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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Gemini Investments (Holdings) Limited**, you should at once hand this circular together with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

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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)**

**(1) VERY SUBSTANTIAL DISPOSAL  
IN RELATION TO REDEMPTION OF FUND  
AND  
(2) NOTICE OF GENERAL MEETING**

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Capitalised terms used in this cover shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 9 to 14 of this circular. A notice convening the general meeting of Gemini Investments (Holdings) Limited to be held at its principal place of business in Hong Kong at Room 3902, 39/F, Tower One, Lippo Centre, No.89 Queensway, Hong Kong and online through visiting the Tricor e-Meeting system — <https://spot-meeting.tricor.hk/#/374> on 18 May 2022 at 10:30 a.m. is set out on pages GM-1 to GM-3 of this circular. A form of proxy for use at the GM is also enclosed with this circular.

As set out in the section headed “Special Arrangements for the General Meeting” of this circular, the GM will be a hybrid meeting. **The Company strongly encourages Shareholders to exercise their rights to attend and vote at the GM by electronic facilities.** In light of the current COVID-19 pandemic situation and the current regulatory requirements and guidelines under the laws of Hong Kong, the GM will be a hybrid meeting. Shareholders will not be permitted to gain access to the meeting venue of the GM in person. All Shareholders (other than those who are required to attend the GM physically to form a quorate meeting) who wish to appoint a proxy to attend and vote physically at the GM on their behalf shall appoint the Chairman of the GM as their proxy by completing, signing and returning the proxy form in accordance with the instructions printed thereon to the Company’s share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk/#/374>) by using the username and password provided on the notification letter sent by the Company together with this circular as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the GM or any adjournment thereof. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting online at the GM (or any adjournment thereof) by means of electronic facilities if such Shareholder so wishes and, in such event, the form of proxy shall be deemed to be revoked.

25 April 2022

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## SPECIAL ARRANGEMENTS FOR THE GM

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The Company will adopt the following special arrangements at the GM for the purpose of public health and safety of GM attendees during the COVID-19 pandemic:

- (a) **In light of the current COVID-19 pandemic situation and the current regulatory requirements and guidelines under the laws of Hong Kong, the GM will be a hybrid meeting. No Shareholder, proxy or corporate representative should attend the GM in person in light of the continuing risks posed by the COVID-19 pandemic (other than those who are required to attend the GM physically to form a quorate meeting).** Any other person who attempts to do so will not be permitted to gain access to the meeting venue of the GM in person.
- (b) No corporate gifts will be distributed and no refreshments will be served at the GM.
- (c) All resolutions at the GM will be decided on a poll. Shareholders will still be able to vote by doing so in advance of the GM by proxy. If a Shareholder (other than those who are required to attend the GM physically to form a quorate meeting as mentioned in paragraph (a) above) wishes to vote on any resolution at the physical meeting venue of the GM, he/she/it shall appoint the Chairman of the GM as his/her/its proxy to exercise his/her/its right to vote at the GM in accordance with his/her/its instructions.
- (d) **Shareholders can attend, participate and vote at the GM through online access** by visiting the Tricor e-Meeting system — <https://spot-emeeting.tricor.hk/#/374> (the “**e-Meeting System**”), and the Company strongly encourages Shareholders to do so. Shareholders participating in the GM using the e-Meeting System will be able to cast their vote and submit questions through the e-Meeting System. The e-Meeting System permits a “split vote” on a resolution. In other words, a Shareholder casting his/her/its votes through the e-Meeting System does not have to vote all of his/her/its shares in the same way. In the case of a proxy, he/she/it can vote such number of shares in respect of which he/she/it has been appointed as a proxy. **Votes cast through the e-Meeting System are irrevocable once the voting session at the GM ends.**
- (e) The e-Meeting System will be open for registered Shareholders and their proxy (see below for login details and arrangements) to log in approximately 30 minutes prior to the commencement of the GM and can be accessed from any location with internet connection by a smart phone, tablet device or computer. **Shareholders and their proxy should allow ample time to check into the e-Meeting System to complete the related procedures.** Please refer to the Online User Guide for the GM at <https://spot-emeeting.tricor.hk/#/374> for assistance.

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## SPECIAL ARRANGEMENTS FOR THE GM

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- (f) **Login details for registered Shareholders** — Each registered Shareholder’s personalized username and password for accessing the e-Meeting System are included in the Company’s notification letter to registered Shareholders sent together with this circular. In case of appointment of proxy for participation at the GM via the e-Meeting System, registered Shareholders are requested to provide a valid email address of his or her proxy (except for appointment of “**The Chairman of the Meeting**” as proxy) in order for the proxy to receive the username and password from the Company’s share registrar, Tricor Standard Limited, to participate and vote online at the GM via the e-Meeting System.
  
- (g) **Shareholders and their proxy should note that only one device is allowed in respect of each set of login details. Please keep the login details in safe custody for use at the GM and do not disclose them to anyone else. Neither the Company nor its agents assume any obligation or liability whatsoever in connection with the transmission of the login details or any use of the login details for voting or otherwise.**
  
- (h) **Login details for non-registered Shareholders** — Non-registered Shareholders who wish to attend and participate in the GM through the e-Meeting System should (1) contact and instruct their banks, brokers, custodians, nominees or HKSCC Nominees Limited (together the “**Intermediary**”) (through which the shares of the Company are held on their behalves) to appoint themselves as proxies to attend the GM; and (2) provide their e-mail addresses to their Intermediary before the time limit required by the relevant Intermediary. Relevant information including login details to access the e-Meeting System will then be sent by the Company’s share registrar, Tricor Standard Limited, to the e-mail addresses provided by the non-registered Shareholders.
  
- (i) Shareholders are encouraged to submit their completed proxy forms well in advance of the GM. Return of a completed proxy form will not preclude Shareholders from attending and voting online by means of the e-Meeting System at the GM or any adjournment thereof should they subsequently so wish.

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## SPECIAL ARRANGEMENTS FOR THE GM

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**Subject to the continuing development of the COVID-19 pandemic, the Company may be required to adopt further changes to the GM arrangements on short notice. Shareholders are advised to check the websites of the Company ([www.geminiinvestments.com.hk](http://www.geminiinvestments.com.hk)) and The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) for any further announcement(s) and information relating to the GM.**

If Shareholders have any questions relating to the GM, please contact Tricor Standard Limited, the Hong Kong branch share registrar of the Company, as follows:

**Tricor Standard Limited**

Level 54, Hopewell Centre, 183 Queen's Road East

Wanchai, Hong Kong

Telephone: +852 2980 1333

Facsimile: +852 2810 8185

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Administrator”	DBS Bank Ltd., Hong Kong Branch in its capacity as administrator of GlobalActive Fund and Neutron Fund
“Announcement”	the announcement of the Company dated 11 March 2022 in relation to, among other things, the Neutron B Redemption
“Board”	the board of Directors
“Business Day(s)”	with respect to Neutron Fund, unless otherwise set out in Supplement 1 or Supplement 2 relating to the relevant Sub-Fund, means any day (except Saturday and Sunday) on which banks are open for usual business in Hong Kong provided that where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the directors of the Neutron Fund otherwise determine
“BVI”	British Virgin Islands
“Class”	a class of Neutron Fund Shares to which a particular Sub-Fund is attributable
“Company”	Gemini Investments (Holdings) Limited (盛洋投資(控股)有限公司), a company incorporated in Hong Kong with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 174)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Estate Spring”	Estate Spring International Limited (置泉國際有限公司), a company incorporated in the BVI with limited liability
“Fame Gate”	Fame Gate Developments Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company

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## DEFINITIONS

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“Fortune Joy”	Fortune Joy Ventures Limited (瑞喜創投有限公司), a company incorporated in the BVI with limited liability, which is indirectly non wholly-owned by Sino-Ocean Group
“Funds”	GlobalActive Fund and Neutron Asia
“GlobalActive Fund”	GlobalActive Fund Limited, an exempted company with limited liability incorporated in the Cayman Islands
“GlobalActive Fund PPM”	the private placing memorandum amended and restated on 1 September 2021
“GlobalActive Fund Redemption”	the redemption of 341,438 Participating Shares in GlobalActive Fund by Sunray City at the estimated redemption proceeds of approximately HK\$147,829,000 as disclosed in the announcement of the Company dated 19 November 2021
“GlobalActive Fund Redemption Notice”	redemption notice in respect of the GlobalActive Fund Redemption served by Sunray City on 19 November 2021
“Glory Class”	Glory Class Ventures Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of Oceanland Global
“GM”	the general meeting to be convened by the Company for the Shareholders to consider and, if thought fit, approve the Neutron B Redemption
“GR Realty”	Gemini-Rosemont Realty LLC, a company incorporated under the laws of the State of Delaware, the U.S. with limited liability and an indirect non wholly-owned subsidiary of the Company
“Grand Beauty”	Grand Beauty Management Limited (盛美管理有限公司), a company incorporated in the BVI with limited liability
“Group”	the Company and its subsidiaries
“HK Presstar”	Hongkong Presstar Enterprise Co., Limited, a company wholly-owned by Mr. ZHANG Li
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Special Region of the PRC

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## DEFINITIONS

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“Investment Manager”	Atherton Asset Management Limited, being the investment manager of GlobalActive Fund and Neutron Fund respectively
“Latest Practicable Date”	22 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules
“Neutron Asia”	Neutron Asia Absolute Return Fund, formerly known as Neutron A, a Sub-Fund
“Neutron Asia Redemption”	the redemption of 80,000 Neutron Asia Shares by Fame Gate in Neutron Asia in cash at the estimated redemption proceeds of approximately HK\$102,576,000 as disclosed in the announcement of the Company dated 19 November 2021
“Neutron Asia Redemption Notice”	redemption notice in respect of the Neutron Asia Redemption served by Fame Gate on 19 November 2021
“Neutron Asia Share(s)”	Neutron Fund Shares attributable to Neutron Asia
“Neutron B”	Neutron B, a Sub-Fund
“Neutron B Redemption”	has the meaning ascribed to it under the section headed “The Neutron B Redemption”
“Neutron B Redemption Notice”	the redemption notice in respect of the Neutron B Redemption served by Fame Gate on 11 March 2022
“Neutron B Share(s)”	Neutron Fund Shares attributable to Neutron B
“Neutron Fund”	Neutron Fund Limited, an exempted company with limited liability incorporated in the Cayman Islands
“Neutron Fund Dealing Day”	the first Business Day in each month or such other Business Days as the directors of Neutron Fund may from time to time prescribe
“Neutron Fund PPM”	the private placing memorandum amended and restated on 1 September 2021 (as supplemented by Supplement 1 and Supplement 2)

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## DEFINITIONS

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“Neutron Fund Redemption Dealing Deadline”	5:00 p.m. (Hong Kong time) on the Business Day which falls 5 days prior to the relevant Neutron Fund Dealing Day or such later time or day as the directors of Neutron Fund may in their discretion agree in any particular case
“Neutron Fund Share(s)”	participating redeemable preference share(s) of Neutron Fund with par value of HK\$0.10 each
“Neutron Fund Valuation Day”	means the last Business Day in each month or such other Business Days as the directors of Neutron Fund may from time to time prescribe provided that the Neutron Fund Valuation Day in relation to a Neutron Fund Dealing Day shall be the last Business Day of the month immediately preceding such Neutron Fund Dealing Day
“Oceanland Global”	Oceanland Global Investment Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of Sino-Ocean Capital
“Participating Share(s)”	participating redeemable preference shares of HK\$0.10 each of GlobalActive Fund
“PRC”	People’s Republic of China, for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Redemptions”	means collectively, the GlobalActive Fund Redemption, the Neutron Asia Redemption and the Neutron B Redemption
“Remaining Group”	the Company and its subsidiaries following the completion of the Neutron B Redemption
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the ordinary share(s) in the share capital of the Company
“Sino-Ocean Capital”	Sino-Ocean Capital Holding Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Fortune Joy

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## DEFINITIONS

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“Sino-Ocean Group”	means Sino-Ocean Group Holding Limited together with its subsidiaries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-Fund”	a separate sub-fund of the Neutron Fund established and maintained from time to time in respect of one or more classes of shares within which all assets and liabilities attributable to the relevant Class or Classes shall be held
“Sunray City”	Sunray City Investments Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
“Supplement 1”	Supplement to the Neutron Fund PPM in relation to Neutron Asia dated 1 September 2021
“Supplement 2”	Supplement to the Neutron Fund PPM in relation to Neutron B dated 1 September 2021
“U.S.”	United States of America
“US\$”	United States dollars, the lawful currency of the U.S.
“%”	per cent.
“2021 Redemptions”	the GlobalActive Fund Redemption and the Neutron Asia Redemption

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## LETTER FROM THE BOARD

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*Unless otherwise specified, references to time and dates in this circular are to Hong Kong time and dates.*



盛洋投资

**Gemini Investments (Holdings) Limited**

盛洋投資（控股）有限公司

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 174)**

*Executive Directors:*

Mr. SUM Pui Ying

Mr. LAI Kwok Hung, Alex

Ms. LAM Yee Lan

*Non-executive Directors:*

Mr. TANG Runjiang

Mr. ZHOU Yue

*Independent non-executive Directors:*

Mr. LO Woon Bor, Henry

Ms. CHEN Yingshun

Mr. LEE Sai Kai, David

*Registered Office and principal place  
of business:*

Room 3902, 39th Floor

Tower One, Lippo Centre

No. 89 Queensway

Hong Kong

25 April 2022

*To the Shareholders*

Dear Sir/Madam,

**(1) VERY SUBSTANTIAL DISPOSAL  
IN RELATION TO REDEMPTION OF FUND  
AND  
(2) NOTICE OF GENERAL MEETING**

**INTRODUCTION**

Reference is made to (i) the announcements of the Company dated 5 April 2013 and 27 September 2013 and the circulars of the Company dated 26 April 2013 and 21 October 2013 in relation to the Company's investment in the Funds, pursuant to the terms and conditions of the GlobalActive Fund PPM and Neutron Fund PPM; (ii) the announcements of the Company dated 19

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## LETTER FROM THE BOARD

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November 2021, 10 December 2021 and 23 December 2021 and the circular of the Company dated 7 January 2022 in relation to the GlobalActive Fund Redemption and Neutron Asia Redemption, pursuant to the terms and conditions of the GlobalActive Fund PPM and Neutron Fund PPM; and (iii) the announcement of the Company dated 11 March 2022 in relation to the Neutron B Redemption, pursuant to the Neutron Fund PPM.

According to the provisions contained in the Neutron Fund PPM, the Company may redeem the Neutron B Shares on any Neutron Fund Dealing Day by giving written redemption notice to the Administrator before the Neutron Fund Redemption Dealing Deadline.

The purpose of this circular is to provide you with, among other thing: (i) further details of the Neutron B Redemption contemplated under the Neutron B Redemption Notice and other information as required under the Listing Rules; and (ii) a notice of the GM.

### THE NEUTRON B REDEMPTION

As at the date of the Announcement, the Company through Fame Gate (an indirect wholly-owned subsidiary of the Company) holds 150,676 Neutron B Shares.

The Board announced that, on 11 March 2022, Fame Gate has served the Neutron B Redemption Notice to the Administrator, pursuant to which Fame Gate requested to redeem its 150,676 Neutron B Shares in cash at the estimated redemption proceeds of approximately HK\$253,502,000 (the “**Neutron B Redemption**”), which is subject to the approval from the Shareholders at the GM. Other than the aforementioned Shareholders’ approval, there is no other condition to which the Neutron B Redemption is subject.

Pursuant to the Neutron Fund PPM, redemption proceeds will be paid as soon as practicable (and ordinarily within one month of the relevant Neutron Fund Dealing Day or, if later, following receipt of a complete Neutron B Redemption Notice) by transfer in Hong Kong dollars to the Fame Gate pre-designated bank account. The redemption price will be determined by dividing the net asset value of Neutron B as at close of the Neutron Fund Valuation Day relating to the Neutron Fund Dealing Day by the number of Neutron B Shares then in issue. Pursuant to the Neutron Fund PPM, the net asset value of Neutron B shall be equivalent to all the assets attributable to Neutron B less all the liabilities attributable to Neutron B as at the relevant Neutron Fund Valuation Day. The value of investments of Neutron B (which consist primarily of listed securities), classified as financial assets at fair value through profit or loss, is calculated with reference to the closing price or last traded price (i.e. market value) of such investments on the day as of which such calculation is to be made. As such, the net asset value of Neutron B is essentially the same as its market value.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Investment Manager and the Administrator and their respective ultimate beneficial owners are independent of and not connected with the Company and its connected persons.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE NEUTRON B REDEMPTION

Taking into account the cash inflow that will be brought by the Neutron B Redemption, the Directors consider that the Neutron B Redemption represents an opportunity for the Group to generate cash inflows so that it can re-allocate its resources to its other existing businesses.

The Directors consider that the Neutron B Redemption is on normal commercial terms, its terms are fair and reasonable and the Neutron B Redemption is in the interests of the Company and its Shareholders as a whole.

### FINANCIAL EFFECT OF THE NEUTRON B REDEMPTION

It is expected that the Group will record a loss of HK\$25,526,000 from the Neutron B Redemption, being the difference between the estimated proceeds of the Neutron B Redemption and the audited carrying amount as at 31 December 2021 of the Neutron Fund being redeemed of approximately HK\$279,028,000. The actual loss as a result of the Neutron B Redemption to be recorded by the Group is subject to audit.

### USE OF PROCEEDS

The estimated proceeds from the Neutron B Redemption, after deduction of applicable fees and taxes and other relevant estimated expenses in relation to the Neutron B Redemption, is approximately HK\$252,602,000 (based on the redemption price of HK\$1,682.43 per Neutron B Share), calculated based on the latest available net asset value per Neutron B Share provided by the Investment Manager. The actual redemption price and the proceeds from the Neutron B Redemption are to be determined and finalized by the Administrator on the Neutron Fund Valuation Day. Subject to actual circumstances and decision of the Board, the Company intends to apply estimated proceeds of approximately HK\$101,041,000 for future potential investments and approximately HK\$151,561,000 for general working capital purpose including but not limited to repayment of borrowings.

### INFORMATION OF THE GROUP AND FAME GATE

The Company is an investment holding company incorporated in Hong Kong with limited liability. The Group is principally engaged in property investments in the U.S. and Hong Kong, property developments in the U.S. and other operations (including fund investments and securities investments).

The Group's investments in the property market in the U.S. are conducted through its U.S. real estate fund platform, GR Realty, an indirect non wholly-owned subsidiary of the Company. 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.. It has been providing tailored real estate solutions for investors and tenants for almost three decades.

Fame Gate is an investment holding company incorporated in the BVI with limited liability.

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## LETTER FROM THE BOARD

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### INFORMATION OF NEUTRON B

Neutron Fund is an exempted company with limited liability incorporated in the Cayman Islands, which is structured as an umbrella company with the ability to establish a separate sub-fund for each class of its participating redeemable preference shares. Any Sub-Fund does not constitute a legal entity separate from Neutron Fund.

The investment objective of Neutron B, a Sub-Fund, is to generate positive returns in all market conditions by employing multi-strategy investment approach. The portfolio would concentrate on, but not limited to, Asia Pacific equity by employing bottom-up approach, which seeks to take advantage of trading opportunities from both the long and short side.

Based on the information provided by the Administrator, the net assets value of the Neutron B Shares held by Fame Gate for the Neutron B Redemption as at 31 December 2021 was approximately HK\$279,028,000, which is the same as the unaudited carrying fair value of the Neutron B Shares held by Fame Gate for the Neutron B Redemption recorded in the Group as at 31 December 2021. The Group did not receive any dividend income from Neutron B for the years ended 31 December 2020 and 31 December 2021 respectively. The fair value gain in respect of the Neutron B Shares for the Neutron B Redemption for the year ended 31 December 2020 and 31 December 2021 were HK\$49,783,000 and HK\$18,680,000 respectively.

### INFORMATION OF THE INVESTMENT MANAGER

The Investment Manager is Atherton Asset Management Limited (formerly known as BRIC Neutron Asset Management Limited with the effect on 7 April 2021), a company incorporated in Hong Kong and licensed by the Securities and Futures Commission of Hong Kong to carry on Type 9 (asset management) regulated activity under the Securities and Futures Ordinance (Cap.571 of the laws of Hong Kong).

### IMPLICATIONS UNDER THE LISTING RULES

On 19 November 2021, each of Fame Gate and Sunray City served the Neutron Asia Redemption Notice and GlobalActive Fund Redemption Notice to the Administrator in relation to the Neutron Asia Redemption and GlobalActive Fund Redemption, respectively.

As the Redemptions are made with funds which are managed or advised by the same investment manager (being Atherton Asset Management Limited) and will be completed within a 12-month period, the Redemptions would therefore be aggregated for the purpose of computing the relevant percentage ratios pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio calculated by reference to Rule 14.07 of the Listing Rules in respect of the Neutron B Redemption (when aggregated with the 2021 Redemptions) exceeds 75%, the Neutron B Redemption constitutes a very substantial disposal of the Company and is therefore subject to reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

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## LETTER FROM THE BOARD

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The GM will be convened and held for the Shareholders to consider and, if thought fit, approve the relevant resolution in relation to the Neutron B Redemption and the transactions contemplated thereunder.

### THE GM

The GM will be held at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong and online through the e-Meeting System on 18 May 2022 at 10:30 a.m. for the purpose of considering and, if thought fit, approving the relevant resolution in relation to the Neutron B Redemption contemplated thereunder. A notice convening the GM is set out on pages GM-1 to GM-3 of this circular.

Any Shareholder with a material interest in the Neutron B Redemption and his associates will abstain from voting on resolutions approving the relevant resolution in relation to the Neutron B Redemption contemplated thereunder. The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, no Shareholders are required to abstain from voting. All Shareholders will be entitled to vote on the resolutions approving the relevant resolution in relation to the Neutron B Redemption contemplated thereunder at the GM.

As set out in the section headed “Special Arrangements for the General Meeting” of this circular, in light of the current COVID-19 pandemic situation and the current regulatory requirements and guidelines under the laws of Hong Kong, **the GM will be a hybrid meeting. The Company strongly encourages Shareholders to exercise their rights to attend and vote online at the GM by electronic facilities.** Shareholders will not be permitted to gain access to the physical meeting venue of the GM. All Shareholders (other than those who are required to attend the GM physically to form a quorate meeting) who wish to appoint a proxy to attend and vote physically at the GM on their behalf shall appoint the Chairman of the GM as their proxy by completing, signing and returning the proxy form in accordance with the instructions printed thereon to the Company’s share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk/#/374>) by using the username and password provided on the notification letter sent by the Company together with this circular as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the GM or any adjournment thereof. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting online at the GM (or any adjournment thereof) by means of electronic facilities should such Shareholder so wishes and, in such event, the form of proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, save for resolutions which relate purely to procedural or administrative matter to be voted by a show of hands, any vote of Shareholders at general meeting must be taken by poll. The chairman of the meeting will therefore demand a poll for the resolution(s) put to the vote of the GM in accordance with the articles of association of the Company. An explanation of the procedures of conducting a poll is provided in the notes to the notice of the GM and details will be conveyed to the Shareholders at the GM. The results of the

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## LETTER FROM THE BOARD

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poll shall be deemed to be the resolution of the general meeting in which the poll was demanded or required and the poll results will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.geminiinvestments.com.hk](http://www.geminiinvestments.com.hk)) after the GM.

### CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' eligibility to attend and vote at the GM, the register of members of the Company will be closed from 13 May 2022 to 18 May 2022, both days inclusive, during which period no transfer of Shares will be effected. In order to qualify to attend and vote at the GM, all transfers of Shares accompanied by the relevant Share certificates must be lodged with the Company's share registrar, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 12 May 2022.

The record date for such purposes is 18 May 2022.

### RECOMMENDATION

The Directors are of the opinion that the terms of the Neutron B Redemption and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the relevant resolution in relation to the Neutron B Redemption and the transactions contemplated thereunder to be proposed at the GM.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

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

**1. INDEBTEDNESS STATEMENT**

As at the close of business on 28 February 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the indebtedness of the Group was as follows:

- (i) secured and guaranteed bank loans and revolving loans of approximately HK\$5,303,052,000, secured by the Group's certain investment properties and pledged bank deposits.
- (ii) secured and unguaranteed notes payable of approximately HK\$751,419,000, secured by share charges of certain subsidiaries of the Group.
- (iii) lease liabilities of approximately HK\$85,021,000 relating to ground leases, office equipment and office premises leased by the Group as lessee.
- (iv) amount due to Sino-Ocean Group of approximately HK\$429,951,000, which is unsecured and unguaranteed and loan from Grand Beauty of approximately HK\$898,219,000, which is unsecured and unguaranteed.

Save as aforesaid or as otherwise disclosed above, and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, as of 28 February 2022, the Group did not have other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

**2. WORKING CAPITAL OF THE GROUP**

In determining the sufficiency of the working capital of the Group, the Directors have made the assumptions that the Group is able to renew the existing bank loans, revolving loans and loan from Grand Beauty upon expiry. The Directors are of the opinion that the Group maintains good relationship with major banks and lenders providing finance or facilities to the Group and the Group has successfully renewed its bank loans and revolving loans based on past experience.

The Directors are of the opinion that, after taking into account the net proceeds from the Neutron B Redemption and the financial resources available to the Group, including internally generated cash flows and existing credit facilities available, the Group has sufficient working capital for its present requirements for at least 12 months from the date of this circular.

**3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

Following the Neutron B Redemption, the Group will continue to be principally engaged in property investments in the U.S. and Hong Kong, property developments in the U.S. and other operations (including fund investments and securities investments).

The recurrent nature of the COVID-19 pandemic and the emergence of the COVID-19 pandemic virus variants as well as geopolitical tension have brought great uncertainties to the recovery of the global economy. With the gradual popularization of COVID-19 pandemic vaccination, different countries and industries have adapted to the business environment affected by the pandemic and strived to proactively overcome the challenges posed by the pandemic.

For property investments in the U.S., the Group will continue to implement strategic operation plans with focus on top-performing, high growth technology, creative, and new economy-centric sub-markets and tenants (which are mostly in West Coast and East Coast of the U.S.), while at the same time gradually realising investments (which are mostly located in Central U.S.) according to disposition criteria. The Group will closely monitor how tenants and corporations move forward to their real estate needs with an aim to maximize assets valuation.

For property developments in the U.S., in the view that the relaxed control measures in New York City were tightened again due to the outbreak of the COVID-19 pandemic variant which may delay the progress of our property development projects. The Group will actively monitor the market sentiment, and stay with development plan to deliver high-quality products of our residential property developments.

For property investment in Hong Kong, the Group will continue to take steps to improve rental yield and constantly review the tenant mix. For fund investment and securities investments, the Group will closely monitor the performance of the investments under changing global capital market.

As can be seen from the analysis shown in the section headed “Reasons for and benefits of the Neutron B Redemption” in the letter from the Board, the Neutron B Redemption represents an opportunity for the Group to generate cash inflows so that it can re-allocate its resources to its other existing businesses.



**I. THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE  
REMAINING GROUP**

The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) of the Remaining Group comprises (a) the unaudited pro forma consolidated statement of net assets of the Remaining Group as at 31 December 2021; and (b) the unaudited pro forma consolidated income statement of the Remaining Group for the year ended 31 December 2021, which has been prepared on the basis of the notes set out below for the purpose of illustrating the impact of the Neutron B Redemption as if the Neutron B Redemption had been taken place on 31 December 2021 for the preparation of unaudited pro forma consolidated statement of net assets; and on 1 January 2021 for the preparation of the unaudited pro forma consolidated income statement in accordance with Rules 4.29 and 14.68(2)(b)(ii) of the Listing Rules and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Details of the Neutron B Redemption are set forth in the section “The Neutron B Redemption” under the heading “Letter from the Board” in this circular.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated statement of financial position of the Group as at 31 December 2021 and the consolidated income statement of the Group for the year ended 31 December 2021 as extracted from the published audited annual report of the Company for the year ended 31 December 2021, after making pro forma adjustments as summarised in the accompanying notes that are directly attributable to Neutron B Redemption, factually supportable and clearly identified as to those have/have no continuing effect on the Group.

The accompanying Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purpose only and is based on certain assumptions, estimates, uncertainties and other currently available information. Accordingly, and because of its nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position or income statement of the Group following the completion of Neutron B Redemption. Further, the Unaudited Pro Forma Financial Information of the Remaining Group does not purport to predict the Group’s future financial position or income statement.

**APPENDIX III**

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

**A. THE UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET ASSETS**

**At 31 December 2021**

	<b>The Group</b> <i>HK\$'000</i> <i>(Note 1)</i>	<b>Pro forma adjustments</b> <i>HK\$'000</i> <i>(Note 2)</i>	<b>Pro forma Remaining Group</b> <i>HK\$'000</i>
<b>Non-current assets</b>			
Investment properties	8,498,509	–	8,498,509
Property, plant and equipment	40,901	–	40,901
Investments in associates	6,491	–	6,491
Financial assets at fair value through profit or loss	1,958,982	(279,028)	1,679,954
Deposits, prepayments and other receivables	69,398	–	69,398
Other financial assets	536,572	–	536,572
Restricted bank deposits	1,769	–	1,769
Deferred tax assets	90,671	–	90,671
	<u>11,203,293</u>	<u>(279,028)</u>	<u>10,924,265</u>
<b>Current assets</b>			
Properties under development	1,861,601	–	1,861,601
Deposits, prepayments and other receivables	498,173	–	498,173
Financial instruments held for trading	324,597	–	324,597
Tax recoverables	39,912	–	39,912
Restricted bank deposits	161,834	–	161,834
Cash and bank balances	824,947	278,128	1,103,075
	3,711,064	278,128	3,989,192
Assets classified as held for sale	<u>1,108,310</u>	–	<u>1,108,310</u>
<b>Total assets</b>	<u>16,022,667</u>	<u>(900)</u>	<u>16,021,767</u>

**APPENDIX III**

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

	<b>The Group</b> <i>HK\$'000</i> <i>(Note 1)</i>	<b>Pro forma adjustments</b> <i>HK\$'000</i> <i>(Note 2)</i>	<b>Pro forma Remaining Group</b> <i>HK\$'000</i>
<b>Current liabilities</b>			
Other payables and accrued charges	750,192	–	750,192
Amounts due to shareholders	429,543	–	429,543
Tax payables	2,547	–	2,547
Borrowings	1,864,426	–	1,864,426
Other financial liabilities	139,009	–	139,009
	<u>3,185,717</u>	<u>–</u>	<u>3,185,717</u>
<b>Net current assets</b>	<u>1,633,657</u>	<u>278,128</u>	<u>1,911,785</u>
<b>Total assets less current liabilities</b>	<u>12,836,950</u>	<u>(900)</u>	<u>12,836,050</u>
<b>Non-current liabilities</b>			
Other payables and accrued charges	25,065	–	25,065
Amounts due to shareholders	896,770	–	896,770
Borrowings	4,291,163	–	4,291,163
Other financial liabilities	268,758	–	268,758
Deferred tax liabilities	47,776	–	47,776
	<u>5,529,532</u>	<u>–</u>	<u>5,529,532</u>
<b>Net assets</b>	<u>7,307,418</u>	<u>(900)</u>	<u>7,306,518</u>

**APPENDIX III**

**UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE REMAINING GROUP**

**B. THE UNAUDITED PRO FORMA CONSOLIDATED INCOME STATEMENT**

**For the year ended 31 December 2021**

	<b>The Group</b> <i>HK\$'000</i> <i>(Note 1)</i>	<b>Pro forma adjustments</b>		<b>Pro forma Remaining Group</b> <i>HK\$'000</i>
		<i>HK\$'000</i> <i>(Note 3)</i>	<i>HK\$'000</i> <i>(Note 4)</i>	
Revenue	1,227,106	–	–	1,227,106
Operating expenses	(493,701)	–	–	(493,701)
	733,405	–	–	733,405
Other income, gains/losses	63,434	–	–	63,434
Administrative and other expenses	(202,889)	(900)	–	(203,789)
Changes in fair value of financial instruments held for trading	28,883	–	–	28,883
Changes in fair value of financial assets at fair value through profit or loss	45,430	–	(18,680)	26,750
Changes in fair value of investment properties	(150,799)	–	–	(150,799)
Provision for impairment loss on financial assets	(1,418)	–	–	(1,418)
Share of results of associates	1,063	–	–	1,063
Finance costs	(419,329)	–	–	(419,329)
Loss attributable to limited partners and puttable instrument holders	186,386	–	–	186,386
<b>Profit before income tax</b>	284,166	(900)	(18,680)	264,586
Income tax	(45,551)	–	–	(45,551)
<b>Profit for the year</b>	238,615	(900)	(18,680)	219,035
<b>Profit for the year attributable to:</b>				
Owners of the Company	(8,111)	(900)	(18,680)	(27,691)
Non-controlling interests	246,726	–	–	246,726
	238,615	(900)	(18,680)	219,035

## C. NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

- The audited consolidated statement of financial position of the Group as at 31 December 2021 and the audited consolidated income statement of the Group for the year ended 31 December 2021 are extracted without adjustment from the published audited annual results announcement of the Company for the year ended 31 December 2021.
- The adjustments represent the pro forma gain or loss on the Neutron B Redemption as if the Neutron B Redemption, for pro forma purpose, takes place on 31 December 2021.

	<i>Note</i>	<i>HK\$'000</i>
Calculation of pro forma loss on the Neutron B Redemption:		
Redemption proceeds	<i>(a)</i>	279,028
Less: Carrying amount of Neutron B Shares held by Fame Gate as at 31 December 2021		<u>(279,028)</u>
Gain or loss on Neutron B Redemption		–
Professional fee in relation to the Neutron B Redemption	<i>(b)</i>	<u>(900)</u>
		<u>(900)</u>
Net cash to be received from the Neutron B Redemption		<u><u>278,128</u></u>

*Note:*

- (a) For the unaudited pro forma consolidated statement of net assets, the Directors adopted the net asset value of Neutron B as at 31 December 2021 for calculation of the redemption proceeds.

Should the redemption proceeds calculate based on the latest available net asset value per Neutron B Share provided by the investment manager of Neutron Fund, Atherton Asset Management Limited as set forth in the section “The Neutron B Redemption” under the heading “Letter from the Board” in this circular, the redemption proceeds, loss on Neutron B redemption and net cash to be received from the Neutron B Redemption would be HK\$253,502,000, HK\$25,526,000 and HK\$252,602,000 respectively.

The actual redemption price and the proceeds from the Neutron B Redemption will be determined by dividing the net asset value of Neutron B as at close of the Neutron Fund Valuation Day relating to the Neutron Fund Dealing Day by the number of Neutron B Shares then in issue as set forth in the section “The Neutron B Redemption” under the heading “Letter from the Board” in this circular, which might be different from those stated in the Unaudited Pro Forma Financial Information. Therefore, the estimated proceeds from the Neutron B Redemption, gain or loss on Neutron B Redemption and net cash to be received from the Neutron B Redemption are subject to change.

- (b) The amount of professional fee in relation to the Neutron B Redemption is estimated by Directors. For pro forma purpose, it is assumed that the Group will settle the professional fee by cash at completion of the Neutron B Redemption.

3. The adjustments represent the pro forma gain or loss on the Neutron B Redemption as if the Neutron B Redemption, for pro forma purpose, takes place on 1 January 2021.

	<i>Note</i>	<i>HK\$'000</i>
Calculation of pro forma loss on the Neutron B Redemption:		
Redemption proceeds	<i>(a)</i>	251,332
Less: Carrying amount of Neutron B Shares held by Fame Gate as at 1 January 2021	<i>(b)</i>	<u>(251,332)</u>
Gain or loss on Neutron B Redemption		–
Professional fee in relation to the Neutron B Redemption	<i>(c)</i>	<u>(900)</u>
		<u><u>(900)</u></u>

*Note:*

- (a) For the unaudited pro forma consolidated income statement, the Directors adopted net asset value of Neutron B as at 1 January 2021 for calculation of the redemption proceeds.

Should the redemption proceeds calculated based on the latest available net asset value per Neutron B Share provided by the investment manager of Neutron Fund, Atherton Asset Management Limited as set forth in the section “The Neutron B Redemption” under the heading “Letter from the Board” in this circular, the redemption proceeds and gain on Neutron B redemption would be HK\$253,502,000 and HK\$2,170,000 respectively.

The actual redemption price and the proceeds from the Neutron B Redemption will be determined by dividing the net asset value of Neutron B as at close of the Neutron Fund Valuation Day relating to the Neutron Fund Dealing Day by the number of Neutron B Shares then in issue as set forth in the section “The Neutron B Redemption” under the heading “Letter from the Board” in this circular, which might be different from those stated in the Unaudited Pro Forma Financial Information. Therefore, the estimated proceeds from the Neutron B Redemption and gain or loss on Neutron B Redemption are subject to change.

- (b) As at 1 January 2021, the carrying amount of Neutron B Shares held by Fame Gate was HK\$184,042,000, representing 110,335 Neutron B shares held by Fame Gate. The carrying amount of Neutron B Shares for the purpose of calculating the pro forma gain on Neutron B Redemption as at 1 January 2021 was projected to HK\$251,332,000, representing 150,676 Neutron B shares for illustrative purpose only.
- (c) The amount of professional fee in relation to the Neutron B Redemption is estimated by Directors. For pro forma purpose, it is assumed that the Group will settle the professional fee by cash at completion of the Neutron B Redemption.

4. For pro forma purpose, assuming the Neutron B Redemption takes place on 1 January 2021, the fair value gain on financial assets at fair value through profit or loss amounted to HK\$18,680,000 for the year ended 31 December 2021 included in the book of the Group were reversed.
5. The above pro forma adjustments will have no continuing effect on the Remaining Group in the subsequent years.
6. Apart from the above, no other adjustment has been made to reflect any trading results or other transactions entered into by the Group subsequent to 31 December 2021.

II. ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL  
INFORMATION

*The following is the text of a report from BDO Limited, the independent reporting accountant, in respect of the unaudited pro forma financial information of the Remaining Group as set out in this Appendix and prepared for the sole purpose of inclusion in this circular.*



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

*(Incorporated in Hong Kong with limited liability)*

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Gemini Investments (Holdings) Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) prepared by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of net assets as at 31 December 2021 and unaudited pro forma consolidated income statement for the year ended 31 December 2021, and related notes as set out on pages III-1 to III-6 of the circular (the “**Circular**”) issued by the Company dated 25 April 2022 (the “**Unaudited Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-1 to III-6 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact in respect of the redemption of Neutron B shares held by the Group (the “**Neutron B Redemption**”) on the Group’s financial position as at 31 December 2021 as if the Neutron B Redemption had taken place on 31 December 2021 and the Group’s income statements for the year ended 31 December 2021 as if the Neutron B Redemption had taken place on 1 January 2021. As part of this process, information about the Group’s financial position and income statement has been extracted by the Directors from the Group’s consolidated financial statements for the year ended 31 December 2021, on which an audit report were published on 31 March 2022.

**Directors’ responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

**Our independence and quality control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountant’s responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2021 or 1 January 2021 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**BDO Limited**

*Certified Public Accountants*

Hong Kong

25 April 2022

## MANAGEMENT DISCUSSION AND ANALYSIS ON THE REMAINING GROUP

Set out below is the management discussion and analysis of the performance and other information of the Remaining Group for each of the three years ended 31 December 2019, 2020 and 2021. Unless the context otherwise require, capitalised terms used therein shall have the same meanings as those ascribed in the Company's annual reports for the three years ended 31 December 2019, 2020 and 2021.

**(i) For the year ended 31 December 2019***Review of results and operation**Revenue*

The following table sets forth our Group's revenue breakdown for 2019 and 2018:

	<b>2019</b>	2018
	<i>HKD'000</i>	<i>HKD'000</i>
Rental revenue	<b>113,612</b>	93,131
Dividend income	<b>1,887</b>	96,684
	<b>115,499</b>	189,815

During 2019, our Group recorded revenue of approximately HK\$115.5 million (2018: approximately HK\$189.8 million). The decrease in revenue by approximately HK\$74.3 million was mainly due to there being no dividend income derived from our fund investments during 2019 as a result of conservative dividend policy of our fund investments in 2019 as compared to 2018 (2018: dividend income from fund investments of approximately HK\$84.7 million).

*Other Income*

Other income of the Group was approximately HK\$36.0 million for the Year (2018: approximately HK\$37.0 million). Other income mainly includes bank interest income and other interest income from loan receivables of the Group.

*Changes in Fair Value of Financial Assets at Fair Value Through Profit or Loss*

During the Year, our Group recorded gain arising from changes in fair value of financial assets at fair value through profit or loss of approximately HK\$17.3 million (2018: loss of approximately HK\$46.8 million). The changes in fair value of financial assets at fair value through profit or loss mainly derived from changes of value of unlisted fund investments held by the Group.

*Share of Results of Joint Ventures*

Loss arising from share of loss of joint ventures of approximately HK\$1.2 million (2018: loss of approximately HK\$2.8 million) was recorded during the Year, which was attributable to the result of our interest in our U.S. real estate fund platform — GR Realty. During the Year, whilst GR Realty itself recorded profit, after net of tax and other comprehensive income, of approximately US\$0.17 million despite the incurrence of certain one-off expenditures for consolidating the regional offices as its repositioning plan, certain syndicated projects invested and controlled by GR Realty recorded loss of approximately US\$0.32 million.

*Provision for Impairment Loss on Financial Assets*

A provision for impairment loss on financial assets of approximately HK\$58.7 million (2018: provision of approximately HK\$0.5 million) was made for the Year, ascertained on the basis of an expected loss rate of approximately 14% for loans to GR Realty and an expected loss rate of approximately 0.5% for rental receivables, with an aggregate gross amount of such loans to GR Realty and rental receivables (with reference to which such provision was ascertained) of approximately HK\$468.3 million as at 31 December 2019.

*Finance Costs*

Finance costs for the Year decreased from approximately HK\$31.6 million in 2018 to approximately HK\$17.2 million, which was primarily due to a decrease in finance costs by approximately HK\$13.0 million as the Group has fully repaid a bank borrowing with a principal amount of HK\$500.0 million in November 2018. During 2019, interest on lease liabilities of approximately HK\$0.9 million was recorded.

*Other Expenses*

Other expenses of the Group increased to approximately HK\$103.0 million for the Year from approximately HK\$84.1 million for 2018. The increase in other expenses was mainly caused by the incurrence of repair and maintenance expenses of approximately HK\$10.9 million (2018: approximately HK\$5.0 million) for the enhancement of our investment properties in the U.S. and an exchange loss of approximately HK\$9.4 million (2018: exchange gain of approximately HK\$4.6 million) recorded arising from the depreciation of U.S. dollar against Hong Kong dollar during 2019. Other expenses included direct operating expenses arising from investment properties held by the Group of approximately HK\$43.9 million (2018: approximately HK\$35.4 million) and general operating costs of the Group of approximately HK\$59.1 million (2018: approximately HK\$48.7 million), such as rent and rates, auditor's remuneration, professional fees paid for daily operations and investment research, other administrative and office expenses as well as exchange difference.

*Loss Attributable to Owners of the Company*

Our Group recorded a loss attributable to owners of the Company of approximately HK\$100.6 million for the Year as compared to a profit attributable to owners of the Company of approximately HK\$30.7 million in 2018. Consequently, our Group recorded basic loss per ordinary share of approximately HK\$0.22 for the Year versus basic earnings per ordinary share of approximately HK\$0.07 in 2018.

*Investment in Fund Platform*

GR Realty, in which our Group has 45% membership interests, acts as a jointly controlled and managed investment platform of our Group to invest in real estate projects in the U.S.. Our total capital contribution to GR Realty is approximately US\$118.6 million (equivalent to approximately HK\$919.6 million). Our interest in GR Realty, together with interest in certain syndicated projects controlled by GR Realty, increased from approximately HK\$858.6 million as at 31 December 2018 to approximately HK\$861.7 million as at 31 December 2019 (representing about 12.3% of our Group's total assets as at 31 December 2019).

During the Year, our Group shared a loss of approximately HK\$1.2 million (2018: a loss of approximately HK\$2.8 million) as a result of its interest in GR Realty. The reasons for the loss of GR Realty are elaborated in the sub-section headed “Share of Results of Joint Ventures” above. As at 31 December 2019, GR Realty continued to engage in the ownership and/or management of its investment portfolio, comprising over 35 commercial properties (51 buildings), with over 7.9 million square feet in 15 states across the U.S..

As at 31 December 2019, our Group owned and operated a premier office campus in the heart of San Francisco Peninsula, California, the U.S. (the “**Office Property**”). Such investment was recorded as investment property with carrying value of US\$92.1 million (equivalent to approximately HK\$717.3 million) (2018: US\$91.8 million (equivalent to approximately HK\$719.1 million)), and generated rental income of approximately HK\$78.8 million for 2019 (2018: approximately HK\$56.4 million). The Office Property comprises a 3-storey commercial building with gross floor area of approximately 159,000 square feet and is entirely let to an investment grade credit-backed tenant (being a member of a group which is one of the world’s leading manufacturers of automobiles and commercial vehicles) for use as its laboratory offices as well as its strategic key center in the U.S..

#### *Property Investments and Development*

The Group’s investment properties comprise of commercial and residential real estate in Hong Kong and the U.S., with fair value of approximately HK\$460.2 million and approximately US\$44.3 million (equivalent to approximately HK\$345.3 million) respectively (2018: approximately HK\$388.9 million and approximately US\$46.1 million (equivalent to approximately HK\$361.3 million) respectively).

During the Year, our Group recorded a revaluation loss of approximately HK\$16.6 million for its investment properties (2018: revaluation gain of approximately HK\$51.9 million). Revaluation loss recognised was mainly attributable to the lower fair value of the office building situated in Hong Kong and residential properties situated in the U.S. as a result of the market sentiment, which are determined using market comparison approach by reference to recent sales prices of comparable properties on a price per square feet basis, adjusted for a premium or a discount specific to the quality of the Group’s properties compared to the recent sales.

As at 31 December 2019, our Group held investment properties comprising A-grade office premises in Hong Kong and the U.S. with gross floor area of approximately 16,000 square feet and 146,000 square feet respectively, and residential units and car parking space in Hong Kong and New York with gross floor area of approximately 2,800 square feet and 17,000 square feet respectively. For all the above investment properties (based on square feet), the average occupancy rate was approximately 77% as at 31 December 2019.

As at 31 December 2019, the Group's wholly owned property development project, which is located at 531-537, 539th Sixth Avenue of Manhattan, the heart of New York City, has a carrying value of approximately HK\$685.9 million (2018: approximately HK\$479.5 million). It is now under construction and will be developed into a 13-stories mixed-use residential building structure with 145-foot tall and estimated gross floor area of approximately 82,000 square feet. Our Group plans to structure unique product types with splendid amenities including certain duplex units which are in scarcity in Manhattan. The excavation and foundations for this development had commenced in the first quarter of 2019, followed by the concrete superstructures and other construction processes. Due to complexity of curtain wall and façade coordination, final completion of the development is expected in the second half of 2021.

During the Year, related finance costs of approximately US\$0.6 million (equivalent to approximately HK\$4.7 million) incurred under a loan drawdown with a principal amount of US\$31.0 million (equivalent to approximately HK\$241.4 million) from a bank facility of US\$65.0 million repayable in 2020, have been capitalised to the properties under development.

#### *Fund investments*

Our fund investment portfolio includes unlisted equity investments and unlisted fund investments and is classified as financial assets at fair value through profit or loss. Our fund investment portfolio recorded carrying value of approximately HK\$2,081.2 million as at 31 December 2019 (2018: approximately HK\$2,063.4 million). Gain arising from changes in the fair value of financial assets at fair value through profit or loss of approximately HK\$17.9 million was recorded during 2019 (2018: loss of approximately HK\$47.2 million) as certain equities investments held by the funds recorded strong performance during 2019, while certain debt investments held by the funds recorded stable return.

Apart from the significant investments held by the Group under fund investment portfolio as disclosed below in the section headed "Significant Investments", there were other fund investments held by the Group as at 31 December 2019 which mainly invested in global securities in diversified industries. The fair value of such other fund investments held by the Group increased to approximately HK\$286.6 million as at 31 December 2019 from approximately HK\$273.3 million as at 31 December 2018, mainly because of the strong performance of certain listed equity investments comprised in such fund investments as a result of the steady growth in the global economy as well as the 'phase one' trade deal having been agreed between the U.S. and China in December 2019.

*Securities and other investments*

As at 31 December 2019, our securities investment portfolio mainly consisted of investment in listed securities in Hong Kong and overseas of approximately HK\$286.3 million (2018: approximately HK\$170.9 million). During the Year, our Group recorded loss arising from changes in fair value of financial instruments held for trading of approximately HK\$4.3 million (2018: loss of approximately HK\$43.2 million) amid the volatile global capital market and recorded dividend income from securities and other investments of approximately HK\$1.9 million (2018: approximately HK\$12.0 million). The decrease in dividend income from other investments was a result of our exit of a property development project in Melbourne, Australia in the first half of 2018, which had contributed a dividend income of approximately HK\$9.3 million for 2018.

Securities investment forms part of our Group's cash management activities and we maintain investment portfolio with proper diversification to avoid the fluctuation of any single market.

*Liquidity, financial resources and capital structure*

The principal amount of our total bank borrowings increased from approximately HK\$425.3 million (comprising a bank borrowing of US\$54.3 million bearing at fixed interest rate of approximately 3.72% per annum and repayable in 2028) as at 31 December 2018 to approximately HK\$664.3 million as at 31 December 2019, mainly due to loan drawdown from a bank facility of US\$65.0 million bearing at floating interest rate with average of approximately 4.77% per annum during 2019 and being repayable in 2020 (loan drawn down from such facility was first made in February 2019, and a principal of US\$31.0 million (equivalent to approximately HK\$241.4 million) has been drawn from such facility as at 31 December 2019). Such loan drawdown was made to finance the development project located in New York City which was acquired by the Group in 2017. Apart from the above, our Group did not have any other interest-bearing debt as at 31 December 2019.

The net gearing ratio of our Group is calculated based on total borrowings less cash resources divided by total shareholders' equity. As at 31 December 2019, total cash resources (including bank balances and cash and short-term bank deposits) of our Group amounted to approximately HK\$975.2 million (2018: approximately HK\$816.6 million) which is sufficient to pay off all bank borrowings of our Group with a principal amount of approximately HK\$664.3 million (2018: approximately HK\$425.3 million). Therefore, our Group did not have any gearing on a net debt basis as at 31 December 2019 and 2018.

***Employee and remuneration policy***

As at 31 December 2019, the total number of staff employed was 30 (2018: 32). During the Year, the level of our overall staff cost was approximately HK\$25.5 million (2018: approximately HK\$26.5 million). With a view to encouraging and rewarding contribution made by our staff, our Group has adopted a share option scheme and believes that this will be an effective tool for achieving this purpose.

Our Group recruits and promotes individuals based on their performance and development potentials in the positions offered. When formulating staff salary and benefit policies, our Group gives primary consideration to their individual performance and prevailing salary levels in the market.

***Foreign exchange rates risk***

Our Group's assets and liabilities were mainly denominated in Hong Kong Dollars, US\$ and Renminbi. As at 31 December 2019, our Group has not entered any hedging to mitigate the foreign exchange rate risk, but our Group will continue to closely monitor the foreign exchange exposure and take any actions when appropriate.

***Pledged assets***

As at 31 December 2019, our Group had pledged bank deposits of approximately HK\$8.6 million (2018: approximately HK\$16.1 million) and pledged investment properties in the U.S. with a carrying value of US\$92.1 million (equivalent to approximately HK\$717.3 million) (2018: US\$91.8 million (equivalent to approximately HK\$719.1 million)). The pledged bank deposits and investment properties have been used to secure a long term bank borrowing of US\$54.3 million (equivalent to approximately HK\$422.9 million) (such long term bank borrowing being attributable to an office campus in the U.S. acquired in 2018), bearing a fixed interest rate of approximately 3.72% per annum and repayable in 2028.

***Contingent liabilities***

As at 31 December 2019, our Group had no significant contingent liabilities.

***Capital Commitments***

As at 31 December 2019, the Group had capital commitments of approximately HK\$325.0 million (2018: approximately HK\$18.5 million), which were wholly attributable to property development expenditure for the property development project in Manhattan as mentioned in the sub-section headed "Property Investments and Development" above. The Group will finance such commitments from a bank facility of US\$65.0 million bearing a floating interest rate with average of approximately 4.77% per annum during 2019 and being repayable in 2020.

*Significant investments*

Details of significant investments held by the Group under fund investment portfolio as at 31 December 2019 (being investment with a value representing 5% or more of the total assets of our Group as at 31 December 2019, whose details are required to be disclosed under paragraph 32(4A) of Appendix 16 to the Listing Rules are set out below:

- *Investments in the Neutron Property Fund Limited (the “**Property Fund**”)*

As at 31 December 2019, the Group held approximately 1,012,000 (2018: 1,012,000) non-redeemable, non-voting participating shares of the Property Fund which is incorporated in the Cayman Islands. Such shares held by the Group represented approximately 100% of the same class of shares issued by the Property Fund. The fair value of our investment in the Property Fund as at 31 December 2019 was approximately US\$98.3 million (equivalent to approximately HK\$765.3 million) (2018: approximately US\$102.1 million (equivalent to approximately HK\$799.7 million)), representing about 10.9% of our Group’s total asset as at 31 December 2019. The original investment costs to the Group are US\$100.0 million (equivalent to approximately HK\$775.8 million).

The Property Fund is managed by BRIC Neutron Asset Management Limited, a company incorporated under the laws of Hong Kong. The investment strategy of the Property Fund is to achieve medium to long term capital appreciation through investing substantially all of its assets available for investment in residential, industrial, retail and commercial real estate and related investments primarily in the U.S., Hong Kong and potentially to a lesser extent in Singapore and countries that are members of the Organisation for Economic Co-operation and Development. As at 31 December 2019, the principal assets of the Property Fund include diversified real estate portfolios in the U.S. and Hong Kong, and certain of such investments in the U.S. recorded decrease in value, resulting in a fair value loss of approximately HK\$34.4 million on the investment in the Property Fund. There was no dividend income received/receivable from the Property Fund since investment and during 2019

- *Investments in the Neutron Private Equity Fund Limited (the “**Private Equity Fund**”)*

As at 31 December 2019, the Group held approximately 637,000 (2018: 637,000) non-redeemable, non-voting participating shares of the Private Equity Fund which is incorporated in the Cayman Islands. Such shares held by the Group represented approximately 100% of the same class of shares issued by the Private Equity Fund as at 31 December 2019. The fair value of our investments in the Private Equity Fund as at 31 December 2019 was approximately US\$71.3 million (equivalent to approximately HK\$555.3 million) (2018: approximately US\$69.2 million (equivalent to approximately HK\$541.9 million)), representing about 7.9% of our

Group's total assets as at 31 December 2019. The original investment costs to the Group are US\$64.5 million (equivalent to approximately HK\$500.5 million).

The Private Equity Fund is managed by BRIC Neutron Asset Management Limited, a company incorporated under the laws of Hong Kong. The investment strategy of the Private Equity Fund is to achieve medium to long term capital appreciation through investing in one or more collective investment schemes that invest predominantly in real estate and related investments in the U.S., Europe, Japan and/or Australia. As at 31 December 2019, the principal assets of the Private Equity Fund mainly include various debts instruments with underlying assets of real estate projects and low risk securities. Fair value gain of approximately HK\$13.4 million was recorded for the investment in the Private Equity Fund during 2019 because stable interest return on debt instruments was recorded. The Group has so far received dividend income of approximately US\$4.6 million since investment, but there was no dividend income received/receivable from the Private Equity Fund during 2019.

- *Investments in the Prosperity Risk Balanced Fund LP (the “PRB Fund”)*

The Group agreed to contribute capital commitments for a total amount of US\$60.0 million (equivalent to approximately HK\$465.0 million) as a limited partner to the PRB Fund (an exempted limited partnership registered in the Cayman Islands), representing 23.08% of the total capital commitments of US\$260.0 million (equivalent to approximately HK\$2,025.0 million) of all the investors of the PRB Fund, on 3 November 2015. Up to 31 December 2019, the Group has contributed a total of US\$59.7 million (equivalent to approximately HK\$462.8 million) to the PRB Fund. As at 31 December 2019, the fair value of our investments in the PRB Fund was approximately US\$60.9 million (equivalent to approximately HK\$474.0 million) (2018: approximately US\$57.3 million (equivalent to approximately HK\$448.5 million)), representing about 6.8% of our Group's total assets as at 31 December 2019.

The PRB Fund is managed by Prosperity Risk Balanced GP Limited, a company incorporated under the laws of Cayman Islands. The investment strategy of the PRB Fund is to invest in debt instruments issued by special purpose vehicles which in turn hold shares in PRC companies established for the purpose of developing real estates in the PRC with an expected return of not less than 6% per annum on the debt instruments; and to invest in other investment funds. As at 31 December 2019, the assets of the PRB Fund mainly include fund investments with underlying assets of listed equities and debt securities focusing on the technology media telecom sector, property and property-related value chain and new economy industries. Fair value gain of approximately HK\$25.5 million was recorded for the investment in the PRB Fund during 2019, mainly because of the positive return on the underlying global listed equities comprised in the PRB Fund. The Group has so far received dividend income of US\$9.0 million since investment, but there was no dividend income received/receivable from the PRB Fund during 2019.

*Material acquisitions and disposals*

The Remaining Group did not have any other material acquisitions and disposals during 2019.

**(ii) For the year ended 31 December 2020***Review of results and operation**Revenue*

The components of our revenue are analysed as follows:

	<b>2020</b>	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Rental income	<b>502,089</b>	113,612
Ancillary service income to property leasing	<b>98,879</b>	—
Dividend income	<b>2,888</b>	1,887
	<b>603,856</b>	115,499

The significant increase in revenue was mainly due to the consolidation of GR Realty since 31 July 2020. Revenue contributed by GR Realty amounted to HK\$492 million, comprising rental income of HK\$393 million and ancillary service income to property leasing of HK\$99 million. The revenue of the Group (excluding GR Realty) recorded no material change, with revenue of HK\$112 million for 2020 (2019: HK\$115 million).

*Operating expenses*

The components of our operating expenses are analysed as follows:

	<b>2020</b>	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Repairs, maintenance and utilities	<b>127,335</b>	20,998
Property insurance costs	<b>9,004</b>	1,607
Property management expenses	<b>24,559</b>	8,767
Real estate taxes	<b>29,093</b>	13,003
Others	<b>3,302</b>	2,542
	<b>193,293</b>	46,917

The significant increase in operating expenses was mainly due to consolidation of GR Realty since 31 July 2020. Operating expenses of HK\$159 million were incurred by GR Realty, representing 82% of total operating expenses. Operating expenses of the Group (excluding GR Realty) decreased from HK\$47 million to HK\$35 million as a result of decrease in leasing fee by HK\$5 million with less leasing activities during the Year, and decrease in property management fee charged by GR Realty by HK\$6 million since consolidation of GR Realty.

*Loss arising from changes in fair value of investment properties*

Loss arising from changes in fair value of investment properties of the Group of HK\$405 million was recorded. The loss represented an average drop in carrying value of 3% of the investment properties, reflecting the impact of business and leasing activities slowdown in the U.S. and Hong Kong. Fair value of investment properties located in the U.S. and in Hong Kong decreased by HK\$395 million and HK\$10 million respectively, representing an average drop in carrying value of 4% and 2% respectively. Commercial real estate industry undergo severe impact from lockdowns and unpredictable financial health of tenants, under the uncertain economic condition and the long lasting pandemic.

*Other income, gains/losses*

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

	<b>2020</b>	2019
	<b>HK\$'000</b>	HK\$'000
Bank interest income	<b>4,844</b>	9,955
Other interest income	<b>14,779</b>	25,552
Loss on re-measurement of interests in GR Realty	<b>(50,339)</b>	—
Gain on disposal of a subsidiary	<b>1,253</b>	—
Sundry	<b>2,729</b>	454
	<b>(26,734)</b>	35,961

The decrease in interest income was as a result of (i) lower bank interest rate throughout 2020 and (ii) no interest income on loan receivables from GR Realty recognised since the consolidation of GR Realty from 31 July 2020.

Loss on re-measurement of interests in joint ventures of HK\$50 million was recognised due to the difference between the fair value of the existing interests in GR Realty and the carrying amount of interests in GR Realty as joint venture upon consolidation of GR Realty.

*Administrative and other expenses*

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

	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
Auditors' remuneration	5,365	2,505
Depreciation	10,137	3,231
Employee costs	55,276	25,542
Rental expenses on short term leases	549	3,854
Legal and professional fee	31,005	13,419
Insurance expenses	4,792	1,034
Informative service fee	4,033	597
Exchange difference	(3,712)	9,438
Other taxes	4,464	5,513
Other administrative and office expenses	17,244	19,696
	<u>129,153</u>	<u>84,829</u>

The increase of administrative and other expenses from HK\$85 million to HK\$129 million was mainly due to the enlarged business scale, along with related daily operation expenses, of our Group after the consolidation of GR Realty. GR Realty contributed administrative and other expenses of HK\$58 million to the Group, which mainly comprised employee costs of HK\$35 million, legal and professional fees of HK\$9 million, and general and administrative expenses of HK\$4 million.

Administrative and other expenses of the Group (excluding GR Realty) decreased by HK\$14 million to HK\$71 million, mainly due to the movement in exchange difference of HK\$11 million, decrease in employee costs and traveling and entertainment expenses (recorded in other administrative and office expenses) by HK\$12 million and decrease in rental expenses on short term leases by HK\$3 million, but offset by the increase in legal and professional fees by HK\$6 million paid for services relating to several corporate exercises of the Company in 2020 like share placements and mandatory general offer for the securities of the Company.

*Finance costs*

Finance costs (net of interest capitalisation) of HK\$191 million on our borrowings were recognised during the Year (2019: HK\$17 million). GR Realty contributed finance costs of HK\$174 million after its consolidation with the Group since 31 July 2020. The finance cost of the Group (excluding GR Realty) stood at stable level and amounted to HK\$17 million for 2020 (2019: HK\$17 million).

*Result of Joint Ventures*

A loss arising from share of result of joint ventures (GR Realty and certain syndicated projects controlled by GR Realty) of HK\$99 million (2019: HK\$1 million) was recorded during the Year. The loss was mainly due to downward valuation pressure of investment properties and the impact of weakened profitability of GR Realty, as a result of global market turbulence. GR Realty was converted from a joint venture to a subsidiary of the Group from 31 July 2020. No further share of result of joint ventures was recorded thereafter.

Whilst there was a share of loss as aforesaid arising from GR Realty as our joint venture prior to 31 July 2020, the Group recorded a gain on effective settlement of loan receivables upon consolidation of GR Realty of HK\$61 million (2019: nil), which was as a result of expected credit loss provided on such loan receivables due by GR Realty and its related entities in previous periods.

*Loss attributable to limited partners and puttable instrument holders*

The entities to which losses are attributable include (i) certain limited partner interests associated with those limited partnerships of the property funds managed and controlled by GR Realty, and (ii) the Class B members interest (non-controlling) in 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 and puttable instrument holders are recorded in the consolidated income statement of the Group. Due to the fair value loss of investment properties under GR Realty, loss of HK\$187 million was allocated to the limited partners and puttable instrument holders.

*Loss attributable to owners of the Company*

Loss attributable to owners of the Company for 2020 increased to HK\$283 million (2019: HK\$101 million) mainly as a result of fair value loss of investment properties of the Group of HK\$405 million. Basic loss per ordinary share of the Company of HK\$0.50 for the Year was recorded (2019: loss per ordinary share of HK\$0.22).

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

On 31 July 2020, the Group and other members of GR Realty entered into an agreement to revise provisions regarding proceedings of the operating committee of GR Realty, enabling the Group obtaining control of GR Realty's business and operational aspects. As a result, after 31 July 2020, GR Realty has been converted from a joint venture to a subsidiary of the Group and the operating performance and financial position of GR Realty has been consolidated into the financial statements of the Group under the Hong Kong Financial Reporting Standards.

As at 31 December 2020, our balanced property portfolio comprises 28 office properties spread out in West Coast, Central and East Coast of the U.S. (where local key industry players are our key tenants), and several units in a residential building in New York City. GR Realty managed all our property investments in the U.S., with the focus on top performing, high growth technology, creative, and new economy-centric sub-markets and tenants in an effort to create and realize maximum value. We focus on tenant satisfaction with local teams in an effort to minimize costly rollover and downtime.

As at 31 December 2020, the total carrying value of our investment properties in the U.S. was HK\$10,913 million (2019: HK\$1,063 million). In 2020, rental revenue and ancillary service income to property leasing, relating to investment properties in the U.S., increased by 478% to HK\$590 million (2019: HK\$102 million), due to consolidation of GR Realty since 31 July 2020. The total leasable area in the U.S. increased from 309,000 square feet to 7,153,000 square feet, with average occupancy rate of 74%.

To continue with our strategic operating plan which will be reviewed and tuned from time to time, we currently focus on coastal gateway, technology-driven and selected markets that exhibit compelling fundamentals, high liquidity and improving demographics, which are mostly in West Coast and East Coast of the U.S., while at the same time gradually dispose of assets located in non-focused markets, which are mostly located in the Central U.S.. Currently portfolio located in West Coast and East Coast of the U.S. contributed 44% and 8% respectively in terms of value as at 31 December 2020, and 64% and 16% respectively in terms of rental revenue for 2020 among all the investment properties in the U.S..

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

The Group's property development projects comprise residential redevelopment site 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.

Development progress began to slow down from the second quarter of 2020 with the outbreak of COVID-19 and precautionary measures implemented by the local governments. The residential market, however, has remained largely resilient with capital values generally flat while buyers adopted a wait-and-see stance.

The redevelopment project located at Avenue of the Americas was acquired in 2017. It is expected to be developed into a 13-storey residential building (with retail space on the ground) with an estimated gross floor area of 82,000 square feet. It will be structured with unique project types with splendid amenities including duplex units which are in scarcity in Manhattan. The project is expected to be completed in 2021.

The redevelopment projects located at North First Street and Second Avenue were acquired by GR Realty at the beginning of 2020 and had been consolidated into our Group since 31 July 2020. The North First Street project is in demolition stage, and expected to be developed into a residential building together with auxiliary car parking facilities and perfecting amenities. The estimated gross floor area is 78,000 square feet, and completion is expected in 2023. The Second Avenue project is in planning stage, and is expected to be developed into a residential building with splendid amenities. The estimated gross floor area is 137,000 square feet, and completion is expected in 2024.

#### *Investment Properties in Hong Kong*

Investment properties in Hong Kong comprise A-grade offices units in two buildings in Hong Kong Island, and several residential units and car parking space. The total carrying value of our investment properties in Hong Kong was HK\$451 million (2019: HK\$460 million), representing 3% of our total assets as at 31 December 2020 (2019: 7%). In 2020, rental revenue from investment properties in Hong Kong remained stable with an amount of HK\$11 million (2019: HK\$11 million). Leasing activities remained relatively stable under the outbreak of COVID-19, with average occupancy rate of 89%.

#### *Other Operations*

Other operations mainly include fund investments and securities investments.

As at 31 December 2020, the carrying amount of our fund investment portfolio (classified as “financial assets at fair value through profit or loss”) was HK\$1,971 million (2019: HK\$2,081 million), with an aggregate loss on change of fair value of HK\$47 million recorded during the Year (2019: gain of HK\$18 million), as a result of loss caused by weak performance of certain unlisted equity investments related to real estate sector which has been continuously hit by global economic uncertainty due to the outbreak of the COVID-19 pandemic, offset by gain from those funds investing in global listed securities, with a mixed portfolio including equity securities in technology media telecom sector and new economy industries and debt securities under thriving global capital market. The underlying investments in our fund investment portfolio include global listed securities and debt securities focusing on the technology media telecom sector, property and property-related value chain and new economy industries; and real estate and related investments primarily in the U.S., Europe, Japan, Australia and/or Hong Kong.

As at 31 December 2020, our securities investment portfolio mainly consisted of investment in listed securities in Hong Kong and overseas of HK\$546 million (as at 31 December 2019: HK\$286 million). The Group recorded gain from securities investment (classified as financial instruments held for trading) of HK\$58 million for 2020 (2019: loss of HK\$4 million) under thriving global capital market.

*Liquidity, financial resources and capital structure*

As at 31 December 2020, the Group had cash resources totaling HK\$1,162 million (as at 31 December 2019: HK\$975 million). The committed bank credit facilities amounted to HK\$407 million, of which HK\$166 million remained undrawn. The Group's sources of funding comprise mainly internal funds generated from the Group's business operations and loan facilities provided by banks. As at 31 December 2020, the borrowings (excluding lease liabilities) of the Group amounted to HK\$7,932 million (as at 31 December 2019: HK\$664 million). The Group's borrowings included bank loans and revolving loans and notes payables. The increase in borrowings was mainly due to the consolidation of GR Realty which contributed to borrowings of HK\$7,511 million. As at 31 December 2020, the proportions of short-term borrowings and long-term borrowings of the Group were 28% and 72% respectively.

All the borrowings are denominated in U.S. dollars. Considering that the exchange rate of Hong Kong dollars is pegged against the U.S. dollars, the Group believes that the corresponding exposure to exchange rate risk arising from the U.S. dollars is not material.

The Group's net gearing ratio (i.e. borrowings less total cash resources divided by total equity) was 94% (2019: Not applicable). It is the strategy of GR Realty as a real estate fund platform to pair investment properties under management with an appropriate level of mortgage loans at low interest rate to achieve higher rate of return. As advised by the top management of GR Realty, the properties located in non-focused markets are to be disposed of at appropriate time which, when completed, is considered to ease the Group's gearing position. Currently, 90% of our total borrowings enjoyed interest rate below 6%. Our management will continue to monitor the Group's capital and debt structure from time to time aiming to control short-term debt ratio and mitigate its exposure to the risk of gearing.

*Employee and remuneration policy*

As at 31 December 2020, the total number of staff employed was 155 (as at 31 December 2019: 30), which included 125 staff employed by GR Realty. During the Year, the level of our overall staff cost was HK\$55 million (2019: HK\$26 million), with staff cost of HK\$35 million contributed by GR Realty.

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

***Foreign Exchange rates risk***

Our Group's assets and liabilities were mainly denominated in Hong Kong Dollars and the U.S. dollars. As at 31 December 2020, our Group has not entered any hedging to mitigate the foreign exchange rate risk, but our Group will continue to closely monitor the foreign exchange exposure and take any actions when appropriate.

***Pledged assets***

As at 31 December 2020, our Group had pledged bank deposits amounting to HK\$310 million (2019: HK\$9 million) and investment properties in the U.S. of HK\$10,578 million (2019: HK\$717 million), together with the interests of certain subsidiaries of the Group as securities to secure borrowings of our Group of HK\$6,980 million (2019: HK\$423 million).

***Contingent liabilities***

As at 31 December 2020, our Group had no significant contingent liabilities.

***Capital Commitments***

As at 31 December 2020, our Group had capital commitments of HK\$208 million (2019: HK\$325 million), in respect of the property development projects in the U.S..

***Significant Investments***

As at 31 December 2020, 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 2020.

***Material acquisitions and disposals***

The Remaining Group did not have any other material acquisitions and disposals during 2020.

**(iii) For the year ended 31 December 2021***Review of results and operation**Revenue*

The components of our revenue are analysed as follows:

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

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

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

*Operating expenses*

The components of our operating expenses are analysed as follows:

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

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

*Loss arising from changes in fair value of investment properties*

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

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

Gain arising from changes in fair value of financial assets at fair value through profit or loss of the Group of HK\$27 million was recorded during the Year, which was mainly generated from our fund investments. Details of performance of fund investments are described in the section headed “Other Operations” below.

*Other income, gains/losses*

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

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

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

*Administrative and other expenses*

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

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

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

*Finance costs*

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

*Loss attributable to limited partners and puttable instrument holders*

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

*Loss attributable to owners of the Company*

Loss attributable to owners of the Company for the Year decreased to HK\$27 million (2020: loss attributable to owners of the Company of HK\$283 million). Basic loss per ordinary share of the Company of HK\$0.04 for the Year was recorded (2020: loss per ordinary share of HK\$0.50).

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

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

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

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

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

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

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

*Investment Properties in Hong Kong*

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

*Other Operations*

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

As at 31 December 2021, the carrying amount of our fund investment portfolio (classified as “financial assets at fair value through profit or loss”) was HK\$1,673 million (as at 31 December 2020: HK\$1,971 million), with an aggregate gain on change of fair value of HK\$26 million recorded during the Year (2020: loss of HK\$47 million), as a result of gain from those funds investing in global listed securities, with a mixed portfolio including equity securities in technology media telecom sector and new economy industries and debt securities under thriving global capital market. The underlying investments in our fund investment portfolio include global listed securities and debt securities focusing on the technology media telecom sector, property and property-related value chain and new economy industries; and real estate and related investments primarily in the U.S., Europe, Japan, Australia and/or Hong Kong.

*Liquidity, financial resources and capital structure*

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

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

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

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

***Employee and remuneration policy***

As at 31 December 2021, with the execution of our strategic plan and disposal of properties, the total number of staff employed including our GR Realty's team decreased from 155 to 97. During the Year, the level of our overall staff cost was HK\$92 million (2020: HK\$55 million), with staff cost of HK\$72 million contributed by GR Realty.

Our Group recruits and promotes individuals based on their performance and development potentials in the positions offered. When formulating staff salary and benefit policies, our Group gives primary consideration to their individual performance and prevailing salary levels in the market.

***Foreign Exchange rates Risk***

Our Group's assets and liabilities were mainly denominated in Hong Kong Dollars and the U.S. dollars. As at 31 December 2021, our Group has not entered any hedging to mitigate the foreign exchange rate risk, but our Group will continue to closely monitor the foreign exchange exposure and take any actions when appropriate.

***Pledged assets***

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

***Contingent liabilities***

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

*Capital Commitments*

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

*Significant Investments*

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

*Material acquisitions and disposals*

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

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

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

Saved as disclosed above, the Remaining Group did not have any other material acquisitions and disposals during 2021.

#### **OUTLOOK AND FUTURE PROSPECTS**

Please refer to the section headed “Financial and Trading Prospects of Group” upon the Neutron B Redemption in the Appendix I for the outlook and future prospects of the Remaining Group.

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### Directors and chief executive

As at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have under such provisions of the SFO); or (ii) entered in the register kept by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code.

### Substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Nature of Interest/capacity	Number of Shares/ underlying Shares	Approximate percentage of interest in the issued Shares (Note 1)
Sino-Ocean Group	Interest of controlled corporation (Notes 3 and 5)	800,654,083(L) (Note 4)	125.97%
Shine Wind Development Limited (“Shine Wind”)	Interest of controlled corporation (Notes 3 and 5)	800,654,083(L) (Note 4)	125.97%

Name	Nature of Interest/capacity	Number of Shares/ underlying Shares	Approximate percentage of interest in the issued Shares (Note 1)
Faith Ocean International Limited (“Faith Ocean”)	Interest of controlled corporation (Notes 3 and 5)	800,654,083(L) (Note 4)	125.97%
Sino-Ocean Land (Hong Kong) Limited (“SOL HK”)	Interest of controlled corporation (Notes 3 and 5)	800,654,083(L) (Note 4)	125.97%
Grand Beauty	Beneficial owner (Note 3)	157,986,500(L)	24.86%
	Beneficial owner (Note 3)	377,166,666 (L) (Note 2)	59.34%
		Total: 535,153,166 (L)	84.20%
Heroic Peace Limited (“Heroic Peace”)	Interest of controlled corporation (Note 5)	265,500,917(L)	41.77%
Fortune Joy	Interest of controlled corporation (Note 5)	265,500,917(L)	41.77%
Sino-Ocean Capital	Interest of controlled corporation (Note 5)	265,500,917(L)	41.77%
Oriental Model Limited (“Oriental Model”)	Interest of controlled corporation (Note 5)	265,500,917(L)	41.77%
Oceanland Global	Interest of controlled corporation (Note 5)	265,500,917(L)	41.77%
Glory Class	Interest of controlled corporation (Note 5)	265,500,917(L)	41.77%
Estate Spring	Beneficial owner (Note 5)	265,500,917(L)	41.77%
HK Presstar	Beneficial Owner (Note 6)	45,139,000(L)	7.10%
ZHANG Li	Interest of controlled corporation (Note 6)	45,139,000(L)	7.10%

*Notes:*

- (1) The total number of issued Shares as at the Latest Practicable Date (that was, 635,570,000 Shares) had been used for the calculation of the approximate percentage.
- (2) These Shares represent the 377,166,666 underlying Shares which may be allotted and issued to Grand Beauty, a wholly-owned subsidiary of Sino-Ocean Group, upon exercise in full the conversion rights attaching to the remaining 754,333,333 convertible preference shares of the Company.
- (3) Grand Beauty was wholly-owned by SOL HK. SOL HK was wholly-owned by Faith Ocean which was, in turn, wholly-owned by Shine Wind. Shine Wind was wholly-owned by Sino-Ocean Group. In view of their respective direct or indirect 100% shareholding interest in Grand Beauty, each of SOL HK, Faith Ocean, Shine Wind and Sino-Ocean Group was deemed under the SFO to be interested in the 535,153,166 Shares in which Grand Beauty was interested.
- (4) These Shares represent (i) the 535,153,166 Shares in which Grand Beauty was interested; and (ii) the 265,500,917 Shares in which Estate Spring was interested.
- (5) Estate Spring was wholly-owned by Glory Class. Glory Class was wholly-owned by Oceanland Global, which was, in turn, 70% owned by Oriental Model and 30% owned by Joyful Clever Limited. Oriental Model was wholly-owned by Sino-Ocean Capital and Joyful Clever Limited was indirectly wholly-owned by Sino-Ocean Capital. Sino-Ocean Capital was wholly-owned by Fortune Joy. Fortune Joy was 49% owned by Heroic Peace, which was, in turn, wholly-owned by SOL HK. Please refer to note (3) above for the relationships between SOL HK, Faith Ocean, Shine Wind and Sino-Ocean Group. In view of their respective interests in Estate Spring, each of Glory Class, Oceanland Global, Oriental Model, Sino-Ocean Capital, Fortune Joy, Heroic Peace, SOL HK, Faith Ocean, Shine Wind and Sino-Ocean Group was deemed under the SFO to be interested in the 265,500,917 Shares in which Estate Spring was interested.
- (6) HK Presstar is wholly-owned by Mr. ZHANG Li. As such, Mr. ZHANG Li was deemed under the SFO to be interested in the 45,139,000 Shares in which HK Presstar was interested.
- (7) The letter “L” denotes a long position in the Shares.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, no other person (other than the Directors and chief executives of the Company) had an interest or short position in the Shares and/or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO.

**3. COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective close associates, was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

**4. INTERESTS IN ASSETS**

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

**5. INTERESTS IN CONTRACT OR ARRANGEMENT**

None of the Directors was materially interested in any contract or arrangement entered into by any member of the Group which was subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

**6. DIRECTORS' SERVICE AGREEMENTS**

As at the Latest Practicable Date, none of the Directors had any existing or was proposing to enter into any service contracts with the Company or any member of the Group (excluding contracts expiring or being terminated by the Group within one year without payment of any compensation (other than statutory compensation)).

**7. MATERIAL ADVERSE CHANGE**

The Company confirms that, as at the Latest Practicable Date, there has not been any material adverse change in the financial or trading position of the Company since 31 December 2021, being the date to which the latest published audited accounts of the Company were made up.

## 8. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries, have been entered into by the members of the Group within two years preceding the Latest Practicable Date and which are material:

- (a) the revision to operating agreement of GR Realty dated 31 July 2020 (the “**Revised Agreement**”) entered into among the Gemini-Rosemont Realty Holdings LLC, a wholly-owned subsidiary of the Company and other members of GR Realty, pursuant to which certain provisions regarding proceedings of the operating committee in GR Realty are revised. As a result of the Revised Agreement, the Group has obtained control of GR Realty (details of which are set out in the announcement of the Company dated 31 July 2020);
- (b) the sale and purchase agreement dated 14 November 2020 entered into between Grand Beauty (as vendor) and Estate Spring (as purchaser), pursuant to which Estate Spring has conditionally agreed to purchase, and the vendor has conditionally agreed to sell, 154,518,125 ordinary shares in the share capital of the Company for a total consideration of HK\$169,969,937.50 (equivalent to HK\$1.10 per sale Share) (details of which are set out in the announcement of the Company dated 16 November 2020);
- (c) the purchase and sale agreement dated 7 May 2021 (U.S. Eastern Time) entered into between Rosemont Federal Operating LLC, wholly-owned by a fund in GR Realty’s portfolio (as vendor) and Glen Federal Place, LLC (as purchaser), pursuant to which the vendor conditionally agreed to sell, and the purchaser conditionally agreed to purchase, the property comprising an office building together with various car parking spaces for a consideration of US\$67,000,000 (equivalent to approximately HK\$519,250,000) subject to and upon, inter alia, the terms of the purchase and sale agreement (details of which are set out in the announcement of the Company dated 10 May 2021);
- (d) the purchase and sale agreement dated 25 October 2021 (U.S. Eastern Time) entered into between SouthCourt Operating LLC, an indirect wholly-owned subsidiary of the Company (as vendor) and Crescent Acquisitions, LLC (as purchaser), pursuant to which the vendor has conditionally agreed to sell, and the purchaser has conditionally agreed to purchase the office building property for an aggregate consideration of US\$23,060,000 (equivalent to approximately HK\$178,715,000) subject to and upon, inter alia, the terms and conditions of the Purchase and Sale Agreement (details of which are set out in the announcement of the Company dated 26 October 2021);

- (e) the reinstatement and second amendment to the purchase and sale agreement entered into between SouthCourt Operating LLC, an indirect wholly-owned subsidiary of the Company (as vendor) and Crescent Acquisitions, LLC (as purchaser) dated 24 November 2021 (U.S. Eastern Time) (“**Second Amendment**”), pursuant to which among other things, the vendor and the purchaser agreed to reinstate, ratify and confirm the purchase and sale agreement dated 25 October 2021 (U.S. Eastern Time) (as amended by the Second Amendment) as if it had not been terminated (details of which are set out in the announcement of the Company dated 25 November 2021);
- (f) the purchase and sale agreement dated 21 December 2021 (U.S. Eastern Time) (“**Warren Purchase and Sale Agreement**”) entered into between Rosemont Warren One Operating LLC, Rosemont Warren Two Operating LLC and Rosemont Warren Ground Operating LLC, all of which are wholly-owned by one of the funds in GR Realty’s portfolio (as vendors) (the “**Warren Vendors**”) and Twelve GCS Company, LLC (as purchaser) (the “**Warren Purchaser**”), pursuant to which the vendors have conditionally agreed to sell, and the purchaser has conditionally agreed to purchase the properties which include: (i) the ground lease of land located at 6100 South Yale Avenue, Tulsa, Oklahoma 74136, the U.S. (“**One Warren Place Land**”); (ii) the ground lease of land located at 6120 South Yale Avenue, Tulsa, Oklahoma 74136, the U.S. (“**Two Warren Place Land**”); (iii) the master ground lease of common area of One Warren Place Land and Two Warren Place Land (“**Warren Master Ground Lease**”); (iv) all of the improvements located on the One Warren Place Land (“**One Warren Place Improvements**”); and (v) all improvements located on the Two Warren Place Land (together with the One Warren Place Land, the Two Warren Place Land, the Warren Master Ground Lease and the One Warren Place Improvements, collectively, the “**Warren Properties**”) for an aggregate consideration of US\$101,170,000 (equivalent to approximately HK\$784,068,000) subject to and upon, inter alia, the terms and conditions of the purchase and sale agreement (details of which are set out in the announcement of the Company dated 22 December 2021);
- (g) the purchase and sale agreement dated 28 January 2022 (U.S. Eastern Time) entered into between Tomorrow IX Broadmoor, L.P., an indirect wholly-owned subsidiary of GR Realty (as vendor) and FC Real Estate Holdings, LLC (as purchaser), pursuant to which the vendor has agreed to sell, and the purchaser has conditionally agreed to purchase, the property located at 1401 North Turner Street, Hobbs, Lea County, New Mexico 88240, the U.S., comprising a shopping center and various car parking spaces for a consideration of US\$3,900,000 (equivalent to approximately HK\$30,225,000) subject to and upon, inter alia, the terms and conditions of the purchase and sale agreement (details of which are set out in the announcement of the Company dated 31 January 2022);

- (h) the first amendment to the Warren Purchase and Sale Agreement dated 15 February 2022 (U.S. Eastern Time) entered into between the Warren Vendors and Warren Purchaser for a nominal consideration, pursuant to which the parties have mutually agreed to extend the inspection period which was due to expire on 15 February 2022 to 1 March 2022 (U.S. Eastern Time) (details of which are set out in the announcement of the Company dated 16 February 2022); and
- (i) the second amendment to the Warren Purchase and Sale Agreement dated 1 March 2022 (U.S. Eastern Time) entered into between the Warren Vendors and Warren Purchaser for a nominal consideration, pursuant to which the parties have mutually agreed, amongst others, that (i) the inspection period as extended to 1 March 2022 (U.S. Eastern Time) pursuant to the first amendment to the Warren Purchase and Sale Agreement dated 15 February 2022 (U.S. Eastern Time) has expired and that the Warren Purchaser has waived the right to terminate the Warren Purchase and Sale Agreement (as modified and/or amended) pursuant thereto; and (ii) the Warren Purchaser will have the right to terminate the Warren Purchase and Sale Agreement (as modified and/or amended) and to recover the initial deposit of US\$800,000 (equivalent to approximately HK\$6,200,000) if as determined, in the sole and absolute discretion of the Warren Purchaser, that a lender acceptable to the Warren Purchaser is willing to extend financing to the Warren Purchaser (or its permitted assignee) secured in whole or in part by the Warren Properties on terms acceptable to the Warren Purchaser does not occur by 5:00 p.m. on 15 March 2022 (U.S. Eastern Time) (details of which are set out in the announcement of the Company dated 2 March 2022).

## **9. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

## **10. GENERAL**

- (1) The registered office and principal place of business of the Company is Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong.
- (2) The share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

- (3) The company secretary of the Company is Mr. CHEUNG Sin Kei, who is a Chartered Secretary and an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and a member of the Hong Kong Institute of Certified Public Accountants.
- (4) In the event of inconsistency, the English version of this circular shall prevail over the Chinese version.

## **11. EXPERT AND CONSENT**

The following expert has been named in this circular or has given opinion or advice which are contained in this circular.

<b>Name</b>	<b>Qualification</b>
BDO Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert had given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, advice and opinion and references to its name in the form and context in which it appeared.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group or any rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

## **12. DOCUMENTS ON DISPLAY**

The following documents will be available on (i) the website of the Company ([www.geminiinvestments.com.hk](http://www.geminiinvestments.com.hk)) and (ii) the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) during the period of 14 days from the date of this circular:

- (a) the assurance report on the unaudited pro forma financial information of the Remaining Group issued by BDO Limited as set out in Appendix III to this circular; and
- (b) the written consent given by BDO Limited, as referred to in the section headed “Expert and Consent” in this Appendix.

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## NOTICE OF GM

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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)**

### NOTICE OF GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a general meeting (the “GM”) of Gemini Investments (Holdings) Limited (the “Company”) will be held at Room 3902, 39th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong (the “Principal Meeting Venue”) and online through the e-Meeting System (<https://spot-emeeting.tricor.hk/#/374>) on 18 May 2022 at 10:30 a.m. or any adjournment of such meeting for the following purposes. Unless otherwise indicated, capitalised terms used herein shall have the same meanings as ascribed to them in the circular dated 25 April 2022 issued by the Company:

1. to consider and, if thought fit, approve, with or without modification, the following resolution as an ordinary resolution:

“**THAT**

- (a) the Neutron B Redemption pursuant to the Neutron B Redemption Notice and transactions contemplated thereunder be and are authorized, confirmed, approved and ratified;
- (b) any one Director be and is hereby authorised to take all steps and acts and things and to sign and execute all documents, instruments and agreements (including the affixation of the Company’s common seal) deemed by the Director to be incidental to, ancillary to or in connection with the Neutron B Redemption and the transactions contemplated thereunder.”

By order of the Board

**Gemini Investments (Holdings) Limited**

**LAI Kwok Hung, Alex**

*Executive Director and Chief Executive Officer*

Hong Kong, 25 April 2022

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## NOTICE OF GM

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*Notes:*

- (1) In light of the current COVID-19 pandemic situation and the current regulatory requirements and guidelines under the laws of Hong Kong, the GM will be a hybrid meeting. The Company strongly encourages members to exercise their rights to attend and vote at the GM through the e-Meeting System. Shareholders will not be permitted to gain access to the Principal Meeting Venue of the GM in person. Via the e-Meeting System, registered Shareholders will be able to attend the GM, vote and submit questions online. Non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend the GM, vote and submit questions online through the e-Meeting System. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.
- (2) A Shareholder entitled to attend and vote at the GM may appoint a proxy or, if holding two or more ordinary shares, more than one proxy to attend, and speak and vote at, the GM or any adjournment thereof on his behalf. If a Shareholder appoints more than one proxy, he must specify the number of ordinary shares each proxy is appointed to represent. A proxy need not be a Shareholder. However, if a Shareholder (other than those who are required to attend the GM physically to form a quorate meeting) wishes to vote on any resolution at the Principal Meeting Venue of the Meeting, he/she/it must complete the proxy form and appoint the Chairman of the GM as his/her/its proxy to exercise his/her/its right to vote at the Principal Meeting Venue of the Meeting in accordance with his/her/its instructions.
- (3) To be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy thereof must be deposited at the Company's share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-emeeting.tricor.hk/#/374>) by using the username and password provided on the notification letter sent by the Company on 25 April 2022 not less than 48 hours before the time fixed for holding the GM or adjournment thereof. Completion and return of any instrument appointing a proxy shall not preclude a Shareholder from attending and voting online at the GM or any adjournment thereof by means of the e-Meeting System and, in such event, the instrument appointing a proxy shall be deemed to be revoked. The proxy form must be signed by the appointor or his attorney authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person duly authorised to sign the same.
- (4) Registered Shareholders are requested to provide a valid email address of his or her proxy (except appointment of "**The Chairman of the Meeting**") for the proxy to receive the login and access code to participate online to the e-Meeting System.
- (5) To ascertain shareholders' eligibility to attend and vote at the GM, the register of members of the Company will be closed from 13 May 2022 to 18 May 2022, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the GM, all transfers of shares of the Company accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 12 May 2022.  
  
The record date for such purposes is 18 May 2022.
- (6) Where there are joint registered holders of any ordinary share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such ordinary share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such ordinary share(s) shall alone be entitled to vote in respect thereof.

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## NOTICE OF GM

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- (7) Shareholders are advised to read the circular to the shareholders of the Company dated 25 April 2022 which contains information concerning the resolution to be proposed in this notice and the detailed arrangements relating to participation and voting at the GM online.
- (8) According to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of shareholders of the Company at a general meeting of the Company must be taken by poll. Accordingly, the chairman of the GM will exercise his power under the articles of association of the Company to demand a poll in relation to the proposed ordinary resolution at the GM.
- (9) Subject to the continuing development of the COVID-19 pandemic, the Company may be required to adopt further changes to the GM arrangements on short notice. Shareholders are advised to check the websites of the Company ([www.geminiinvestments.com.hk](http://www.geminiinvestments.com.hk)) and The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) for any further announcement(s) and information relating to the GM.

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

<i>Executive Directors:</i>	<i>Non-executive Directors:</i>	<i>Independent non-executive Directors:</i>
Mr. SUM Pui Ying	Mr. TANG Runjiang	Mr. LO Woon Bor, Henry
Mr. LAI Kwok Hung, Alex	Mr. ZHOU Yue	Ms. CHEN Yingshun
Ms. LAM Yee Lan		Mr. LEE Sai Kai, David