all of the deposit as consideration of future suitable projects. The deposit paid, is fully secured by an amount of RMB150,000,000, on a back to back basis, paid by the third party to HZ Max in the PRC. Both the deposits paid and received are interest-free and repayable on demand.

In the opinion of the directors of the Company, and subject to further evaluation of the directors, such deposit paid is intended for identifying investment projects and is not expected to be called back on day to day basis or within one year from the end of the reporting period. Based on this expectation, this amount is classified as non-current.

8. DISPOSAL OF A SUBSIDIARY

During the year ended 31st December, 2011, the Company entered into an agreement to dispose the entire equity interest of the Company in Klendo Limited, a non-wholly owned subsidiary of the Company. The disposal was completed on 13th July, 2011.

Prior to disposal, Klendo Limited issued 10,000 shares of HK\$1 each to the Company and the non-controlling shareholder in proportionate to their original shareholdings to settle the amounts due to the Company and the non-controlling shareholder amounting to HK\$25,471,000 and HK\$3,713,000 respectively.

The net assets of Klendo Limited at the date of disposal excluding a provision for impairment losses on disposal of HK\$27,994,000 made during the period ended 30th June, 2011 were as follows:

	<i>HK\$'000</i>
Consideration received:	
Cash received	137,000
Analysis of assets and liabilities over which control was lost:	
Investment properties	180,371
Deposits and prepayments	1,271
Amount due from a fellow subsidiary	5,651
Bank balances	6,333
Deposits received	(6,333)
Deferred tax liabilities	(3,713)
Net assets disposed of	183,580
Loss on disposal of a subsidiary:	
Consideration received	137,000
Net assets disposed of	(183,580)
Non-controlling interests	18,586
Cumulative exchange differences in respect of the net assets of the disposed subsidiary reclassified from equity to profit or loss	12,689
Loss on disposal	(15,305)
Loss on disposal comprises:	
Provision for impairment losses on disposal	(27,994)
Reclassification from translation reserve upon disposal of the subsidiary	12,689
	(15,305)
Net cash inflow arising on disposal:	
Cash consideration	137,000
Less: bank balances disposed of	(6,333)
	130,667

Klendo Limited did not contribute significantly to the Group's cash flows, revenue, expenses, income tax expenses or profit attributable to owners of the Company during the year.

9. DISTRIBUTION IN SPECIE OF SHARES IN A SUBSIDIARY

At an extraordinary general meeting held on 7th October, 2010, the shareholders of the Company approved the group reorganisation which required the transfer of the subsidiaries carrying on trading business of chemicals and metals to Kee Shing Investment (BVI) Limited (“KSL”) and a subsequent payment of a special dividend for the year ended 31st December, 2010 satisfied by way of a distribution in specie of ordinary shares in KSL.

The net assets of the subsidiaries were as follows:

	<i>HK\$' 000</i>
Analysis of assets and liabilities over which control was lost:	
Investment properties	30,554
Property, plant and equipment	26,008
Inventories	87,534
Debtors, deposits and prepayment	59,512
Bills receivable	8,565
Financial instruments held for trading	54,860
Bank balances and cash	121,870
Creditors and accrued charges	(18,055)
Bills payable	(269)
Deferred taxation liabilities	(6,006)
Taxation payable	(3,493)
Bank borrowings	(227,661)
	<hr/>
Net assets transferred	133,419
	<hr/> <hr/>
Loss arising from distribution in specie of shares in a subsidiary:	
Distribution of shares in KSL at fair value	85,535
Net assets transferred	(133,419)
Non-controlling interests	18,655
Cumulative exchange differences in respect of the net assets of the subsidiaries reclassified from equity to profit or loss on distribution in specie of shares in a subsidiary	10,858
	<hr/>
Loss on distribution	(18,371)
	<hr/> <hr/>
Net cash outflow arising on distribution in specie of shares in a subsidiary :	
Bank balances and cash	(121,870)
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CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 26 April 2012 to Friday, 27 April 2012, both days inclusive, during which period no transfer of shares will be registered. The record date will be Friday, 27 April 2012. In order to determine the identity of shareholders of the Company who are entitled to attend and vote at the forthcoming annual general meeting of the Company (the “AGM”), all share transfers accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Tricor Standard Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 25 April 2012.

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

There was no purchase, sale or redemption of the Company’s listed shares by the Company or any of its subsidiaries during the year ended 31 December 2011.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 to the Listing Rules throughout the year ended 31 December 2011, except for a deviation from the code provision A.2.1 of the Code as set out below.

Prior to 17 March 2011, Mr. LI Jianbo performed the roles of both the chairman of the Board (the “Chairman”) and the general manager of the Company (the “General Manager”) simultaneously, which constituted a deviation from the code provision A.2.1 of the Code which requires that the roles of the Chairman and the chief executive officer of the Company (or the General Manager in our case) should be separate and should not be performed by the same individual. Although the responsibilities of the Chairman and the General Manager were vested in one person (i.e. Mr. LI Jianbo) for the period from 1 January 2011 to 16 March 2011, all major decisions during such period were made in consultation with Board members and management team of the Company. There were three independent non-executive directors and one non-executive director on the Board. The Board considers that there was sufficient balance of power and that the arrangement during such period maintained a strong management position while facilitating the normal business activities of the Company.

With effect from 17 March 2011, Mr. LI Jianbo resigned as the Chairman and the General Manager whereas Mr. SUM Pui Ying was appointed as the Chairman of the Board and Mr. LI Zhenyu was appointed as the chief executive officer of the Company. Therefore, with effect from 17 March 2011, the Group has again complied with the code provision A.2.1 of the Code.

COMPLIANCE OF THE MODEL CODE FOR DIRECTORS' SHARES DEALINGS

In accordance with the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix 10 to the Listing Rules, the Company has adopted codes of conduct relating to securities transactions by the directors of the Company (the “**Directors**”) on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry with the Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code and the Company’s codes of conduct regarding the Directors’ securities transactions during the year ended 31 December 2011.

REMUNERATION COMMITTEE

The remuneration committee of the Board (the “**Remuneration Committee**”) comprised three independent non-executive directors, namely Messrs. LAW Tze Lun, LO Woon Bor, Henry and ZHENG Yun. As the previous chairman of the Remuneration Committee, Mr. LI Jianbo, had resigned as a member (and the chairman) of the Remuneration Committee with effect from 17 March 2011, Mr. LAW Tze Lun was re-designated as the chairman of the Remuneration Committee to replace the vacancy left by Mr. LI Jianbo with effect from 17 March 2011. The Remuneration Committee had met twice during the year ended 31 December 2011.

The roles of the Remuneration Committee were to assist the Board to oversee the policy and structure of the remuneration of the executive directors of the Company and senior officers of the Group, and to approve specific remuneration packages of all the executive directors and senior officers of the Group. The current duties and responsibilities of the Remuneration Committee are more specifically set out in its latest terms of reference, details of which are available for inspection at the Company’s website at www.geminiinvestments.com.hk or upon request to the company secretary of the Company.

AUDIT COMMITTEE

The audit committee of the Board (the “**Audit Committee**”) consisted of three independent non-executive directors, namely Mr. LAW Tze Lun, Mr. LO Woon Bor, Henry and Mr. ZHENG Yun.

The roles of the Audit Committee require it, among other things, to oversee the relationship with the external auditors, to review the Company’s annual and interim financial statements, and to evaluate the effectiveness of the Group’s internal control and risk management systems.

ANNUAL GENERAL MEETING

The AGM will be held at Level 10, World-wide House, 19 Des Voeux Road Central, Hong Kong on Monday, 30 April 2012 at 10:30 a.m.. The notice of the AGM will be published on the Company's website at www.geminiinvestments.com.hk and HKExnews website at www.hkexnews.hk, and despatched to the shareholders of the Company on or about 26 March 2012.

SUFFICIENCY OF PUBLIC FLOAT

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

PUBLICATION OF ANNUAL REPORT

The 2011 annual report of the Company 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 on or about 26 March 2012.

APPRECIATION

Finally, the Board would like to thank all shareholders of the Company who placed strong confidence in our Group's management. We would also like to thank all our business partners and bank enterprises who supported and stood beside us at all times. Last but not least, we believe our largest shareholder, Sino-Ocean Land Holdings Limited, will continue to provide us with long term support for our sustainable business development.

By Order of the Board
Gemini Investments (Holdings) Limited
Adrian SUM
Chairman

Hong Kong, 7 March 2012

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

Executive director:
Mr. LI Zhenyu

Non-executive directors:
Mr. SUM Pui Ying
Mr. LI Hongbo

Independent non-executive directors:
Mr. LAW Tze Lun
Mr. LO Woon Bor, Henry
Mr. ZHENG Yun