盛洋投资

Gemini Investments (Holdings) Limited

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

2024
ANNUAL REPORT

CONTENTS

Financial Highlights

(HK$'000)	**2024**	2023
Revenue	**1,047,591**	1,061,755
Loss before income tax	**(120,216)**	(890,412)
Loss for the year	**(155,935)**	(914,097)
Loss attributable to owners of the Company	**(94,836)**	(655,881)
Loss per share		
— basic (HK dollars)	**(0.15)**	(1.03)
— diluted (HK dollars)	**(0.15)**	(1.03)

(HK$'000)	**2024**	2023
Total assets	**10,118,632**	10,534,179
Equity attributable to owners of the Company	**4,337,387**	4,458,503
Cash and bank balances	**374,035**	455,995

Chairman's Statement

On behalf of the board of directors of Gemini Investments (Holdings) Limited (the "**Company**") (the "**Director**(s)" or the "**Board**"), I am pleased to present the results of the Company and its subsidiaries (together referred to as "**the Group**" or "**We**"/"**we**") for the year ended 31 December 2024 (the "**Year**" or "**2024**").

FINANCIAL RESULTS

In 2024, the Group recorded a revenue of HK$1,048 million (for the year ended 31 December 2023 ("**2023**"): HK$1,062 million), and a loss attributable to owners of the Company of HK$95 million (2023: a loss attributable to owners of the Company of HK$656 million). Due to the relatively stable global economy in 2024 and the ongoing expectations of interest rate cuts by major central banks, the volatility in property values has decreased. As a result, the decline in the fair value of properties recorded by the Group in 2024 has significantly reduced when compared to the corresponding period of last year. Details of our financial results are described in the section headed "Management Discussion & Analysis".

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

BUSINESS REVIEW AND PROSPECTS

In 2024, the Group continued to consolidate the operations of its office buildings, which are primarily located in Silicon Valley, Seattle, Houston, and other areas in the United States (the "**U.S.**"), and strived to maintain stable rental income and ancillary service income from these properties. Additionally, based on market conditions and overall exit criteria, we continued to advance the exit plans for specific property projects.

Meanwhile, the development and sales of the residential development projects in New York, the U.S. remained a key focus for the Group. Two projects have been completed and continued to generate sales, contributing a total sales revenue of HK$293 million for the Year. It is anticipated that more units in these projects will be sold in the upcoming year, which is expected to bring additional revenue to the Group.

The U.S. real estate market has always been a key focus for the Group. We continuously review and proactively adjust our investment and operational strategies, while steadily enhancing our local team in the U.S. to manage our related business operations there.

It is anticipated that the global economy will continue to recover in 2025, although the pace of growth may slow down. With the slowdown in U.S. inflation, there is a widespread market expectation that the U.S. Federal Reserve will further cut interest rates, which is favorable for the development of the real estate sector. However, vigilance is still required against a potential rebound in inflation. Following the completion of the U.S. presidential election, there may be a new wave of tariffs and trade wars, potentially leading to heightened tensions in international relations and multilateral cooperation. Additionally, the ongoing automation and digital transformation are expected to continue driving productivity improvements, but they may also bring unpredictable impacts across various industries. Overall, the global economy is likely to grow moderately in 2025, but it will face multiple challenges. The Company will continue to leverage our professional and experienced team to adapt to market changes, adjust strategies in a timely manner, and enhance competitiveness, aiming to deliver better investment returns for our shareholders.

Chairman's Statement

APPRECIATION

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

SUM Pui Ying
Chairman

Hong Kong, 14 March 2025

Management Discussion & Analysis

During the Year, the Group continued to focus on business related to commercial and residential real estate with a geographical presence mainly in the U.S. and Hong Kong.

OPERATION REVIEW

Overview

The Group mainly engages in property investments in the U.S. and Hong Kong, property developments in the U.S. and other operations. Investment properties in the U.S. and in Hong Kong accounted for 68% and 3% of our total assets as at 31 December 2024 respectively, and properties held for sale in the U.S. accounted for 8% of our total assets as at 31 December 2024.

All our properties in the U.S. are managed by Gemini-Rosemont Realty LLC ("**GR Realty**"), our U.S.-based property fund management platform which invests in properties and manages property funds as general partners. We receive steady income and cash flow, as well as possible capital gains and fee income from appreciation in value of these properties.

Property Investments in the U.S.

As at 31 December 2024, our U.S. investment property portfolio comprised 9 commercial properties, and several units in 4 residential buildings in New York City. During the Year, save for the disposal mentioned below, there was no acquisition or other disposal of investment properties, while certain units of our completed property developments were rented out during the Year.

The Group disposed of a multi-tenant office building located at Texas, the U.S. to an independent third party for an aggregate consideration of US$9,300,000. The net proceeds from the disposal was reserved for the Group's general working capital purpose. This disposal constituted a disclosable transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and its details are set out in the announcement of the Company dated 10 July 2024.

As at 31 December 2024, the carrying value of our investment properties in the U.S. was HK$6,914 million (as at 31 December 2023: HK$6,721 million), with those located in West Coast, Central and East Coast of the U.S. representing 66%, 18% and 16% respectively.

Total revenue generated from investment properties in the U.S. during the Year was HK$743 million (2023: HK$868 million). The average occupancy rate for our investment properties in the U.S. during the Year was 73%.

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

Management Discussion & Analysis

Property Developments in the U.S.

As at 31 December 2024, the Group's property development projects comprised 3 residential redevelopments located at Manhattan and Brooklyn of New York City, with a total carrying value of HK$767 million (as at 31 December 2023: HK$1,350 million). Some of the developed units were sold and some were rented out during the Year.

Revenue from sales of properties of HK$293 million was recorded during the Year (2023: HK$186 million), all contributed from one project located at Brooklyn of New York City which was completed in the second half of 2023. We will closely monitor the sales progress of our property development projects.

Investment Properties in Hong Kong

Investment properties in Hong Kong mainly comprise A-grade offices units in two buildings in Hong Kong Island, with total carrying value of HK$321 million (as at 31 December 2023: HK$396 million), representing 3% of our total assets as at 31 December 2024 (as at 31 December 2023: 4%). During the Year, rental revenue from investment properties in Hong Kong was HK$8 million (2023: HK$7 million), and average occupancy rate was 100%.

Other Operations

Other operations mainly include fund investments and securities investments. As at 31 December 2024, our security investment portfolio (classified as "**financial instruments held for trading**") amounted to HK$122 million, mainly comprising investments in listed securities in the U.S. (as at 31 December 2023: nil). During the Year, the Group recorded gain from securities investment of HK$22 million (2023: HK$12 million), as a result of the improving U.S. capital market with a prudence investment strategy.

As at 31 December 2024, the carrying amount of our fund investment portfolio (classified as "**financial assets at fair value through profit or loss**") was HK$458 million (as at 31 December 2023: HK$470 million), with aggregate loss on change of fair value of HK$6 million recorded during the Year (2023: HK$7 million).

FINANCIAL REVIEW

Revenue

The components of our revenue are analysed as follows:

	2024	2023
	HK$'000	HK$'000
Rental income	**571,508**	678,760
Ancillary service income to property leasing and management service income	**179,557**	196,932
Sales of properties	**293,413**	185,804
Others	**3,113**	259
	1,047,591	1,061,755

Decreases in rental income and ancillary service income as compared to the same items for 2023 were mainly due to disposal of certain U.S. investment properties since the second half of 2023.

Increase in sales of properties was due to the contribution of one development project located in Brooklyn of New York City. The project was completed in the second half of 2023 and recorded sales thereafter.

Operating expenses

The components of our operating expenses are analysed as follows:

	2024	2023
	HKD'000	HKD'000
Repairs, maintenance and utilities	**150,517**	164,848
Property insurance and management expense	**51,260**	55,754
Real estate taxes	**120,963**	82,099
Cost of inventories	**182,709**	150,874
Write down of properties held for sale to net realisable value	**–**	130,991
Selling cost	**18,657**	10,771
Others	**6,246**	6,402
	530,352	601,739

Decreases in repair, maintenance and utilities, and property insurance and management expense as compared to the same items for 2023 were mainly due to disposal of certain U.S. investment properties since the second half of 2023.

Increase in real estate taxes was mainly due to certain U.S. property projects having received additional tax billing during the Year.

Increases in cost of inventories and selling costs were in line with the increase in revenue arising from sales of residential units in development projects in New York City.

During 2023, one redevelopment project was written down to its net realizable value by HK$131 million upon being reclassified to properties held for sale, as the Group planned for a sale of the whole project afterwards.

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

Loss arising from changes in fair value of investment properties and assets classified as held for sale, totalling HK$256 million, were recorded during the Year (2023: loss of HK$997 million). Due to slowdown of commercial property markets in the U.S. and Hong Kong brought by multiple factors like weakening economic growth, the fair value of our investment properties recorded an overall decrease in value by 4%. Properties located in Central and East Coast of the U.S., recorded decrease in value by 5% (about HK$120 million), whilst our other properties in the West Coast of the U.S. recorded decrease in value by 1% (about HK$61 million). Investment properties located in Hong Kong recorded decrease in value by 19% (about HK$75 million).

Other income, gains/losses

Other income, gains/losses, during the Year mainly included interest income of HK$12 million (2023: HK$6 million). No gain or loss on disposal of investment properties was recognised during the Year (2023: gain of HK$2 million).

Administrative and other expenses

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

	2024 **HK$'000**	2023 HK$'000
Employee costs	**85,410**	90,655
Legal and professional fee	**36,431**	47,453
Depreciation	**12,997**	16,187
Insurance expenses	**6,932**	7,326
Informative service fee	**10,020**	11,684
Auditor's remuneration	**6,053**	5,869
Exchange difference, net	**7,713**	(8,546)
Others	**21,168**	23,660
	186,724	194,288

Other than the movement on exchange difference of HK$16 million, administrative and other expenses decreased by HK$24 million as a whole, as a result of cost control and less business and disposal activity during the Year.

Finance costs

Finance costs on our borrowings decreased by HK$70 million to HK$330 million, as a result of settlement of certain borrowings since the second half of 2023.

Loss attributable to limited partners

Loss attributable to limited partners relates to certain limited partner interests associated with those limited partnerships of the property funds managed and controlled by GR Realty. According to the terms of investments, these interests are classified as assets/liabilities under the statutory accounting principles, with related financial results attributable to limited partners recorded in the consolidated income statement of the Group. The loss attributable to limited partners of HK$111 million during the Year (2023: HK$229 million) mainly arose from the fair value decrease of investment properties mainly located in the Central region of the U.S.. The Group mainly acts as general partner, with certain limited partner interest in the parent funds of those investment properties.

Financial Resources and Liquidity

As at 31 December 2024, the Group had cash resources totaling HK$374 million (as at 31 December 2023: HK$456 million) and committed undrawn borrowing facilities of HK$345 million. The Group's sources of funding comprise mainly internal funds generated from the Group's business operations and loan facilities provided by banks.

As at 31 December 2024, the borrowings (excluding lease liabilities) of the Group amounted to HK$3,797 million (as at 31 December 2023: HK$3,943 million). The Group's borrowings included bank loans and revolving loans and notes payables. The decrease in cash resources and borrowings was mainly due to settlement of certain mortgage loans. The maturities of the Group's borrowings are set out as follows. All of the short-term borrowings are of a non-recourse nature.

	31 December 2024 (HK$ million)	**As percentage of borrowings**	31 December 2023 (HK$ million)	As percentage of borrowings
Within 1 year	**644**	**17%**	378	10%
1-2years	**909**	**24%**	1,806	46%
2-5 years	**2,244**	**59%**	1,576	40%
Over 5 years	**–**	**–**	183	4%
	3,797	**100%**	3,943	100%

The above borrowings are all denominated in U.S. dollars. Considering that the exchange rate of Hong Kong dollars is pegged against the U.S. dollars and that all of the underlying assets financed by U.S. dollar borrowings are located in the U.S. and denominated in U.S. dollars, the Group believes that the corresponding adverse exposure to exchange rate risk arising from the U.S. dollars is not material.

Management Discussion & Analysis

The Group's net gearing ratio (i.e. borrowings less total cash resources divided by total equity) was 65% as at 31 December 2024 (as at 31 December 2023: 64%). Our management will continue to monitor the Group's capital and debt structure from time to time aiming to control short term debt ratio and mitigate its exposure to the risk of gearing.

Financial Guarantees

As at 31 December 2024, our Group did not have any financial guarantees given for the benefit of third parties.

Pledged Assets

As at 31 December 2024, our Group had pledged bank deposits amounting to HK$60 million (as at 31 December 2023: HK$53 million) and investment properties of HK$5,180 million (as at 31 December 2023: HK$5,679 million), together with the interests of certain subsidiaries of the Group as securities to secure borrowings of our Group of HK$3,797 million (as at 31 December 2023: HK$3,943 million).

Significant Investments

As at 31 December 2024, 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 2024.

Contingent Liabilities

As at 31 December 2024, our Group had no significant contingent liabilities.

Capital Commitments

As at 31 December 2024, our Group had no capital commitments (as at 31 December 2023: nil).

Use of Proceeds from Placing Exercises

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

The Company's utilisation plan of the net proceeds from the Placing Exercises remained unchanged as at 31 December 2024 as compared to that disclosed in the Company's announcements and circular for the Placing Exercises. The Company intended to use around US$10 million to US$12 million (equivalent to HK$77.5 million to HK$93.0 million), representing 43% to 52% of the aggregate net proceeds from the Placing Exercises, for the investment in a real estate related project in the Metropolitan Area of the State of New York, and the remaining balance of the net proceeds was intended to be used as general working capital of our Group.

As at 31 December 2024, HK$96 million was utilized for the general working capital in the Group's property development projects in the U.S.. In view of uncertainties in global economy and business outlook currently, the remaining proceeds of HK$83 million (46% of the aggregate net proceeds from the Placing Exercises) intended for investment in real estate related projects remains not utilized. Our Group has been looking for good investment opportunities under prudence approach. However, amid the current uncertainties of the global economy and business environment, the Company has been very cautious in identifying suitable investment target which is safe, in line with the Company's strategy and in the interests of the Company and its shareholders as a whole. As such, no suitable investment has yet been made. The Company estimates that the expected timeline for utilizing the net proceeds for the above mentioned real estate investment remains on or before the fourth quarter of 2025 as previously estimated and disclosed in the Company's 2023 annual report. This expected timeline may be subject to further change based on the future development of the market conditions.

EMPLOYEES

As at 31 December 2024, the total number of staff employed (including our GR Realty's team) was 85 (as at 31 December 2023: 88). During the Year, the level of our overall staff cost was HK$85 million (2023: HK$91 million), of which HK$64 million was contributed by GR Realty (2023: HK$72 million).

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 respective local markets.

ENVIRONMENTAL POLICY

Details of the environmental policy of the Group are set out in the Environmental, Social and Governance Report on pages 27 to 56.

Management Discussion & Analysis

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by our Group that has a significant impact on the business and operations of our Group.

RELATIONSHIP WITH STAKEHOLDERS

The Company recognises that employees are our valuable assets. Thus our Group provides competitive remuneration package to attract and motivate the employees. Our Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard. Our Group also understands that it is important to maintain good relationship with business partners and bank enterprises to achieve its long-term goals. Accordingly, our senior management have kept good communication, promptly exchanged ideas and shared business update with them when appropriate. During the Year, there was no material and significant dispute between our Group and its business partners or bank enterprises.

KEY RISKS AND UNCERTAINTIES

Our Group's financial condition, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The followings are the key risks and uncertainties identified by our Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material now but could turn out to be material in the future.

Market Risks

Market risk is the risk that deteriorates profitability or affects ability to meet business objectives arising from the movement in market prices, like foreign exchange rates, interest rates and equity prices. The management of our Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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 2024, 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.

Interest Rate Risk

For interest-sensitive products and investments, our Group analyses its interest rate exposure on a dynamic basis and considers managing this risk in a cost-effective manner when appropriate, through variety of means.

Equity Price Risk

Equity price risk arises from fluctuation in market prices of our Group's investment in financial assets. The investment portfolio is frequently reviewed and monitored by our senior management to ensure prompt action taken and the loss arising from the changes in the market values is capped within an acceptable range.

Liquidity Risk

Liquidity risk is the potential that our Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, our Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. Key functions in our Group are guided by their standard operating procedures, limits of authority and reporting framework. Our management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

Investment Risk

Investment risk can be defined as the likelihood of occurrence of losses relative to the expected return on any particular investment. Key concern of investment framework will be balancing risk and return across different investments, and thus risk assessment is a core aspect of the investment decision process. Proper authorisation system has been set up and detailed analysis will be made before approving investments. Regular updates on the progress of the investments of our Group would be submitted to the Board.

Manpower and Retention Risk

Our Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of our Group. Our Group will provide attractive remuneration package to suitable candidates and personnel.

Business Risk

Performance of our Group's core business will be affected by various factors, including but not limited to economic conditions, performance of property markets in regions where our investments locate and the performance of the fund managers for our invested funds, which would not be mitigated even with careful and prudent investment strategy and strict control procedures.

Management Discussion & Analysis

Risks Pertaining to the Property Markets in Hong Kong and the U.S.

Our Group's property portfolio is principally located in Hong Kong and the U.S.. As a result, general state of the economy and the property market, legislative and regulatory changes, government policies and political conditions, interest rate changes, labour market conditions, availability of financing and outbreak of pandemic in either Hong Kong or the U.S. may have a significant impact on our Group's operating results and financial conditions. For instance, profitability of property development business may be affected due to deteriorating economic conditions or intense competition from other developers and property owners. The government in Hong Kong or the U.S. may introduce property cooling measures from time to time, which may have a significant bearing on the property market in Hong Kong or the U.S. and adversely affect the property value and rental return of our Group's property portfolio as well as profitability of our property development business, and our financial condition. Further growth of our Group's property development business may also be impacted by the supply and price levels of land in Hong Kong and/or the U.S.. In addition to the economic and market conditions mentioned above, other domestic and external economic factors including but not limited to supply and demand conditions, and stock market performance may affect our Group's property investments and development business.

Biographies of Directors and Senior Management

BOARD OF DIRECTORS

Mr. SUM Pui Ying, Adrian, aged 62, has been appointed as an executive Director since 9 August 2013, and appointed as the Chairman of the Board and chairman of the nomination committee of the Company since 30 July 2020. He is also the chairman of the investment committee of the Board, and a director of various subsidiaries of the Company. He has also served as the Chief Executive Officer of the Company from 9 August 2013 until 31 December 2020. Mr. SUM joined the Group in 2011. He has been appointed as the company secretary of Sino-Ocean Group Holding Limited ("**Sino-Ocean**" and, together with its subsidiaries, the "**Sino-Ocean Group**") since 13 August 2022. Sino-Ocean is a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 3377), and has interests in the shares of the Company as disclosed in the section headed "Substantial Shareholders' Interests in the Securities of the Company" under the Directors' Report mentioned in the later part of this annual report. Mr. SUM joined Sino-Ocean Group in May 2007. He has served as the chief financial officer of Sino-Ocean from May 2007 until December 2023. Mr. SUM was an executive director of the board of directors of Sino-Ocean from December 2015 to March 2020. He has extensive experience in corporate management of listed companies, investment and financing and financial management. Mr. SUM is currently a fellow member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England & Wales. Mr. SUM obtained a Professional Diploma in Accounting from the Hong Kong Polytechnic University in 1988, a Master's Degree in Business Administration from the University of Wales in 1991 and a Diploma in Legal Studies from the University of Hong Kong in 1996.

Mr. LAI Kwok Hung, Alex, aged 60, has been appointed as an executive Director and a member of the investment committee of the Board since 9 August 2013, and appointed as the Chief Executive Officer of the Company since 31 December 2020. Mr. LAI is also a director of various subsidiaries of the Company. Mr. LAI has many years of solid experience in corporate governance, financial advisory and management, funds raising, business development and management. Mr. LAI is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants of the United Kingdom. He is also a Chartered Secretary and Chartered Governance Professional and an associate member of The Chartered Governance Institute. Currently, Mr. LAI is an associate member of Urban Land Institute, a member of both the Hong Kong Institute of Directors and The American Chamber of Commerce in Hong Kong. He has been an independent non-executive director and the chairman of the audit and risk management committee of SG Group Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1657) since March 2017. He has also been an independent director of SICC Co., Ltd. (a company listed on Shanghai Stock Exchange, stock code: 688234) since February 2025. Mr. LAI obtained a Bachelor of Arts degree in Accountancy awarded by The City University of Hong Kong in 1993, a Diploma in Legal Studies awarded by The University of Hong Kong in 2002 and a Master's Degree in Professional Accounting awarded by The Hong Kong Polytechnic University in 2004.

Ms. LAM Yee Lan, aged 40, has been appointed as an executive Director since 15 June 2020. Ms. LAM joined the Group as Financial Controller in 2017, and was appointed as Business Director of the Group in 2020, responsible for overseeing business activities in overseas markets, including business operations and oversight of asset management and operating performance of investment portfolio. Ms. LAM is also a director of a number of subsidiaries of the Company. She has many years of working experience in financial and asset management. Prior to joining the Group, she worked as vice president of a Chinese background real estate fund (a joint venture of the Group at that time), and audit manager for an international audit firm. Ms. LAM received her bachelor's degree in Business Administration (Accounting) from The Hong Kong University of Science and Technology in 2008 and a Master's Degree in Corporate Governance from The Hong Kong Polytechnic University in 2021. She is also a member of Hong Kong Institute of Certified Public Accountants (HKICPA) 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).

Biographies of Directors and Senior Management

Mr. TANG Runjiang, aged 56, has been appointed as a non-executive Director since 1 March 2018. He is also a member of the audit committee and investment committee of the Board. Mr. TANG is the Chief Financial Officer of Sino-Ocean Capital Holding Limited ("**Sino-Ocean Capital**", being a shareholder of the Company which, through its subsidiaries, holds interests in shares of the Company as disclosed in the section headed "Substantial Shareholders' Interests in the Securities of the Company" under the Directors' Report mentioned in the later part of this annual report) and its subsidiaries. He has extensive experience in financial management and corporate governance for listed companies in the Mainland and Hong Kong. During the period from 1991 to 2018, Mr. TANG served as the manager of the treasury department of planning and finance division (finance and capital division) and the deputy general manager of the finance and capital division (the finance division) of China Ocean Shipping (Group) Company, the deputy chief accountant and the chief accountant of COSCO Bulk Carrier Co., Ltd., the chief accountant of China COSCO Bulk Shipping (Group) Co., Ltd., the general manager of the finance division of COSCO Group and the general manager of the finance division and the chief financial officer of China COSCO Holdings Company Limited and the senior director of business development of Paul Hastings in Hong Kong. Mr. TANG obtained a Bachelor of Economics Degree (major in accounting) from Central University of Finance and Economics in 1991 and a Master's Degree in Business Administration from the China Europe International Business School in 2014.

Mr. LO Woon Bor, Henry, aged 61, has been appointed as an independent non-executive Director since 12 November 2010. He is also a member of the audit committee, the remuneration committee and the nomination committee of the Board. Mr. LO is a solicitor and currently a consultant solicitor of Messrs. Chan, Wong & Lam Solicitors in Hong Kong. He is also a Greater Bay Area lawyer. With many years of experience in civil and commercial litigation, Mr. LO has extensive experience in the practice of property law, intellectual property, civil and commercial advice and litigation. He served as an in-house counsel in a Hong Kong listed publication conglomerate from 1998 to 1999. He regularly proffers legal advice to companies and institutions with regard to civil and commercial subjects and practice. He graduated from the University of Hong Kong with a Bachelor of Arts. Mr. LO studied law and passed the Solicitors' Final Examination in the United Kingdom. He was admitted as a solicitor of the Hong Kong Special Administrative Region in 1993 and in England and Wales in 1994. In 1997, Mr. LO obtained a Master of Laws in Chinese and Comparative Law from the City University of Hong Kong. In December 2023, Mr. LO obtained the qualification to practice law in the Greater Bay Area, People's Republic of China.

Mr. LEE Sai Kai, David, aged 59, has been appointed as an independent non-executive Director since 13 October 2021. He is also the chairman of the audit committee and the remuneration committee and a member of the nomination committee and investment committee of the Board. He has extensive accounting, financial and management experience in the real estate industry in both the People's Republic of China and Hong Kong. Mr. LEE was a non-executive director of Rainbow Digital Commercial Co., Ltd. (Shenzhen Stock Exchange Stock Code: 002419) from 2007 to 2020. He was an executive director and a non-executive director of Top Spring International Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 3688) from 2009 to 2015 and from 2015 to 2016, respectively. From 1996 to 2001, he was an executive director and company secretary of ITC Properties Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 199). Mr. LEE received a Bachelor of Arts degree in Accountancy from The Hong Kong Polytechnic

University. He is an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of The Chartered Institute of Management Accountants and a fellow member of the Association of Chartered Certified Accountants.

Mr. LEUNG Wai Hung, aged 57, has been appointed as an independent non-executive Director since 20 April 2024. He is also a member of each of the audit committee, the remuneration committee and the nomination committee of the Board. He holds a bachelor's degree in business administration from The Chinese University of Hong Kong. He has been a fellow member of The Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. LEUNG has more than 20 years working experience in various listed companies in Hong Kong mainly engaged in property business including Cheung Kong (Holdings) Limited (now known as CK Hutchison Holdings Limited) (stock code: 001). Mr. LEUNG also has extensive financial experience in initial public offering ("**IPO**"), merger and acquisition as well as fund raising and is familiar with the business environment of both Hong Kong and the Mainland China. In addition, Mr. LEUNG has extensive experience in real estate investment trusts ("**REIT**"). He participated in the IPO setup of the first private sector REIT, Prosperity REIT (stock code: 808) in Hong Kong in 2005 and worked for the manager of Fortune REIT (stock code: 778) as a Finance Director from 2011 to 2012. He also worked as the financial controller of Shougang Concord International Enterprises Company Limited (now known as Shoucheng Holdings Limited) (stock code: 697) from 2013 to 2018. From April 2022 to December 2024, Mr. LEUNG was the financial controller and company secretary of BeijingWest Industries International Limited (stock code: 2339). Mr. LEUNG has also been an independent non-executive director of Fineland Living Services Group Limited (stock code: 9978) since October 2017, China Fortune Holdings Limited (stock code: 110) since July 2021, Sino-Ocean Service Holding Limited (stock code: 6677) since August 2022 and Wing Lee Development Construction Holdings Limited (stock code: 9639) since September 2024. Sino-Ocean Service Holding Limited is a subsidiary of Sino-Ocean Group Holding Limited (stock code: 3377), a substantial shareholder of the Company.

SENIOR MANAGEMENT

Ms. WANG Xi, aged 38, joined the Group in 2012 and is currently the Financial Controller of the Group and a director of a number of subsidiaries of the Company. She oversees finance and treasury function of the Group, including financial planning and analysis, treasury management, controller functions and risk management. Ms. WANG is a Chartered Financial Analyst, a member of Hong Kong Institute of Certified Public Accountants and a Chartered Secretary and an associate member of The Chartered Governance Institute. She holds a Bachelor Degree in Business Administration in Accounting and Finance from the University of Hong Kong and a Master Degree of Science in Financial Analysis from Hong Kong University of Science & Technology.

Mr. CHEUNG Sin Kei, aged 40, joined the Group in 2016. Mr. CHEUNG is currently the Company Secretary of the Company, a director of a number of subsidiaries of the Company and the Associate Director of the Group. Mr. CHEUNG's duty covers corporate governance and company secretarial matters. He has accumulated solid and extensive experience in project management, financial reporting, internal control and corporate governance areas. Prior to joining the Group, Mr. CHEUNG worked for a Hong Kong listed company in real estate industry and an international audit firm. Mr. CHEUNG holds a Bachelor of Business Administration from Lingnan University and a Master of Business Administration from The Hong Kong University of Science and Technology. He is a Chartered Secretary and an associate member of The Chartered Governance Institute and a member of the Hong Kong Institute of Certified Public Accountants.

Directors’ Report

GEMINI INVESTMENTS (HOLDINGS) LIMITED (THE “COMPANY”)

It is the pleasure of the directors of the Company (the “**Director(s)**” or the “**Board**”) to present to the shareholders their report (the “**Directors’ Report**”) and the audited consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2024 (the “**Year**”).

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in Note 39 to the consolidated financial statements of the Group.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement of the Group on page 84 of this annual report.

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

BUSINESS REVIEW

A business review of the Group for the year ended 31 December 2024 (including discussions on the principal risks and uncertainties that the Group may be facing and on the likely future business development of the Group) is set out in the sections headed “Chairman’s Statement” and “Management Discussion & Analysis” on pages 3 to 4 and pages 5 to 14 of this annual report.

In addition, discussions on the Group’s environmental policies and performance, compliance with relevant laws and regulations which have a significant impact on the Group and an account of the Group’s key relationships with major stakeholders are contained in the section headed “Environmental, Social and Governance Report” on pages 27 to 56 of this annual report.

SHARE CAPITAL

There was no change in the share capital of the Company during the Year.

EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Company during the Year and there was no equity-linked agreement entered into by the Company still subsisting at the end of the Year.

INVESTMENT PROPERTIES AND PROPERTIES HELD FOR SALE

All of the investment properties of the Group were revalued as at 31 December 2024, as set out in Note 16 to the consolidated financial statements of the Group. Properties held for sale of the Group as at 31 December 2024 are set out in Note 20 to the consolidated financial statements of the Group. Particulars of the major investment properties and properties held for sale of the Group as at 31 December 2024 are set out in "Details of Major Investment Properties" and "Details of Properties Held For Sale" respectively of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the Year are set out in Note 17 to the consolidated financial statements of the Group.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's distributable reserves, calculated under Part 6 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("**Companies Ordinance**"), amounted to HK$453 million (31 December 2023: HK$286 million). Details of the movement in the reserves of the Group and the Company during the Year are set out in Note 29 to the consolidated financial statements of the Group.

DIRECTORS

The Directors of the Company during the Year and up to the date of this Directors' Report were/are:

SUM Pui Ying (ED) (Chairman)
LAI Kwok Hung, Alex (ED) (Chief Executive Officer)
LAM Yee Lan (ED)
TANG Runjiang (NED)
LO Woon Bor, Henry (INED)
CHEN Yingshun (INED, *resigned on 20 April 2024*)
LEE Sai Kai, David (INED)
LEUNG Wai Hung (INED, *appointed on 20 April 2024*)

Notes:

ED	Executive Director
NED	Non-Executive Director
INED	Independent Non-Executive Director

Directors' Report

In accordance with Article 116 of the Company's articles of association (the "**Articles**"), at each annual general meeting (the "**AGM**") of the Company, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation such that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. The retiring Directors shall be eligible for re-election. Pursuant to the above Article 116, Mr. LAI Kwok Hung, Alex, Ms. LAM Yee Lan and Mr. LO Woon Bor, Henry, being three of the Directors who have been longest in office since their last election, will retire from office on the Board by rotation at the forthcoming AGM, and, being eligible, offer themselves for re-election.

During the Year and up to the date of this Directors' Report, Mr. SUM Pui Ying, Mr. LAI Kwok Hung, Alex, Ms. LAM Yee Lan, Ms. WANG Xi, Mr. CHEUNG Sin Kei, Ms. CHEN Fang and Ms. CHEN Yufei have served on the boards of the Company's subsidiaries.

DIRECTORS' SERVICE CONTRACTS

None of the Directors (including any Director proposed for re-election at the forthcoming AGM) has a service contract with the Company or any of its subsidiaries which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save for the amounts due to shareholders, perpetual bond and the related party transactions of the Group as disclosed in Notes 25, 31 and 37 to the consolidated financial statements of the Group, no other transactions, arrangements or contracts of significance in relation to the Company's business to which the Company or any of its subsidiaries, parent companies or fellow subsidiaries was a party, and in which any Director or a connected entity of any Director had a material interest (whether directly or indirectly) or to which the controlling shareholder of the Company or any of its subsidiaries is a party, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors has an interest in any business constituting a competing business to the Group.

PERMITTED INDEMNITY PROVISION

The Articles provides that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance) which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Group has taken out and maintained directors' liability insurance which is currently in force and was in force throughout the Year, providing appropriate cover for legal actions brought against the Directors and directors of the subsidiaries of the Company. The level of the coverage is reviewed annually.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the "**SFO**")) which were required (i) to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

CHANGE IN DIRECTOR'S INFORMATION

Except that Mr. LEUNG Wai Hung has been appointed as an independent non-executive director of Wing Lee Development Construction Holdings Limited (a company listed on the Stock Exchange with stock code: 9639) since September 2024 and Mr. LAI Kwok Hung, Alex has been appointed as an independent director of SICC Co., Ltd. (a company listed on Shanghai Stock Exchange with stock code: 688234) since February 2025, there is no other change in information on Directors since the date of the Interim Report 2024 of the Company and up to the date of this annual report, which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 31 December 2024, so far as is known to any Director or chief executive of the Company, the following persons had interests or short positions in the shares or underlying shares in respect of equity derivatives of the Company as recorded in the register of substantial shareholders required to be kept under section 336 of the SFO or 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 ordinary shares of the Company (the "Shares")/ underlying Shares**	**Approximate percentage of interest in the issued Shares as at 31 December 2024** (Note 1)
Sino-Ocean Group Holding Limited ("**Sino-Ocean**")	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%
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 Management Limited ("**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%

Name	Nature of Interest/capacity	Number of ordinary shares of the Company (the "Shares")/ underlying Shares	Approximate percentage of interest in the issued Shares as at 31 December 2024 (Note 1)
Heroic Peace Limited ("**Heroic Peace**")	Interest of controlled corporation (Note 5)	265,500,917 (L)	41.77%
Fortune Joy Ventures Limited ("**Fortune Joy**")	Interest of controlled corporation (Note 5)	265,500,917 (L)	41.77%
Sino-Ocean Capital Holding Limited ("**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 Investment Limited ("**Oceanland Global**")	Interest of controlled corporation (Note 5)	265,500,917 (L)	41.77%
Glory Class Ventures Limited ("**Glory Class**")	Interest of controlled corporation (Note 5)	265,500,917 (L)	41.77%
Estate Spring International Limited ("**Estate Spring**")	Beneficial owner (Note 5)	265,500,917 (L)	41.77%
Hongkong Presstar Enterprise Co., Limited ("**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 31 December 2024 (being 635,570,000 Shares) has 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, 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. 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 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. 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 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) Pursuant to Section 336 of the SFO, shareholders of the Company are required to file disclosure of interests forms when certain criteria are fulfilled. When a shareholder's shareholdings in the Company changes, it is not necessary to notify the Company and the Stock Exchange unless certain criteria are fulfilled. Therefore, substantial shareholders' latest shareholdings in the Company may be different to the shareholdings filed with the Company and the Stock Exchange. The above statements of substantial shareholders' interests are prepared based on the information in the relevant disclosure of interests forms received by the Company as of 31 December 2024. The Company may not have sufficient information on the breakdown of the relevant interests and cannot verify the accuracy of information on such disclosure of interests forms.

(8) The letter "L" denotes a long position in the Shares.

Save as disclosed above, as at 31 December 2024, the Company had not been notified by any persons who had interests or short positions in the Shares or underlying Shares in respect of equity derivatives of the Company which had been recorded in the register of substantial shareholders required to be kept under Section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the issued Shares.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, both the revenue and purchases attributable to the Group's five largest customers and suppliers were less than 30% of the Group's total revenue and purchases respectively.

MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business were entered into or existed during the Year.

CONNECTED TRANSACTIONS

The transaction with a shareholder as disclosed in "Related Party Transactions" under Note 37 to the consolidated financial statements of the Group constituted connected transaction or continuing connected transaction of the Company which is exempt from shareholders' approval and other disclosure requirements under Chapter 14A of the Listing Rules.

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

Particulars of bank loans, overdrafts and other borrowings of the Group are set out in Note 26 to the consolidated financial statements of the Group.

SUBSIDIARIES

Particulars regarding the principal subsidiaries of the Company are set out in Note 39 to the consolidated financial statements of the Group.

CORPORATE GOVERNANCE

Save as disclosed in the section headed "Corporate Governance Practices" of the Corporate Governance Report under pages 57 to 77 of this annual report, the Company has complied with the code provisions as set out in Part 2 of Appendix C1 (Corporate Governance Code) to the Listing Rules throughout the Year.

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

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

EMOLUMENT POLICY AND RETIREMENT BENEFITS OF THE GROUP

The emolument policy of the senior employees of the Group is set and recommended by the remuneration committee of the Company (the "**Remuneration Committee**") to the Board on the basis of the employees' merit, qualifications and competence. The emoluments of the Directors are formulated and recommended by the Remuneration Committee to the Board, having regards to the Company's operating results, individual performance of the Directors and comparable market statistics.

Details of the remuneration of the Directors and the five highest paid individuals are set out in Notes 12 and 13 to the consolidated financial statements of the Group.

Details of the Group's retirement benefits scheme are set out in Note 35 to the consolidated financial statements of the Group.

None of the Directors waived or agreed to waive any remuneration during the Year.

Directors' Report

REVIEW BY AUDIT COMMITTEE

The audit committee of the Board has reviewed the consolidated financial statements of the Group as of 31 December 2024. The audit committee has also discussed with the management of the Company the accounting policies and practices and internal controls adopted by the Company. Based on the above review and discussion with the management of the Company, the audit committee is satisfied that the consolidated financial statements of the Group have been prepared in accordance with the applicable accounting standards.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient amount of public float for its ordinary shares as required under the Listing Rules as at the latest practicable date prior to the issue of the annual report of which this Directors' Report forms part.

AUDITORS

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by BDO Limited, who would retire at the conclusion of the forthcoming AGM of the Company, and being eligible, offer themselves for re-appointment. A resolution will be proposed to the shareholders at the forthcoming AGM to re-appoint BDO Limited as the auditor of the Company.

On behalf of the Board

LAI Kwok Hung, Alex
Executive Director and Chief Executive Officer
Hong Kong, 14 March 2025

Environmental, Social and Governance Report

About This Report

Gemini Investments (Holdings) Limited ("**Gemini**" or the "**Company**", and together with its subsidiaries, "**We**", "**Us**", "**Our**" or "**Our Group**") is pleased to present this Environmental, Social and Governance ("**ESG**") Report (the "**Report**"), covering the period from 1 January 2024 to 31 December 2024 (the "**Reporting Period**"). This Report provides information regarding our approach, commitment as well as accomplishments on various ESG aspects covering different material topics, aiming to offer our stakeholders a complete picture of our performance in this respect.

Reporting Scope

The scope of this Report, unless otherwise specified, covers the Group's five business segments, namely, property investment in the United States of America (the "**U.S.**"), property development in the U.S., property investment in Hong Kong, fund investments and securities investment business. The properties and offices subject to reporting are determined by considering factors such as shares of the Group's revenue and total gross floor area, as well as the significance of the operations, with the aim to reflect the majority of the Group's businesses that are deemed ESG material.

Reporting Standard and Principles

Regarding reporting standard, this Report is prepared in compliance with the requirements set forth in Appendix C2 Environmental, Social and Governance Reporting Guide of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). This Report, in its preparation, adhered to several principles including but not limited to:

Materiality: relevant and important information to stakeholders is covered in this Report. Materiality assessment was conducted to assess the relative importance of the ESG topics identified.

Quantitative: quantitative information is provided, with narrative and comparative data where appropriate, to enable objective assessment of the Group's ESG performance.

Consistency: ESG data presented in this Report are prepared using consistent methodologies over time, unless otherwise specified (either in text or in footnote).

Balance: this Report aims to provide an unbiased picture of the Group's ESG performance, while avoiding selection, omission or presentation formats that may mislead the reader.

Environmental, Social and Governance Report

ESG Aspiration

We recognize the importance of ESG issues to our business operations, and aspire to continuously enhance our operating efficiency with prudent policies and initiatives, so as to make our business sustainable. With strong determination, we expect to gradually improve our overall ESG performance and exert greater positive influence to the community. In particular, to achieve our ESG aspiration, we focus on being a responsible service supplier, responsible employer and responsible corporate citizen:

Responsible service supplier
who puts customers' interests at heart of its business

Responsible employer
who cares for its employees' wellbeing and development

Responsible corporate citizen
who protects the environment and strives to improve social harmony

Progress of the year

Following our ESG aspiration to be a responsible service supplier, employer and corporate citizen, we continued to make progress this year in various ESG aspects.

Conducted ESG training for the Board, focusing on climate-related risks and opportunities, as well as the new HKEx ESG Reporting Code.

Identified both physical and transitional risks pertinent to the Group and developed a comprehensive mitigation plan.

ESG Governance

We are committed to fulfilling stakeholders' expectations on our ESG performance, with sufficient and appropriate policies and initiatives implemented throughout our operations. The chart below shows our ESG governance structure.

The board of directors of the Company (the "**Board**") is responsible for our ESG strategy and reporting including evaluating and determining our ESG-related risks and ensuring that is appropriate during the overall company risk assessment in regular board meeting, and effective ESG risk management and internal control systems are in place. Chaired by an executive director and comprising heads of different key operation departments, the ESG Working Group executes the ESG strategies and practices determined by the Board, as well as directly monitors ESG-related risks and internal controls. In addition, it is responsible for incorporating ESG elements into our business operations. The ESG Working Group reports to the Board annually on ESG issues, including ESG policies, practices and performance, for the Board to review and make adjustments on the Group's ESG strategies accordingly. Meanwhile, the accounting department of the Group works closely with other relevant departments to facilitate the ESG reporting process. Both the Board and the ESG Working Group have to review the ESG Report so as to ascertain the information disclosed in the ESG Report.

As part of the Group's enterprise risk management, the accounting department has been delegated to assist in identifying and prioritizing key business and operational risks (including ESG-related risks) in terms of their vulnerability and impact, risk owners are assigned and risk mitigation plans are designed accordingly to ensure effective risk management. A professional adviser has been engaged to conduct annual assessment of our Group's internal controls so as to identify potential control deficiencies. The adviser will make improvement recommendations where necessary. Our Management has provided a confirmation to the Board on the effectiveness of our risk management and internal control systems. During the board meetings, topics on ESG risks have been incorporated into the Group's overall risk assessment as a regular discussion item to ensure the effective communication and control of the ESG risk management.

Environmental, Social and Governance Report

Stakeholder Engagement

In order to achieve our ESG aspiration, it is essential for us to truly understand our stakeholders' concerns and expectations, and act accordingly in response. We have been constantly engaging our stakeholders, to receive feedback, reflect on it and provide updates. Both internal and external stakeholders are involved continuously throughout our day-to-day operations, with various channels deemed effective. The table below summarizes our major stakeholder groups that the Management considers will affect or will be impacted by the Group's ESG issues, and respective engagement channels:

Stakeholder Groups	***Engagement Channels***
Employee	• Internal Emails and Publications • Meetings and Briefings • Training • Employee Activities • Performance Appraisal
Clients	• Corporate Website • Client Meetings
Investor and Stockholders	• Annual General Meeting • Annual and Interim Report • Press Release and Announcements
Suppliers and Business Partners	• Business Meetings
Government and Supervising Authorities	• Email and Phone Communications
Social Groups and Public	• Email and Phone Communications
Media	• Press Release

Stakeholder engagement is an enduring process, we will continue to involve our stakeholders in the future. Meanwhile, this Report serves as a valuable channel for us to address our stakeholders' concerns regarding our ESG and sustainability related practices. Based on the understanding from the communications, we have identified the following material ESG issues of the Group to be covered in this Report, together with the aspects on the ESG Reporting Guide to which they relate, are summarized in the table below:

Environmental, Social and Governance Report

ESG aspects as set out in ESG Reporting Guide/Material ESG issues for the Group

A. Environmental

A1. Emissions	• Air emissions • Water discharges • Construction wastes • Hazardous wastes
A2. Use of Resources	• Gas • Energy Consumption • Water Consumption

B. Social

B1. Employment	• Employment Practices and Relations
B2. Health and Safety	• Workplace Health and Safety • Implementation and Monitoring
B3. Development and Training	• Professional Training
B5. Supply Chain Management	• Supplier Identification, Evaluation and Selection • Supplier Monitoring and Improvement • Supplier Relationship Management
B6. Product Responsibility	• Services Quality
B7. Anti-corruption	• Anti-Bribery and Corruption and Anti-money Laundering • Anti-Corruption Training
B8. Community Investment	• Corporate Responsibility

Environmental, Social and Governance Report

Materiality Assessment

To determine the relative importance of different ESG issues related to our business operations, for reporting and strategy formulation purposes, we have conducted a materiality assessment exercise. The below chart shows the process of such assessment:

1 **Issue Identification**
Screen out the initial issues with reference to the ESG Reporting Guide of the Stock Exchange as well as input obtained during day-to-day communications with stakeholders

2 **Stakeholders Questionnaire**
Understand and analyze the issues of concern to stakeholders via questionnaires and interviews

3 **Materiality Ranking**
Prepare the ESG materiality ranking based on the results of the questionnaire

4 **Verification**
Confirm the material issues after Verification by management and an external consultant

A total of 23 material issues were identified and categorized into three main topics, namely Responsible Employer, Responsible Service Supplier and Responsible Corporate Citizen. Both internal and external stakeholders were then invited to complete a questionnaire for ranking the issues. The results are mapped into a materiality matrix shown below.

The materiality matrix illustrates the relative importance of the selected ESG topics to our stakeholders. The materiality matrix has been categorized into three materiality levels:

1. "Highly important" refers to those issues that are closely related to the Group's operations and which pose a significant impact or risk, and we will highlight these issues and the information required in this Report;

2. "Important" refers to those issues that are relevant to and affected by the Group's operations and will be described in broad terms in this Report, explaining the Group's role in them or the extent to which it is affected by them, in order to promote transparency;

3. "Partially important" refers to the issues that are less likely to be prioritized in the Group's business operations with the relative importance being less than other material topics.

Stakeholders generally regarded the majority of topics under "Responsible Employer" as being in the "Highly Important" category, while most topics under "Responsible Service Supplier" were assessed as falling within the "Important" category. Conversely, the majority of topics under "Responsible Corporate Citizen" were considered to be in the "Partially Important" category.

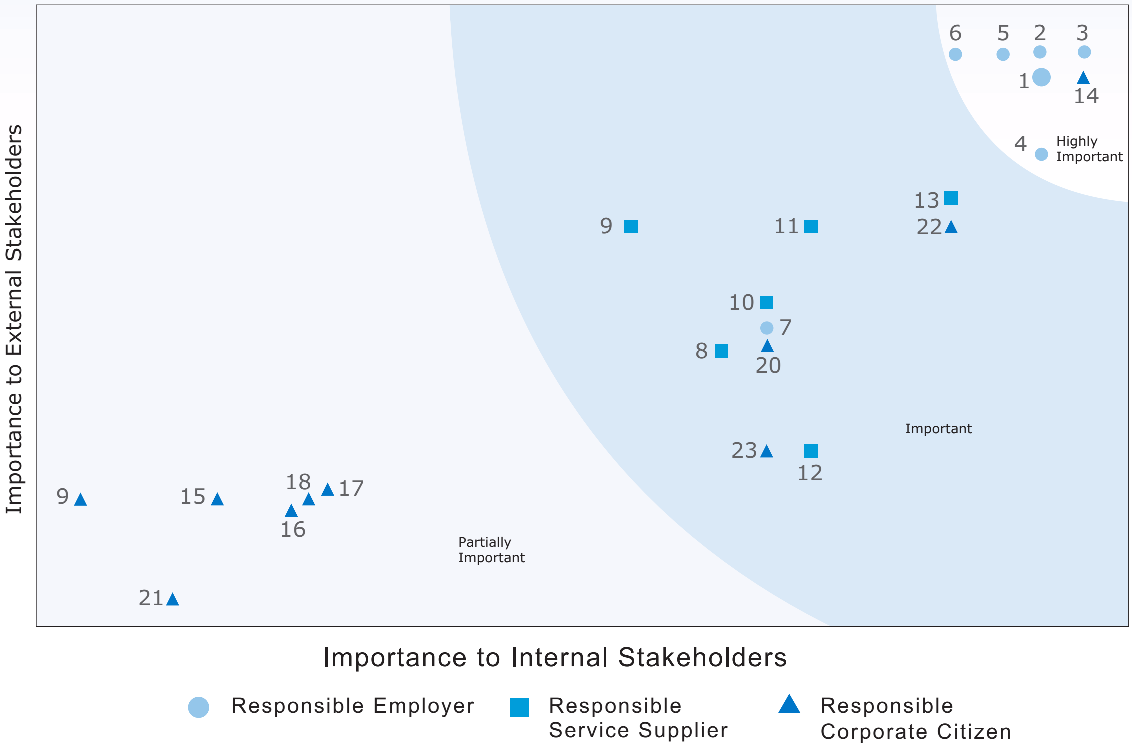
Please see below for ESG issues with the most significant changes in the relative importance:

Upgrade ▲

To Important or Highly Important

#4 Equal Opportunity, Anti-Discrimination and Diversity
#5 Occupational Health and Safety
#6 Development and Training
#12 Advertising and Labelling
#22 Anti-corruption, fraud and money laundering
#23 Community Investment

Materiality Matrix



Material Issues

Responsible Employer

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Responsible Employer

We aspire to be the choice of employer to our employees, both existing and potential. We recognize them as our valuable assets as we rely upon them to provide quality services and products. Thus, we take strong care of their wellbeing both at work and off work, to ensure that they have the required resources to perform their duties while maintaining a healthy balance with other aspects of life.

Occupational Health and Safety

We are committed to providing and maintaining a healthy, safe, and hygienic workplace for all employees and related parties that are likely to be affected by our operations and activities. Health and safety issues are given prime consideration in our operations, and regulatory compliance is strongly upheld. Employees at every level are committed to and accountable for the delivery of the safety initiatives in order to maintain a vigorous and injury-free culture. Such standards are set forth in our employee handbook, and are in compliance with the Occupational Safety and Health Ordinance (Cap. 509) of Hong Kong. Measures set forth in these guidelines are constantly reviewed and taken to continuously improve the health and safety conditions in the workplace.

In parallel, we take the same precautions for our business operations in the U.S.. We recognize the relatively higher health and safety risks at construction site of property development project, and adopt necessary measures to mitigate the risks. When screening for construction manager, track record in worker safety and effectiveness of in-house safety programs are examined carefully. Those with unsatisfactory performance in this regard will be viewed negatively. As such, the construction manager we have appointed has excellent track records in providing safe job sites in full compliance with the New York City ("**NYC**") Building Code and Safety regulations, as well as the NYC Building Code Chapter 33 "Safeguards During Construction or Demolition" and Occupational Safety and Health Act ("**OSHA**") Regulations (Standards – 29CFR). Regular trainings for onsite personnel are supplemented to ensure familiarity of the processes and procedures and full compliance with the aforementioned regulations.

Our construction manager has built its environmental, health & safety program covering

- Health & Safety Policy
- Standards of conduct
- Substance abuse test
- Crisis management
- Hazard communication

Furthermore, during any construction phase, we will assign designated site safety personnel to support implementation of safety work practices and perform regular on-site monitoring. Meanwhile, we have purchased our own supply of hard hats, googles, and gloves to ensure that all staff have the appropriate and required protective equipment when visiting construction site. In addition, regular trainings are provided to onsite personnel to ensure familiarity of the processes and procedures and full compliance with the aforementioned regulations.

While the operations of our investment properties in the U.S. incur lower health and safety risks, we focus on providing proper safety training and equipment, safe working conditions and access to resources to maintain and improve employee's wellbeing. We have set forth multiple requirements and processes to prevent, review and address safety concerns through ongoing awareness education, communication, and employee engagement with the aim of avoiding possible causes for injuries and accidents that may happen in our workplace.

There were no material non-compliance cases noted in relation to health and safety laws and regulations during the Reporting Period, and no work-related fatalities are recorded during the Reporting Period, 2023 and 2022.

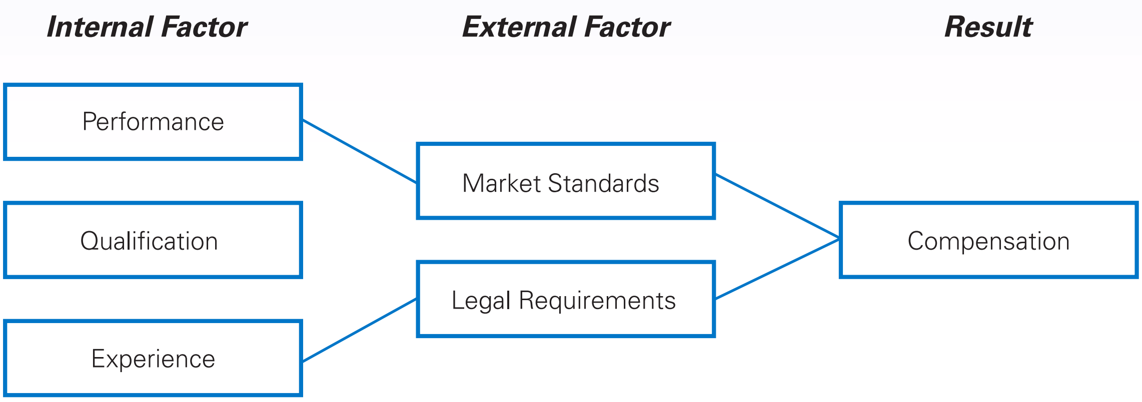
Compensation, Recruitment, Promotion, and Termination

We recognize our employees as our valuable assets. We constantly strive to attract and retain talents, and reconcile economical imperatives with employee wellbeing so as to reinforce satisfaction, loyalty and commitment towards our human capital. We have developed a holistic human resources policy as part of our employee handbook inform our people the values that we uphold as a responsible employer. We will timely review and update our human resources policy in accordance with changes in the respective laws and regulations.

As an advocate for equality at work, we provide equal employment opportunities to all employees and applicants for employment. We support diversity and prohibit workplace discrimination and harassment in any form irrespective to one's race, religion, nationality, disability, genetics, protected veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by federal, state or local laws.

We offer competitive compensation package and other benefits to ensure the retention and motivation of our talents. Our remuneration scheme is reviewed annually in consideration of the market trends as well as experience and performance of our staff. We ensure the working hours, leaves and other statutory requirements such as social insurance of our employees are all in compliance with the applicable laws and regulations. We strictly abide to relevant employment rules and regulations stipulated in the Employment Ordinance (Cap. 57) and Employees' Compensation Ordinance (Cap. 282) of Hong Kong, as well as the Fair Labour Standards Act of the U.S., and such policies are also highlighted in our employee handbook. Working hours, leaves, remuneration and other employment practices are reviewed regularly to ensure the compliance with latest labour laws and regulations and the norms of the markets where our Group operates.

Compensation Determination Mechanism



For our property development projects in the U.S., our subsidiary has entered into a management agreement as the property owner ("**Owner**") with an agent ("**Owner's Agent**"), where the Owner's Agent retains staff as necessary for the efficient running of the projects, subject to the approval of the Owner.

As at 31 December 2024, there were a total of 85 employees, in Hong Kong and the U.S., staffed in the properties and offices subject to the reporting scope. Detailed breakdown is as below:

	Number	Percentage
Total number of employees by gender		
Male	43	51%
Female	42	49%
Total number of employees by age		
Below 30	9	11%
30-50	49	58%
Over 50	27	32%
Total number of employees by employment type		
Full-time	85	100%
Part-time	0	0%
Temporary	0	0%
Total number of employees by geographical region		
The U.S.	69	81%
Hong Kong	16	19%

During the Reporting Period, total employee turnover was 5:

By Gender		**By Age Group**	
Male	2	*Below 30*	0
Female	3	*30-50*	4
		Over 50	1

Development and Training

We acknowledge the importance of training for the personal and professional development of our employees, as well as to maintaining and improving our Group's operations. Therefore, we strongly encourage and support our employees by sponsoring training programmes, seminars, workshops and conferences, regular sharing sessions, peer learning, and on-the-job coaching. We expect that through these activities, our employees will acquire valuable knowledge and skills. We also provide reimbursement for external training courses which aim at enhancing their competencies in performing their jobs more effectively and efficiently. We believe this is a mutually beneficial practice for achieving both their personal goals and our corporate goals.

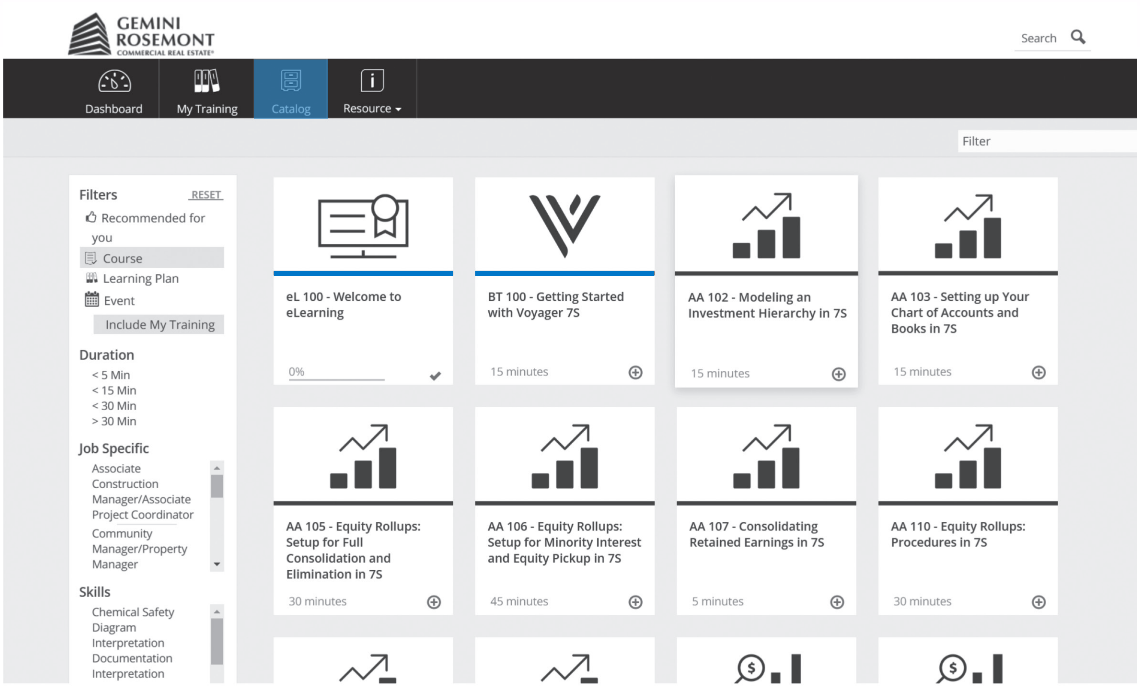
During the Reporting Period, a total of 85 employees (2023: 75) were trained. In 2024, training was conducted from April to June, with a focus exclusively on mandatory federal and state requirements.

Details of percentage of employees trained are shown below:

Gender	**Number of employees**	**Training ratio**	**Average training per employee (hours)**
Male	43	100%	13.1
Female	42	100%	4.5
Position			
General	61	100%	9.2
Middle management	13	100%	9.9
Senior management	11	100%	6.9

In terms of our property development projects in the U.S., our construction manager and trade contractors have implemented training programs to educate workers on construction health and safety, as well as other relevant construction knowledge and skills.

Meanwhile, ample time has been dedicated to ensure that relevant personnel of the Gemini Rosemont office have the proper certifications and trainings required to enter the job site. All relevant personnel are required to hold the OSHA 40-Hour Safety Training certificate in order to be eligible for new building construction works.



In the U.S., we support our employees in nurturing and developing their skills to enhance their current roles and prepare them for future career steps. We value our employees' educational goals, providing financial support for tuition reimbursement and continuing education units for eligible employees. In addition, we have adopted the Yardi learning skills-based training curriculum, focusing on building technical knowledge and subject matter expertise. This curriculum also cultivates leadership skills, fostering a strong business acumen to ensure consistent and effective performance. As part of our commitment to Safety, we require all personnel to obtain the Safety Training Certificate of Completion.

Employee Benefits, Welfare, Working Hours and Holiday

We value the contributions made by our employees to the Group's business development and are committed to enhance their well-being in return. In addition to the basic monthly salary, a wide range of benefits are provided to employees as part of the employee benefits package, which are tailored to cater for the needs of employees across different operating regions.

We provide various benefits to our employees including

- Meal subsidies
- Travel allowance
- Insurance policy
- Paid time off program

We have also been fully in compliance with each domestic regulation allowing eligible employees leaves of absence for medical reasons or their beloved family who is under serious health condition. We do not require and encourage employees to work excessive overtime as we advocate work-life balance. We also offer the paid time off program, which increases flexibility in managing time off.

Meanwhile, other fringe benefits including meal subsidies, travelling allowances, medical and compensation work injury insurance and pension schemes are offered for all employees. We also offer early release for staff on major festivals, allowing them to spend time with their beloved family and friends. The degree and content may vary across different operational regions with reference to its culture and value.

Furthermore, we understand the importance of maintaining work-life balance to sustain both the mental and physical health for our employees. As such, social and recreational activities are regularly arranged for them, with an aim to relieve their pressure at work. In the long term, it will also enhance their productivity and efficiency, making our operations more sustainable. During the Reporting Period, our Hong Kong offices have organized welcoming lunches for new joiners with existing staff to strengthen the workplace morale. We also offer early release for our staff to celebrate major festivals in Hong Kong.

Equal Opportunity, Diversity and Anti-Discrimination

We believe cultural and individual diversity fosters innovation and enhances productivity. Thus, we strongly advocate cultural diversity, value and respect individual differences. We aim at creating an inclusive workplace by adopting non-discriminatory hiring and employment practices, with the principle that no one should be treated less favorably because of their personal characteristics, including but not limited to gender, pregnancy, marital status, disability, family status and race. Opportunities for employment, training, and career development are equally opened to all qualified employees, where they are assessed by experienced personnel through objective criteria.

Any forms of discrimination and harassment by any of our employees are strictly forbidden regardless of their seniority, as explicitly stated in our employee handbook. We take complaints in this regard seriously and will initiate investigation accordingly; employees found to have engaged in such unethical acts are subject to disciplinary actions. To ensure complaints are being dealt with fairly, consistently and efficiently, we have established a dispute resolution procedure for resolving complaints alleging discriminatory practices in employment relations.

By adopting the above practices, we comply with, in all material respects, the following ordinances and the relevant codes of practice issued by the Equal Opportunities Commission of Hong Kong: Sex Discrimination Ordinance (Cap. 480), Disability Discrimination Ordinance (Cap. 487), Family Status Discrimination Ordinance (Cap. 527), and Race Discrimination Ordinance (Cap. 602). In relation to our operations in the US, we are aligned with the Federal Americans with Disabilities Act, under which employees could seek extra accommodation of needs with their respective supervisors.

There were no material non-compliance cases noted in relation to employment laws and regulations during the Reporting Period.

Anti-child and Forced Labour

We prohibit the use of any child and forced labour in any of our operations and services. Labour being forced to work by means of physical punishment, abuse, involuntary servitude, peonage or trafficking is strictly forbidden. Children who are below the legal working age as set by the local Labour Law should not be employed. We also avoid engaging vendors of administrative supplies and services, especially contractors, that are known to employ child or forced labour in their operations.

In the construction management agreement with our construction manager for our property development projects in the U.S., there contains specific language subjecting the agreement to be governed by the laws of the State of New York, providing an extra safeguard against the use of child or forced labour by contractors. In case such unethical labour practices are discovered, we require immediate corrective actions including dismissal of such labour with appropriate compensations. Such requirement also applies to all vendors and subcontractors of the construction manager.

With the above measures, we ensure strict compliance with the Labour Law in Hong Kong and Federal Fair Labour Standards Act (FLSA) monitored by the U.S. Department of Labour. Meanwhile, we regularly review our employment practices to ensure effective control measures are in place (e.g. identity and age verification process) to prevent child and forced labour. Under procurement regulations, federal contractors who supply products and services to our Group pursuant to the Executive Order 13126 have to ensure that goods and services are not procured by forced or indentured child labour. We regularly review our employment practices to ensure effective controls are in place that identify and detect age verification to prevent child and forced labour.

There were no material non-compliance cases noted in relation to labour standards laws and regulations during the Reporting Period.

Responsible Service Supplier

We aspire to be the trusted service supplier of our customers and generate long-lasting value for them, customer satisfaction is one of the main assessment criteria when we evaluate our performance. Thus, we endeavour to act in a responsible manner when dealing with our clients, both existing and prospective, and when producing products and services. We are determined to treat our customers fairly, with fairly produced products and services.

During the Reporting Period, there were no material non-compliance cases noted in relation to product and service responsibilities. Our practices on customer data privacy, product safety and service quality, advertising and labelling, as well as intellectual property right were strictly compliant with all relevant local laws and regulations.

Customer Data Privacy

We respect data privacy of our customers and take responsibilities in protecting our customers, both existing and prospective, in this respect. In our business operations, we maintain a high standard of security and confidentiality in handling the sensitive information we receive and possess, including but not limited to personal data and bank account information. For instance, during the marketing phase of our property development projects, our brokerage team and brokers will collect data from prospective buyers. With great prudence, we ensure strict compliance with relevant data privacy laws and regulations, such as the Personal Data (Privacy) Ordinance (Cap. 486) in Hong Kong, as well as statutory requirements of the U.S. such as the Federal Trade Commission Act (15 U.S.C., 41-58). We also require the same of those working on our behalf, such as our real estate brokerages.

To provide our employees with clear instructions and support them on customer data protection matter, we have established relevant policies and procedures on data collection, data usage, data transfer and data security, with fundamental principles as follows:

Data Collection	Data Usage	Data Transfer	Data Security
Collect customer data only when necessary for conducting business	Use customer data only for the purpose of collection unless new consent is obtained	Prohibit transfer or disclosure of customer data to other parties unless required by law or was previously notified	Maintain appropriate security systems and measures to prevent unauthorised access

Furthermore, within our Group, access right to customer data is defined by departments, positions and projects, to ensure only relevant personnel can access to sensitive customer information.

Product Safety and Service Quality

We are committed to providing customers with quality products and services. We aim at building good corporate reputation by delivering high quality property projects which bring a comfortable living environment and satisfaction to our customers, thereby developing customer loyalty. Prior to making a procurement order, we thoroughly review all construction materials, equipment and components. Further, we have established a set of quality standards to govern different aspects of construction work including the construction work procedures, construction materials and quality of finished components. We are especially concerned with product safety issues of our properties, and we take responsibilities to ensure they are in good conditions before delivery to customers. Property development projects that fail to meet the standards will not be accepted by the Group. On top of strict enforcement, these standards have also been regularly reviewed to maintain awareness and conformance to national and local laws as well as voluntary codes.

As for our investment properties in the U.S., we perform regular inspection and maintenance of building equipment including lifts, lighting and fire extinguishers to ensure they are operating safely and effectively. Periodic fire drills are also conducted to enhance the familiarity with emergency policy and procedures of property workers and tenants.

Advertising and Labelling

We believe customer loyalty is the basis of long-term success of a corporate, where such loyalty is built through continuous, sincere and truthful interaction. Therefore, we adopt ethical sales and marketing practices with customers' interest at heart of the whole process. All information on our advertisements and labelling is reviewed before publication to ensure no false or misleading information is included. We strictly comply with relevant regulations and standards in this respect, and require our property development agent to be compliant during the stage of property sales. Such regulations related to property sales include but not limited to the Regulations Governing Real Estate Syndication Offerings, Conversion of Occupied Residential Property to Cooperative Ownership, Newly Constructed, Vacant or Non-Residential Condominiums and Newly Constructed and Vacant Cooperatives (Part 16, and 20 of Title 13 New York Codes, Rules and Regulations).

Intellectual Property Rights

We respect intellectual property rights. At corporate level, to protect our Group from potential harms due to abuse of intellectual property rights by other parties, we have registered our trademarks in different regions. Specific to our property development project, our agent has carefully negotiated with architects for an irrevocable license to use their design, including any elements and images. Meanwhile, we require our employees in all departments to avoid breaching intellectual property rights while performing job duties, for instance, when drafting documents.

Supply Chain Management

We encourage asset managers, suppliers, consultants and contractors alike to maintain high standards on business ethics and conduct and strive for constant satisfactory environmental and social performance. During the selection and evaluation processes, we adopt a fair basis with defined assessment criteria to ensure that only qualified suppliers, consultants and contractors are engaged with no conflict of interest. Such high standard is also extended to management of our subcontractors, where our construction manager (representing our stake) for the property development project in the U.S. has been involved in the process of subcontractor selection, initiated by our construction manager, at various points to ensure quality and efficiency.

As of 31 December 2024, the Group had a total of 213 major suppliers, including legal advisors, professional service providers and utility companies, 60 of which were in Hong Kong, 3 were located in the Mainland China and 150 were located in the U.S.

Environmental and Social Performance of Suppliers

Further to product quality and pricing, ESG performance is one of the main evaluation criteria throughout our engagement with suppliers. Before initiating contractual relationship with suppliers, we evaluate their ESG performance. Their track record, relevant licenses and operational capabilities in environmental and social aspects will be examined. Use our property development project as an example, our construction manager has aligned with our values on ESG and established the environmental, health and safety program covering different environment and safety protocols including health and safety policy, standards of conduct and project site substance abuse test etc., to ensure construction work is carried out properly with satisfactory ESG performance. After completion of contract and delivery of products and services, we also consider the ESG performance of suppliers for consideration of future cooperation opportunities. Such practices allow us to engage with environmentally and socially responsible suppliers. For instance, our construction manager has developed an environmental management plan to monitor waste, water quality, air quality and other related environmental controls set upon to its respective subcontractors. For light fixtures, we ensure a low mercury content lamp is used when LED replacement is not optional to minimize the adverse impact to our environment. We have also contracted qualified suppliers to recycle all our used lamps, bulbs, and ballasts. We also encourage janitorial suppliers to use green cleaning products and recycle paper products. All our reuse and recycle haulers provide monthly manifests of refuse and mixed recyclables to assess our diversion rate.

Through the described supply chain management mechanism, we are confident in producing quality products and services responsibly. We actively encourage our suppliers to prioritize environmentally and socially preferable products and services. Our commitment extends to ongoing enhancements and expansions of our supply chain management practices, ensuring effective mitigation of environmental and social risks.

Environmental, Social and Governance Report

Responsible Corporate Citizen

We aspire to be a responsible corporate citizen in the community where we operate. While we have the mandate to generate profits for our stockholders, we also aim at providing positive values to community members so to achieve inclusive growth. As such, we endeavour to protect the environment, and support the social and economic development of our community.

As part of our ongoing commitment to environmental protection, we have established targets on emission, waste, energy consumption and water consumption for our Hong Kong operations in 2023, which are presented below:

Aspect[1]	**Target (Hong Kong operations)**
Emission	Reduce petrol consumption intensity by 4.5% by 2030, against the level of 2021 (145 litre per headcount)
Waste[2]	Reduce paper waste generation intensity by 14% by 2030, against the level of 2021 (13.3 kg per headcount)
Energy	Reduce electricity consumption intensity by 2.5% by 2030, against the level of 2021 (1,540 kWh per headcount)

1 Amount of water consumed by Hong Kong operations is immaterial, and relevant data is not available to the Group while water supply and discharge are solely controlled by the building management. Thus, setting water reduction target is considered unnecessary and infeasible.

2 Amount of hazardous waste generated by Hong Kong operations is immaterial, thus setting target for hazardous waste reduction is considered unnecessary.

Relevant initiatives to support the achievement of the targets are discussed in later sections of this chapter. As for our U.S. operations, while GR Realty accounts for a significant amount of environmental impacts, and the data of which have only been reported starting from this financial year, we are in the process of analyzing their operational implications and will establish targets afterward.

Details on the progress of our target are as below:

Aspect	**Target (Hong Kong Operations)**	**2024**[1]
Emission	Reduce petrol consumption intensity by 4.5% by 2030, against the level of 2021 (145 liter per headcount)	Reduced 93%[2] (9.53 litre per headcount)
Waste	Reduce paper waste generation intensity by 14% by 2030, against the level of 2021 (13.3 kg per headcount)	Reduced 58% (5.59 kg per headcount)
Energy	Reduce electricity consumption intensity by 2.5% by 2030, against the level of 2021 (1,540 kWh per headcount)	Increased 22% (1,882 kWh per headcount)

1 As the targets set in 2023 are based on 2021 levels, the evolving business landscape and data limitations have impacted the accuracy of environmental tracking. This year's data is based on the Group's operations, and we will further review and refine the targets accordingly.

2 In 2023, as the Group relocated to the parent company's premise and shared usage of resources, the environmental data of the new office could not be extracted for accurate tracking of environmental target. Hence, the Emission target is not comparable.

The Group has underwent relocation of office in Hong Kong to the parent company's premise in early 2023 in order to enjoy more cost-effective in use of resources and reduction of emission and waste. The Group is at the stage of monitoring the emission, waste, energy consumption for longer time across all our offices and will consider to modify the targets according to our business operation before 2030 for better reflection of our commitment.

Emissions

In accordance with the Group's business segments, we do not have direct and significant air emissions and discharges into water, besides the greenhouse gases emissions and solid wastes (which will be addressed in the subsequent section) generated in our office and investment properties.

Regarding our property development projects in the U.S., they were at different stages ranging from demolition to early construction. While one of the major concerns is dust migration, various control measures have been adopted including the covering of trash removal vehicles, proper storage of dust generating materials and use of water sprinkler system to reduce blowing dust. As for water discharges, the foundations subcontractor employed a holding tank to treat and recycle water on site, in order to prevent site groundwater from being pumped into the city sewer system. As the construction works are outsourced to professional contractors, our Group has no direct control on the construction works and thus the emission data from construction activities are not included in the scope of this Report.

The total greenhouse gases generated by the Group during the Reporting Period, mainly comprising of our electricity used by offices and investment[3] properties, and petrol consumption for commuting purposes, were as below:

Greenhouse gas ("GHG") emission[1] (in tonnes CO_2e)	2024[3]	2023
Direct (Scope 1) Emissions	2.42	60.61
Direct (Scope 1) Emissions Intensity by Headcount[2]	0.03	0.70
Indirect (Scope 2) Emissions	66.04	100.53
Indirect (Scope 2) Emissions Intensity by Headcount	0.78	1.15
Other Indirect (Scope 3) Emissions	1.59	63.66
Other Indirect (Scope 3) Emissions Intensity by Headcount	0.02	0.73

1 Carbon emissions are calculated with reference to the "Reporting Guidance on Environmental KPIs" issued by the Stock Exchange of Hong Kong, the emission factor published by the electricity provider as well as the "UK Government GHG Conversion Factors for Company Reporting" issued by the Department for Business, Energy & Industrial Strategy of the United Kingdom.

2 Unless otherwise specified, intensity in this ESG Report represents the average amount of emission generated/energy consumed per headcount.

3 During the Reporting Period, we did not have any property development projects, therefore GHG emission's data reduced rapidly.

Direct (Scope 1) GHG emissions were mainly resulted from the consumption of petrol by vehicle. Indirect (Scope 2) GHG emissions were mainly resulted from the consumption of electricity. Other indirect (Scope 3) GHG emissions were mainly resulted from construction waste, with use of paper having an insignificant contribution.

Despite having only minimal direct emissions, our Group strives to reduce the greenhouse gases generated from our operations so as to relieve the climate change. Our Hong Kong operations are monitored under the controls of the Environment Bureau, while our U.S. operations are fully aligned with the monitoring under the U.S. Environmental Protection Agency. In line with the Group's stance in this respect, our construction manager has implemented different measures as mentioned above to ensure full compliance with applicable laws and regulations including the NYC Building Code.

Wastes

We uphold the principles of waste management. Practices established for proper handling and disposal of all wastes from our business activities comply with relevant laws and regulations, such as the Waste Disposal Ordinance (Cap. 354) of Hong Kong and the Resource Conservation and Recovery Act (RCRA) Regulations of the U.S. in handling non-hazardous waste, in all material respects. There were no material non-compliance cases noted in relation to environmental laws and regulations for the Reporting Period.

We will continue to reduce, reuse and recycle throughout our operations to divert disposal of wastes to the landfill for counties that participate in recycling. Green office practices such as encouraging double sided printing, sharing of common printer in offices, reducing copying and promoting the use of recycled papers are implemented to minimise our generation of wastes. In addition, appropriate facilities such as recycling bins are provided in our offices to facilitate source separation and waste recycling. We recycle lamps, batteries and have demonstrated a steady increase in our diversion rate from the landfill to recycling centres.

During the Reporting Period, the major type of non-hazardous waste generated directly by the Group was office general waste, which accounted for roughly 76% of the total non-hazardous waste generated. Other non-hazardous wastes generated included plastic, metal cans and general waste. They were resulted from our offices and investment properties operations. Hazardous wastes primarily included batteries, fluorescence tubes and wastes from electronic and electrical equipment.

Total non-hazardous wastes and hazardous wastes disposed and recycled were shown as below:

Office/Investment Properties Non-hazardous Waste (in kg)	2024	2023
Total Disposal[1]	2,205.05	1,536.70
Total Disposal Intensity by Headcount	25.94	17.66
Total Recycling	3,849.55	1,456.80
Total Recycling Intensity by Headcount	45.29	16.74

Office/Investment Properties Hazardous Waste (in kg)	2024	2023
Total Disposal[1]	0.00	3.89
Total Disposal Intensity by Headcount	0.00	0.05
Total Recycling	721.51	36.12
Total Recycling Intensity by Headcount	8.49	0.42

1 The purchase quantity, excluding the amount recycled, of the above item by our Group during the Reporting Period is considered as the amount disposed.

During the Reporting Period, for non-hazardous waste, both paper disposal and recycling volumes increased compared to 2023, due to higher paper usage and increased recycling efforts in the LA office; for hazardous waste, we recycled fluorescent lamps every 2-3 years, with a significant volume processed in 2024 due to cost efficiencies in storage and bulk disposal.

We will continue to reduce, reuse and recycle throughout our operations to minimize the disposal of wastes to the landfill. Green office practices such as encouraging double-sided printing and copying and promoting the use of recycled papers are implemented to minimize the disposal of wastes. In addition, appropriate facilities such as recycling bins are provided in our offices to facilitate source separation and waste recycling. For our office in Manhattan, administrative wastes are limited through leveraging on pooled resources, such as shared printers and other common facilities, and use of recycled paper, metal and plastics. As for our investment properties in the US, we also recycle lamp and batteries where possible.

During the Reporting Period, we did not have any property development projects and therefore we did not generate any construction waste.

Use of Resources

We recognize the scarcity of resources and we are committed to conserve resources for environmental and operating efficiency purposes. We have implemented multiple measures to enhance energy efficiency, for instance, in order to reduce electrical consumption, we have replaced inefficient incandescent and fluorescent lighting with LED lighting, installed occupancy sensors and day-light harvesting ballasts, etc. When replacing obsolete equipment, we will investigate options to decide based on durability and energy efficiency. Water conservation is addressed with low flow fixtures in the restrooms. Irrigation where installed is controlled by smart meters with valves to automatically shut off and notify the team of potential breaks in the line when detect high flow rates. Our property landscape areas are planted with drought tolerant, native plants to reduce water consumption. Through actively monitoring and managing the use of resources, we aim to reduce our operating costs as well as our carbon footprints. In the meanwhile, most of our properties use Energy Star as the baseline for measuring electrical and water usage in the U.S. We will continue to make improvements. To echo with the National Sourcing Programme in the U.S., most of our properties have deployed waste management for refusing and recycling. Due to our business nature, the use packaging materials is immaterial. Please see the details of energy and water consumptions as discussed below.

During the Reporting Period, the types of energy we consumed directly for operations were mainly electricity and petrol:

Electricity (in kWh)	**2024**	**2023**
Consumption	171,276	256,193
Consumption Intensity by Headcount	2,015	2,944

Total electricity consumption across the Group in 2024 was 171,276 kWh. In 2024, some business points were replaced with smaller offices. Additionally, one of our multi-tenant office buildings in the U.S. was disposed in August 2024, contributing to a reduction in electricity consumption.

Fuel	**2024**	**2023**
Petrol Consumption (litre)	867	22,451
Petrol Consumption Intensity by Headcount (litre)	10	258
Natural Gas Consumption (cubic meter)	28.91	24.47
Natural Gas Consumption Intensity by Headcount (cubic meter)	0.34	0.28

In 2024, the Group is proactively implementing strategic measures to minimize petrol consumption, demonstrating its commitment to sustainability and operational efficiency.

Our Group has executed various initiatives throughout our operations. For offices in Hong Kong, we have implemented policy on switching off idle lightings and electrical appliances, as well as deploying energy efficient devices which carry Energy Label issued by the Electrical and Mechanical Services Department. These initiatives successfully reduced electricity consumption from our business activities.

For our investment properties in the U.S., we have undertaken multiple initiatives to enhance energy efficiency. This includes the replacement of inefficient incandescent and fluorescent lighting with LED lighting, and the installation of occupancy sensors and day-light harvesting ballasts to reduce electricity consumption. In addition, we sought to limit energy usage during the construction period through the deployment of low energy-use LED fixtures for temporary lightings. We seek efforts to reduce carbon emissions by transitioning to LED lamps, incorporating occupancy sensors in new construction, using low VOC paints, and upgrading restroom fixtures with automatic functions to conserve water and promote a more hygienically clean restroom. To accurately monitor the electricity usage, motion sensors and timeclocks are employed.

Moreover, we have upgraded to MERV 10, 11 or 13 filtration system since 2021 which can capture finer particles and cleans contaminants from the air. We also have our heating, ventilation and air conditioning ("**HVAC**") systems enhanced to more efficient units that aid in reducing emissions and help prevent refrigerant leaks. All janitorial paper products and cleaning products are Forest Stewardship Council and Green Seal certified products respectively. Bin liners used are eco-friendly and biodegradable. We have completed an outdoor patio project that encourages tenants to utilize outdoor space for solar powered ports. To promote green awareness of our tenants, we have launched an annual garden project whereby each tenant is able to utilize a planter for growing their fruits and vegetables. Electric car charging stations are also installed in our properties to promote the use of electric vehicles.

Regarding the use of water, our investment properties operations in the U.S. contributed the majority of consumption. While our offices in Hong Kong and the U.S. also incurred water use, the amount of which could be considered immaterial due to limited number of staff and the nature of our Group's businesses. Details of water consumption during the Reporting Period are shown below:

Water (in cubic meter)	**2024**	**2023**
Consumption	347	885
Consumption Intensity by Headcount	4.18	10.20

The water consumption in 2024 was 347 cubic meters. In 2024, some business points were replaced with smaller offices. Additionally, one of our multi-tenant office buildings in the U.S. was disposed in August 2024, contributing to a reduction in water consumption.

Throughout the year, our commitment to water conservation was reinforced through the implementation of additional workplace initiatives. We encourage employees to reduce water use by placing reminder signs in the pantry as well as toilets. We also advocate reuse of water for non-edible purposes, for example, watering plants with the same water used for washing produce, collecting used water for floor cleaning, etc. These endeavours have achieved satisfactory results in water conservation. Meanwhile, the same set of measures applies to our U.S. operations which meet the requirement of the Plumbing and NYC Water Conservation Code.

Regarding our investment properties operations, water conservation is addressed with low flow fixtures in the restrooms and the breakrooms. Irrigation, where installed is controlled by smart meters with flow meters to detect abnormal flow rates. They will shut down the system and notify the team of potential breaks in the line. Some of our investment properties have also installed drought tolerant and native plants in the landscaping areas. As for our property development projects in the U.S., since we have no direct control over the consumption of water used for construction by the contractors, relevant data are not in the scope of this Report.

Environmental Impact

As an ongoing commitment to good corporate citizenship, we recognize the responsibility in minimizing the negative environmental impact of our business operations and our investment portfolio, in order to achieve a sustainable development for generating long-term values to our stakeholders and community as a whole.

We regularly assess the environmental risks of our business, review the environmental practices and adopt preventive measures as necessary to reduce the risks. For our U.S. operations, we have also required our contractors and subcontractors to implement the following policies in managing the impacts to the environment for the following factors:

Noise: All construction activities are required to be performed during normal day time work hours (generally 7am to 5pm), in compliance with all the laws and ordinances of the NYC Construction Code. In event of construction activities needed outside of normal work hours, the construction manager will request for permit (After Hours Variance Permit) from the NYC Building Department and provide noise mitigation plan accordingly.

Safety: Temporary lights are also provided at all locations of the sidewalk bridging to ensure sufficient lighting.

Coordination with NYC Agencies: the Owner's Agent consults extensively with all City Agencies and requires all contractors to meet all agency requirements throughout the construction period.

Construction Pollution: The potential for construction pollution to the immediately adjacent sites and streets via dust, mud and debris is a noted concern. Our construction manager is required to fully address these issues, maintain a clean work site and meet all the requirements of the NYC Building Code which delineates requirements in specific details.

We also strive to reduce environmental impact through our investment properties operations. For instance, all janitorial paper products provided in our investment properties are FSC (Forest Stewardship Council) certified, all cleaning products are Green Seal Certified Products, Bin liners used are Eco Smart, and break down in nature.

Climate Change

We recognize that climate change poses risks to our business operations. In particular, the physical risks brought by typhoons, heavy rainstorms, flooding and high wind events pose threats to our property development projects and investment properties in both Hong Kong and the U.S., leading to increase repairing costs and other business operation disruption.

Each of these events has the potential for property damage, and injury to construction workers or the public. Measures to mitigate these risks are implemented in different phases of project development including building design, construction work planning and during construction to protect the properties and construction workers. For instance, to mitigate the potential impact of flooding, all new construction projects are designed to be above the flood plane; in response to potential storms/high wind events, façade engineers are hired to document project requirements for the façade of the building including wind loads and pressures. The Group plans to implement regular consultation checking to prevent major losses.

For instance, a severe rainstorm has led to a water system backup into the garage drains, which shows the vulnerability of the building to heavy rainfall. Despite a detention tank was incorporated into the design, there is a concern that the tank could be overwhelmed during extreme weather events. To address this, we are considering the installation of on-site auxiliary pumps to mitigate the potential impacts.

In addition to physical risks, we also face transitional risks as the global economy moves towards sustainability. The real estate industry accounts for nearly 40% of global carbon emissions, making it particularly vulnerable to rising costs associated with carbon emissions, high energy expenses, strict building regulations, and shifting consumer expectations. Stricter policies on energy efficiency and emissions may require significant investments in retrofitting properties and ensuring compliance. Delays in adopting green technologies could reduce competitiveness, while reputational risks may arise if stakeholders view the company as lagging in sustainability efforts. To address these challenges, we plan to integrate sustainability principles, prioritize energy-efficient retrofitting, and adopt advanced green technologies to align with evolving regulations and market demands.

Anti-Corruption, Fraud and Money Laundering

We aim to maintain the highest standards of openness, uprightness and accountability, and such high standards of ethical, personal and professional conduct are reflected upon all our employees. We do not tolerate corruption, bribery, extortion, money-laundering and other fraudulent activities in connection with any of our business operations. These are strictly enforced in our employee handbook, and in full compliance with the Prevention of Bribery Ordinance (Cap. 201) enforced by the Hong Kong Independent Commission Against Corruption in Hong Kong, and with the Foreign Corrupt Practices Act in the U.S. Established control, such as a whistle-blowing mechanism, is in place as a private and confidential communication channel for external and internal parties to report suspicious fraudulent actions to the our management directly. Ongoing review of the effectiveness of the internal control systems is conducted on a regular basis in preventing the occurrence of corruption activities. In 2024, the Group has provided anti-corruption trainings through webinars and awareness refresher materials to the Board and employees from time to time.

There were no material non-compliance cases noted in relation to corruption-related laws and regulations during the Reporting Period.

Community Investment

As part of our commitment to responsible corporate citizenship, we actively engage in promoting social contributions to the local communities in which we operate. We take pride in our role as industry players that make positive contributions to the local community. We place great emphasis on cultivating social responsibility awareness among our staff and encouraging them to better serve our community at work and during their personal time. We remain committed to support our employees to organize and participate in charitable activities that align with our core values.

In addition, we fully supports our employees in fulfilling civic responsibilities and social obligations through serving jury duty and witness duty when required. Employees are also encouraged to participate in voting and polling in expressing their political interests and views. Further, we have been involved in cultural preservation. During the demolition stage of our property development project in the U.S., the Owner's Agent had engaged with preservation contractors in the preservation of a piece of historic artwork that was originally part of the area slated for demolition. The preserved art piece was later transferred for permanent preservation. We will continue to identify positive ways to engage the community.

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KPI A1.3	Responsible Corporate Citizen (46-54)	
KPI A1.4	Responsible Corporate Citizen (46-54)	
KPI A1.5	Responsible Corporate Citizen (46-54)	
KPI A1.6	Responsible Corporate Citizen (46-54)	
Aspect A2: Use of Resources		
General Disclosure	Responsible Corporate Citizen (46-54)	
KPI A2.1	Responsible Corporate Citizen (46-54)	
KPI A2.2	Responsible Corporate Citizen (46-54)	
KPI A2.3	Responsible Corporate Citizen (46-54)	
KPI A2.4	Responsible Corporate Citizen (46-54)	
KPI A2.5	Responsible Corporate Citizen (46-54)	Packaging material used is an immaterial issue to the Group
Aspect A3: The Environment and Natural Resources		
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General Disclosure	Responsible Employer (35-42)	
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Aspect B2: Health and Safety		
General Disclosure	Responsible Employer (35-42)	
KPI B2.1	N/A	No such case concluded or noted during Reporting Period
KPI B2.2	Responsible Employer (35-42)	
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General Disclosures and KPIs	Reference (Page Number)	Remarks
Social		
Aspect B3: Development and Training		
General Disclosure	Responsible Employer (35-42)	
KPI B3.1	Responsible Employer (35-42)	
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Aspect B4: Labour Standards		
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KPI B4.1	Responsible Employer (35-42)	
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Aspect B5: Supply Chain Management		
General Disclosure	Responsible Service Supplier (43-45)	
KPI B5.1	Responsible Service Supplier (43-45)	
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KPI B5.3	Responsible Service Supplier (43-45)	
KPI B5.4	Responsible Service Supplier (43-45)	
Aspect B6: Product Responsibility		
General Disclosure	Responsible Service Supplier (43-45)	
KPI B6.1	N/A	Not applicable
KPI B6.2	Responsible Service Supplier (43-45)	No such case concluded or noted during Reporting Period
KPI B6.3	Responsible Service Supplier (43-45)	
KPI B6.4	Responsible Service Supplier (43-45)	
KPI B6.5	Responsible Service Supplier (43-45)	
Aspect B7: Anti-corruption		
General Disclosure	Responsible Corporate Citizen (46-54)	
KPI B7.1	Responsible Corporate Citizen (46-54)	No such case concluded or noted during Reporting Period
KPI B7.2	Responsible Corporate Citizen (46-54)	
KPI B7.3	Responsible Corporate Citizen (46-54)	
Aspect B8: Community Investment		
General Disclosure	Responsible Corporate Citizen (46-54)	
KPI B8.1	Responsible Corporate Citizen (46-54)	
KPI B8.2	Responsible Corporate Citizen (46-54)	

CORPORATE GOVERNANCE PRACTICES

The board of directors (the "**Director(s)**" or the "**Board**") of Gemini Investments (Holdings) Limited (the "**Company**") is committed to establish and maintain high standards of corporate governance — the process by which the Company is directed and managed, risks of the Company and its subsidiaries (the "**Group**") are identified and controlled, and accountability to all shareholders of the Company (the "**Shareholders**") is assured.

This corporate governance report (the "**Corporate Governance Report**") is to outline the major principles of the Company's corporate governance. Shareholders are encouraged to make their views known to the Group if they have issues with the Company's corporate governance and to directly raise any matters of concern to the chairman of the Board (the "**Chairman**" or the "**Chairman of the Board**").

For the year ended 31 December 2024 (the "**Year**"), the Company has complied with the applicable code provisions (the "**Code Provisions**") as set out in Part 2 of Appendix C1 (Corporate Governance Code) ("**CG Code**") to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as and when they were/are in force, except for Code Provision C.2.7.

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

CORPORATE CULTURE

Purpose, Scope and vision

The Group specializes in real estate investment and management, through adding strategic value to our investors and partners, especially in the core real estate market in the United States (the "**U.S.**"), and bay areas around the world. With successful experience in the U.S., and strong connections in Hong Kong and mainland China, the Group aims to build upon our proven track records, and to offer investors and partners privileged access to the international real estate market and tailor-made services.

The Group adopts integrity and progressiveness strategy to promote the desired culture to support the Group's pursuit of success. The relevant functional teams including accounting and compliance are adequately empowered and resourced to work collaboratively, and reported to the Board regularly.

Corporate Governance Report

Integrity

The Group strives to develop business in a trustworthy way, establishes faithful and ethical long term relationship with its investors and stakeholders, and upholds to its commitments. The Group has established various internal policies including inside information policy, codes of conduct and whistleblowing policy. These internal policies are distributed to the employees annually setting out the behaviors and conducts expected from the employees.

Progressiveness

The Group always aims at creating and maximizing value for its stakeholders. Throughout periodically management meetings, executive Directors and senior management are involved to figure out ways for improvement for its existing business and formulate strategies to cope with the ever-changing world. Directors' trainings are held each year to refresh the Directors' knowledge and provide an opportunity for them to exchange ideas and opinion. The Group also welcomes voices from employees at all levels and encourages open dialogues. Externally, stakeholders are welcome to express their concern and comments through various channels including emails, phones and general meetings, etc.

BOARD OF DIRECTORS

Board composition

As at 31 December 2024, the Board consisted of a total of seven members, including three executive Directors whereas one of whom was the Chairman, one non-executive Director, and three independent non-executive Directors.

During the Year, a total of four regular board meetings and one annual general meeting (the "**AGM**" which was held on 30 May 2024) of the Company were held. The individual attendance record of each Director at such meetings is tabulated as follows:

	Number of meetings attended/held	
	Board Meetings	**AGM**
Directors		
Mr. SUM Pui Ying (ED) (Chairman)	4/4	1/1
Mr. LAI Kwok Hung, Alex (ED) (Chief Executive Officer)	4/4	1/1
Ms. LAM Yee Lan (ED)	4/4	1/1
Mr. TANG Runjiang (NED)	4/4	1/1
Mr. LO Woon Bor, Henry (INED)	4/4	1/1
Ms. CHEN Yingshun (INED) *(resigned on 20 April 2024)*	1/1	N/A
Mr. LEE Sai Kai, David (INED)	4/4	1/1
Mr. LEUNG Wai Hung (INED) *(appointed on 20 April 2024)*	3/3	1/1

Notes:

ED Executive Director
NED Non-Executive Director
INED Independent Non-Executive Director

All the Directors have access to relevant and timely information. They also have access to the advice and services of the company secretary of the Company (the "**Company Secretary**"), who is responsible for providing the Directors with Board papers and related materials. Where queries are raised by the Directors, prompt and full responses will be given if possible.

Should a potential material conflict of interest involving a substantial Shareholder or a Director arise, the matter will be discussed in a physical Board meeting, as opposed to being dealt with by a written resolution. Independent non-executive Directors with no conflict of interest will be present at meetings dealing with such conflict issues.

Independent non-executive Directors are identified in all corporate communications containing the names of the Directors. An updated list of the Directors identifying the independent non-executive Directors and the roles and functions of the Directors is maintained on the website of the Company at www.geminiinvestments.com.hk and the website of the Stock Exchange.

Roles and responsibilities

The Board is collectively responsible for promoting the success and interest of the Group through its leadership and supervision. The principal tasks of the Board are to:

— provide entrepreneurial leadership for the Company with a framework of prudent and effective controls which enable risks to be assessed and managed;

— set the Company's purpose, values and strategy and establish a culture in alignment with the Company's purpose, values and strategy;

— ensure that the necessary financial and human resources are in place for the Company to meet its objectives and review its management performance; and

— set the Company's values and standards and ensure that its obligations to its Shareholders and others are understood and met.

No event or condition of material uncertainties was found that may cast significant doubt about the Company's ability to continue as a going concern during the Year. The Directors were responsible for the preparation and the true and fair presentation of the financial statements of the Company, in all material respects, in accordance with applicable regulatory requirements.

Division of responsibilities between the Board and management

While the Board is responsible for directing and approving the Group's overall strategies, the Group also has formed strong management teams in its business areas, with authority and responsibility for developing and exercising both operational and non-operational duties. The management team members of the Group have a wide range of skills, knowledge and experience necessary to govern the Group's operations. All management team members are required to report directly to the Chief Executive Officer on a regular basis to report business performance and operational and functional issues of the Group. This will allow the Group's management to allocate resources more efficiently for its decision-making and facilitate its daily operations.

Corporate Governance Report

The Board and the Group's management fully appreciate their respective roles and are committed to good corporate governance. The Board is responsible for overseeing the processes by which the management identifies business opportunities and risks. The Board's role is not to manage the day-to-day business operations of the Group. The Board delegates the authority and responsibility for implementing the day-to-day operations, business strategies and management of the Group's businesses to the executive Directors, senior management and certain specific responsibilities to the Board committees.

The Board has set up a formal schedule for the Board's decisions, which include establishment of the Group's long term objectives and commercial strategy, changes of the Group's corporate structure, approval of material transactions, corporate governance and internal control. Matters which the Board considers suitable for delegation to its committees are contained in the specific terms of reference of its committees. The terms of reference clearly define the powers and responsibilities of the Board committees. In addition, the Board will receive reports and/or recommendations from time to time from the Board committees on any matter significant to the Group.

Training

Each newly appointed Director, executive or non-executive, is required to undertake an induction program to ensure that he/she has a proper understanding of his/her duties and responsibilities.

Pursuant to the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. During the Year, the Directors participated in the following continuous professional development activities:

Directors	**Type of training** (notes)
Mr. SUM Pui Ying (ED) (Chairman)	a, b
Mr. LAI Kwok Hung, Alex (ED) (Chief Executive Officer)	a, b
Ms. LAM Yee Lan (ED)	a, b
Mr. TANG Runjiang (NED)	a, b
Mr. LO Woon Bor, Henry (INED)	a, b
Ms. CHEN Yingshun (INED) *(resigned on 20 April 2024)*	a, b
Mr. LEE Sai Kai, David (INED)	a, b
Mr. LEUNG Wai Hung (INED) *(appointed on 20 April 2024)*	a, b

Notes:

a. attending seminar or training session

b. reading newspapers, journals and updates relating to economy, general business or directors' duties and responsibilities etc.

Directors' and officers' liability insurance and indemnity

The Company has arranged appropriate liability insurance to indemnify its Directors and officers in respect of legal actions against the Directors and officers. Throughout the Year, no claim had been made against the Directors and the officers of the Company.

Independent advice

The Board and its committees may seek advice from independent professional advisors whenever it considers appropriate. Each Director, with the consent of the Chairman of the Board and/or the chairman of the audit committee of the Company, may seek independent professional advice on matters connected with the Company to perform his/her responsibilities, at the Group's expense. No Director had exercised his/her right for independent professional advice during the Year.

Independent views available to the Board

The Board has established mechanisms to ensure independent views and input are available to the Board. A summary of these mechanisms is set out below:–

(i) Composition

The Board ensures the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors (or such higher threshold as may be required by the Listing Rules from time to time), with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, independent non-executive Directors will be appointed to Board committees as required under the Listing Rules and as far as practicable to ensure independent views are available.

The presence of three independent non-executive Directors, representing more than one-third of the Board, provides the Group with diversified expertise and experience. Their views and participation in the Board and committee meetings bring independent judgment and advice to the Board on issues relating to the Group's strategies, performance and management process.

(ii) Independence Assessment

The Nomination Committee strictly adheres to the director nomination policy of the Company with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure that they can continually exercise independent judgement.

(iii) Compensation

No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

(iv) Board Decision Making

Independent non-executive Directors are entitled to seek further information from the management on the matters to be discussed at Board meetings and, where necessary, independent advice from external professional advisers at the Company's expense.

A Director (including independent non-executive Director) who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

(v) Meetings with senior management

All independent non-executive Directors can share their views and opinions through regular/ad hoc meetings with senior management.

Presentation on business performance would be arranged from time to time or upon request for independent non-executive Directors, providing opportunities for them to express their independent views and inputs on management process and business performance.

During the Year, the Board at all times met the requirements of the Listing Rules relating to the appointment of independent non-executive Directors as mentioned in item (i) above.

The Company has received confirmation in writing of independence from each of the independent non-executive Directors and considers them to be independent in accordance with the guidelines set out in Rule 3.13 of the Listing Rules, and be free of any relationship that could materially interfere with the exercise of their independent judgements.

The Board reviewed the implementation and effectiveness of the above mechanisms on an annual basis and considered the same remain effective to ensure independent views and inputs are available to the Board.

Relationships and associations among the Directors

There was no relationship between members of the Board (including financial, business, family or other material/relevant relationship(s)).

Chairman and Chief Executive Officer

The Code Provision C.2.1 of the CG Code stipulates that the roles of the Chairman of the Board and the Chief Executive Officer should be separate and should not be performed by the same individual, and that the division of responsibilities between the Chairman and the Chief Executive Officer should be clearly stated. The Company supports such a division of responsibilities between the Chairman and the Chief Executive Officer in order to ensure a balance of power and authority. The positions of the Chairman and the Chief Executive Officer are segregated and are currently held by Mr. SUM Pui Ying and Mr. LAI Kwok Hung, Alex respectively. These positions have clearly defined separate responsibilities.

The main responsibility of the Chairman is to lead the Board and manage its work to ensure that it effectively operates and fully discharges its responsibilities. Supported by the members of committees of the Board, the Chief Executive Officer is responsible for the day-to-day management of the Group's business, recommending strategies to the Board, and determining and implementing operational decisions.

Appointment, re-election and removal

The current service agreement of Mr. SUM Pui Ying as an executive Director has a term of 1 year commencing from 9 August 2024, subject to early termination by either party giving the other not less than 2 months' prior notice in writing. Under the above service agreement, the remuneration of Mr. SUM is HK$250,000 per annum.

The current service agreement of Mr. LAI Kwok Hung, Alex as an executive Director has a term of 1 year commencing from 9 August 2024, subject to early termination by either party giving the other not less than 2 months' prior notice in writing. Under the above service agreement, the remuneration of Mr. LAI is HK$250,000 per annum.

The current service agreement of Ms. LAM Yee Lan as an executive Director has a term of 1 year commencing from 15 June 2024, subject to early termination by either party giving the other not less than 2 months' prior notice in writing. Under the above service agreement, the remuneration of Ms. LAM is HK$250,000 per annum.

The current service agreement of Mr. TANG Runjiang as a non-executive Director has a term of 1 year commencing from 1 March 2025, subject to early termination by either party giving the other not less than 2 months' prior notice in writing. Under the above service agreement, the remuneration of Mr. TANG is HK$250,000 per annum.

Mr. LO Woon Bor, Henry as an independent non-executive Director renewed his appointment letter with the Company for a term of 1 year commencing from 2 January 2025, subject to early termination by either party giving the other not less than 1 month's prior notice in writing. Under the above appointment letter, the remuneration of Mr. LO is HK$250,000 per annum.

Mr. LEE Sai Kai, David as an independent non-executive Director renewed his appointment letter with the Company for a term of 1 year commencing from 13 October 2024, subject to early termination by either party giving the other not less than 1 month's prior notice in writing. Under the above appointment letter, the remuneration of Mr. LEE is HK$250,000 per annum.

Mr. LEUNG Wai Hung as an independent non-executive Director entered into an appointment letter with the Company for a term of 1 year commencing from 20 April 2024, subject to early termination by either party giving the other not less than 1 month's prior notice in writing. Under the above appointment letter, the remuneration of Mr. LEUNG was HK$180,000 per annum, which was further adjusted to HK$250,000 per annum with effect from 1 June 2024.

During the Year, Mr. LEUNG Wai Hung, who was appointed as an independent non-executive Director on 20 April 2024, had obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 12 April 2024 as regards the requirements under the Listing Rules that are applicable to him as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange, and had confirmed he understood his obligations as a director of a listed issuer.

All Directors are subject to retirement by rotation and re-election at the AGM at least once every three years pursuant to the Articles of Association of the Company (the "**Articles**"). Pursuant to Article 116 of the Articles, Mr. LAI Kwok Hung, Alex, Ms. LAM Yee Lan and Mr. LO Woon Bor, Henry will retire from office of the Board by rotation at the forthcoming AGM and offer themselves for re-election.

BOARD COMMITTEES

The Board has set up four board committees, namely, the audit committee, the remuneration committee, the nomination committee and the investment committee (collectively the "**Board Committees**"), for overseeing particular aspects of the Company's affairs. The table below provides membership information of these committees on which each Board member served during the Year.

Board Committee	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Investment Committee**
Directors				
Mr. SUM Pui Ying (ED)	—	—	C	C
Mr. LAI Kwok Hung, Alex (ED)	—	—	—	M
Mr. TANG Runjiang (NED)	M	—	—	M
Mr. LO Woon Bor, Henry (INED)	M	M	M	—
Ms. CHEN Yingshun (INED) *(resigned on 20 April 2024)*	M	M	M	—
Mr. LEE Sai Kai, David (INED)	C	C	M	M
Mr. LEUNG Wai Hung(INED) *(appointed on 20 April 2024)*	M	M	M	—

Notes:

C Chairman of the relevant Board committee
M Member of the relevant Board committee
ED Executive Director
NED Non-Executive Director
INED Independent Non-Executive Director

The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

The attendance of each individual committee member at the Board Committee meetings held during the Year is summarised below.

	Number of meetings attended/held			
Board Committee	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**Investment Committee**
Directors				
Mr. SUM Pui Ying (ED)	—	—	1/1	1/1
Mr. LAI Kwok Hung, Alex (ED)	—	—	—	1/1
Mr. TANG Runjiang (NED)	3/3	—	—	1/1
Mr. LO Woon Bor, Henry (INED	3/3	1/1	1/1	—
Ms. CHEN Yingshun (INED) *(resigned on 20 April 2024)*	1/1	1/1	1/1	—
Mr. LEE Sai Kai, David (INED)	3/3	1/1	1/1	1/1
Mr. LEUNG Wai Hung(INED) *(appointed on 20 April 2024)*	2/2	0/0	0/0	—

Nomination Committee

The nomination committee of the Board (the "**Nomination Committee**") meets formally at least once a year.

The Nomination Committee leads the process and makes recommendations for appointments to the Board, whether as additional appointment or to fill up the casual vacancy of directorship as and when they arise, in light of the business development and requirements of the Company. In evaluating and selecting candidate(s) for directorship, the Nomination Committee considers the criteria of nomination and appointment of the directors as sets out in the director nomination policy of the Company, which include but not limited to the character and integrity; skills and expertise; professional and educational backgrounds; potential time commitment for the board and/or committee responsibilities; and the elements of the board diversity policy of the Company etc.. If the nomination process yields one or more desirable candidates, the Nomination Committee will rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable). The Nomination Committee will then make recommendation to the Board to appoint the appropriate person among the candidates nominated for directorship. Suitable candidate(s) shall be appointed by the Board in accordance with the Articles and the Listing Rules.

In case of re-appointments of members of the Board at general meetings of the Company, the Nomination Committee will review the overall contribution and service to the Company of the retiring Director and his/her level of participation and performance on the Board, as well as whether the retiring Director continues to meet the nomination and appointment criteria as set out in the director nomination policy of the Company, prior to making recommendations to the Board for its consideration and recommendations to the Shareholders.

One Nomination Committee meeting was held during the Year. The following is a summary of the work performed by the Nomination Committee during the Year:

(a) reviewing and evaluating the structure, size and composition (including the skills, knowledge and experience) of the Board to complement the Company's corporate strategy;

(b) reviewing and recommending the appointment of Mr. LEUNG Wai Hung as an independent non-executive Director and his terms of appointment;

(c) reviewing and recommending the re-appointment of the retiring Directors at the annual general meeting of the Company held on 30 May 2024;

(d) assessing independence of the independent non-executive Directors;

(e) reviewing and recommending the renewal of (i) the director's service agreement of Mr. SUM Pui Ying, Mr. LAI Kwok Hung, Alex, Ms. LAM Yee Lan and Mr. TANG Runjiang; and (ii) the appointment letters of Mr. LO Woon Bor, Henry and Mr. LEE Sai Kai, David; and

(f) reviewing the implementation and effectiveness of the board diversity policy of the Company.

According to the written terms of reference of the Nomination Committee which can be viewed on the website of the Company at www.geminiinvestments.com.hk and the website of the Stock Exchange, the major responsibilities of the Nomination Committee include:

(a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

(b) to identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships;

(c) to assess the independence of the independent non-executive Directors; and

(d) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman of the Board and the Chief Executive Officer.

Remuneration Committee

The remuneration committee of the Board (the "**Remuneration Committee**") had met once during the Year. Its primary objective is to ensure that the Company can recruit, retain and motivate high-calibre staff in order to reinforce the success of the Company and create value for its Shareholders.

According to the written terms of reference of the Remuneration Committee which can be viewed on the website of the Company at www.geminiinvestments.com.hk and the website of the Stock Exchange, the Remuneration Committee has adopted the model to make recommendations to the Board on the remuneration packages of individual executive Director(s) and senior officers of the Company including benefits in kind, pension rights and compensation payment comprising any compensation payable for loss or termination of their office or appointment. It also makes recommendations to the Board on the remuneration of non-executive Directors. Its principal role is to assist the Board to oversee the policy and structure of the remuneration of the executive Director(s) of the Company and senior officers of the Group.

The following is a summary of work performed by the Remuneration Committee during the Year:

(a) reviewing and recommending the policy and structure of the remuneration of the Directors and senior officers of the Group to the Board;

(b) assessing individual performance of the Directors and senior officers of the Group;

(c) reviewing specific remuneration packages of the Directors and senior officers of the Group with reference to the Board's corporate goals and objectives as well as individual performances;

(d) reviewing and making recommendations to the Board on compensation-related issues;

(e) reviewing and recommending the renewal of (i) the director's service agreement of Mr. SUM Pui Ying, Mr. LAI Kwok Hung, Alex, Ms. LAM Yee Lan and Mr. TANG Runjiang; and (ii) the appointment letters of Mr. LO Woon Bor, Henry and Mr. LEE Sai Kai, David; and

(f) reviewing and recommending the terms of appointment of Mr. LEUNG Wai Hung as an independent non-executive Director.

Principles of remuneration policy

The principles of the Group's remuneration policy:

— were applied to all Directors and senior officers of the Group for the Year and, so far as practicable, shall be applied to them for subsequent years;

— were sufficiently flexible taking into account future changes in the Company's business environment and remuneration practice;

— allowed remuneration arrangement to be designed to support the business strategy of the Group and to align with the interests of the Group's shareholders;

— aimed at setting appropriate reward levels to reflect the competitiveness in the market in which comparable companies and the Group had been operating during the Year so as to retain individuals with outstanding performance;

— maintained performance-related remuneration basis for the executive Directors and senior officers of the Group; and

— required that performance-related remuneration be subject to satisfactory performance over short and long term targets, and the targets be set and assessed in the context of the Group's prospects, the prevailing economic environment in which it operates and the relative performance of comparable companies.

Remuneration structure

Under the above remuneration policy, the remuneration package of each executive Director and senior officer of the Group during the Year was structured to include:

— an appropriate rate of base compensation for the job of each executive Director and senior officer of the Group;

— competitive benefit programs; and

— sets of performance measures and targets for performance-related annual and long-term incentive plans based on the appropriate independent advice and/or an assessment of the interests of Shareholders and taking into account an appropriate balance of risk and reward for the Directors

Audit Committee

The audit committee of the Board (the "**Audit Committee**") had met thrice during the Year. The external auditors, the executive Directors and the Group's financial controller and accounting manager were invited to attend these three Audit Committee's meetings.

In order to perform its duties, the Audit Committee is provided with sufficient resources and is empowered to examine all matters relating to the Group's adopted accounting principles and practices and to review all material financial, operational and compliance controls. Latest terms of reference of the Audit Committee can be viewed on the website of the Company at www.geminiinvestments.com.hk and the website of the Stock Exchange.

The major roles of the Audit Committee include the following:

(a) to act as the key representative body for overseeing the relationship with the external auditors;

(b) to review the Company's annual and interim financial statements; and

(c) to evaluate the effectiveness of the Group's risk management and internal control systems.

The Audit Committee had performed the following work (in summary) for the Year:

— The Audit Committee assisted the Board in assuring the integrity of the Company's financial statements. It evaluated and made recommendations to the Board about the appropriateness of accounting policies and practices, areas of judgment, compliance with Hong Kong Financial Reporting Standards and other legal requirements, and the results of external audit. It reviewed interim and annual financial statements of the Company, reported its work and findings to the Board and made recommendations on specific actions or decision for the Board to consider after each Audit Committee's meeting. Minutes of the Audit Committee's meetings were kept by the Company Secretary and made available to all Directors.

— The Audit Committee also managed the relationship with the external auditors on behalf of the Board. It made recommendation to the Board on the appointment of the external auditors and the relevant terms of engagement, including remuneration. The Audit Committee was required to review the integrity, independence and objectivity of the external auditors. Also, it examined the external auditors' independence including its engagement of non-audit services. Based on the review of the Audit Committee, the Board was satisfied that the external auditors were independent. The external auditors had also expressed an opinion on their reporting responsibilities in the "Independent Auditor's Report" set out on pages 78 to 83 of this annual report.

— The Audit Committee was required to ensure that the risk management and internal control systems of the Group were in place for identifying and managing risks. The Audit Committee had reviewed the risk management and internal control systems of the Group and the effectiveness of the Group's internal audit function for the Year. The process used in such review includes discussions with management on risk areas identified by management and principal divisions of the Group, and review of findings and/or reports arising from internal and external audits. The Audit Committee reviewed and concurred with the management's confirmation that the Group's risk management and internal control systems were effective and adequate for the Year. The management's confirmation was endorsed by the Audit Committee and submitted to the Board.

— The Audit Committee reviewed and was satisfied with the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions, as well as those relating to the Company's Environmental, Social and Governance performance and reporting.

DIVERSITY

The Company has adopted a board diversity policy (the "**Board Diversity Policy**"). The Company is committed to achieving diversity and recognizes and embraces the benefits of having a diverse Board to bring in innovation, fresh and broad business perspectives and enhance the decision-making process of the Board.

Pursuant to the Board Diversity Policy, the Company seeks to achieve diversity of the Board through the consideration of a number of factors when selecting candidates to the Board, including but not limited to gender, age, cultural and educational background, professional qualification, skills, knowledge and industry and regional experience of the candidates. Appointments to the Board should ultimately be made based on merits and the contributions that the individual is expected to bring to the Board, with due regard to the benefits of diversity in the Board.

Our Directors have a balanced mix of knowledge and skills, including in management, strategic and business development, investment management, banking, legal, accounting and financial management, and corporate governance. They obtained degrees and prior work experience in various areas including business administration, real estate, investments, law, as well as accounting and financial management.. The Board has three independent non-executive Directors with different industry backgrounds, representing more than one third of the members of the Board. Furthermore, members of the Board have ages ranging from 40 to 62 years old. Taking into account the existing business model and specific needs of the Company as well as the different backgrounds of our Directors, the composition of our Board incorporates the appropriate balance of skills, experience and diversity of perspective, aligned with the Company's businesses, strategy and objectives.

The Company also sees increasing gender diversity at the board level as an essential element in enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. The Company currently has 1 female Director out of 7 Directors. The Board targets to maintain at least one female representation on the Board, and will take opportunities to promote gender diversity and increase the proportion of female members over time as and when suitable candidates are identified. As at 31 December 2024, the percentages of male headcount and female headcount of our Group's workforce (including senior management) were 51% and 49% respectively.

The Company recognizes the importance of gender diversity at the workforce level and will endeavour to ensure that there is gender diversity when recruiting staff at mid to senior level so that it will have a pipeline of female senior management and potential successors to the Board in near future to promote gender diversity of the Board and workforce. As female representation in senior roles throughout the industry and the pool of qualified females keeps growing, the Company expects to have more female members joining our workforce or qualified to sit on the Board in due time.

The Nomination Committee is delegated by the Board to be responsible for reviewing the implementation and effectiveness of the Board Diversity Policy. The Nomination Committee reviewed the Board Diversity Policy on an annual basis and, having taken into account the business model and needs of the Group, considered it remains effective and appropriate for the Company.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance duties as required under the CG Code:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of the Directors and senior officers of the Group;

(c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

(d) to develop, review and monitor the codes of conduct applicable to employees and the Directors; and

(e) to review the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

During the Year, the Board considered the following corporate governance matters:

— review of the compliance with the CG Code;

— review of the effectiveness of the risk management and internal control systems of the Group through the Audit Committee; and

— review of the Environmental, Social and Governance performance and reporting mechanism of the Group.

DIVIDEND POLICY

The Company has adopted a written dividend policy setting out the principles for the Board to determine the appropriate amount of dividend to be distributed. In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth of the Group as well as its shareholders' value. Subject to dividends payable on the outstanding convertible preference shares of the Company, the Company intends to distribute no less than 30% of its annual consolidated net profits attributable to the owners of the Company as dividends to its Shareholders subject to and after taking into consideration of the factors stated in the dividend policy including, inter alia, (i) general financial conditions and financial results; (ii) liquidity position and cash flow situation; (iii) business conditions and strategies; (iv) current and future operations and earnings; (v) capital requirements and expenditure plans; and (vi) any legal restrictions on payment of dividends. The declaration of dividends or recommendation on such payment shall be subject to compliance with all applicable laws and regulations and the Articles.

RISK MANAGEMENT AND INTERNAL CONTROLS

The main features of the risk management and internal control systems of the Group are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established a risk management framework, which consists of the Board, the Audit Committee and the senior management of the Group. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems. The Board, through the Audit Committee, conducts reviews of the effectiveness of such systems as least annually, covering all material controls including financial, operational and compliance controls.

The Group has delegated its accounting department to assist the Board and the Audit Committee in formulating its risk management policy in providing directions in identifying, evaluating and managing significant risks (including environmental, social and governance risks, the "**ESG risks**"). At least on an annual basis, the senior management of the Group identifies risks (including ESG risks) that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

In addition, the Group has engaged an independent professional advisor to assist the Board and the Audit Committee in ongoing monitoring of internal control systems of the Group's operations (excluding operation in the U.S.) and in performing the internal audit functions for the Group. The internal audit functions for operations in the U.S. is assessed by the internal audit department of Gemini-Rosemont Realty LLC. Any deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

Risk management report and internal control report are submitted to the Audit Committee and the Board at least once a year. The Board, through the Audit Committee, had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board in relation to result of risk and internal control review; significant failures (if any) or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems were effective and adequate during the Year.

The risk management and internal control systems of the Group are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. For the year ended 31 December 2024, the Board has received confirmation from management on the effectiveness of the Group's risk management and internal control systems.

WHISTLEBLOWING POLICY

The Board has adopted an internal whistleblowing policy (the "**Whistleblowing Policy**"). The purpose of the Whistleblowing Policy is to ensure that the management of the Group has an awareness of good corporate governance. The whistleblower may provide detailed information about possible improprieties in any matter related to the Group through reporting channels, and report them to the Human Resources Department of the Group or the chairman of the Audit Committee directly. No incident of fraud or misconduct which has a material effect on the Group's financial statements or overall operations for the Year has been discovered or noted during the Year.

ANTI-CORRUPTION

The Group believes that honesty, integrity and fairness are essential components for building credibility and trusts in the Group's business and operations. The Group's codes of conduct are set out in the employee handbook, which provides a guidance on various situations encountered in the performance of duties to ensure that the Company's reputation is not damaged by any acts of fraud, infidelity or corruption.

Our internal control policy requires employees to submit an annual confirmation of committing to comply with related company policies including but not limited to the Group's codes of conduct.

PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group complies with requirements of Securities and Futures Ordinance ("**SFO**") and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as provided in the SFO. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

SHAREHOLDERS' RIGHTS

Set out below is a summary of certain rights of the Shareholders as required to be disclosed pursuant to the mandatory disclosure requirements under the CG Code.

Convening a general meeting on requisition by Shareholders

Shareholder(s) representing at least 5% of the total voting rights of all the Shareholders having a right to vote at general meetings can submit a written request to the Company to call a general meeting pursuant to section 566 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong (the "**Companies Ordinance**")).

The written request must:

(a) state the general nature of the business to be dealt with at the meeting; and

(b) be authenticated by the Shareholder(s) making the request.

The written request may include the text of a resolution that may properly be moved and is intended to be moved at the meeting, accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with at that general meeting.

The Shareholder(s) can send the written request to the Company's registered office at Suite 610, One Pacific Place, 88 Queensway, Hong Kong for the attention of the Company Secretary. If the Directors do not within 21 days from the date of the deposit of the written request proceed to call a general meeting for a day not more than 28 days after the date of the notice convening the general meeting, the Shareholder(s) who requested the meeting, or any of them representing more than one-half of the total voting rights of all of them, may themselves call a general meeting, but any such general meeting must be called for a date not more than 3 months after the date on which the Directors become subject to the requirement to call the general meeting.

Procedures for directing Shareholders' enquiries to the Board

Shareholders can put enquiries to the Board. All enquiries shall be in writing and sent by post to the registered office of the Company at Suite 610, One Pacific Place, 88 Queensway, Hong Kong, for the attention of the Company Secretary.

Moving a resolution at an AGM

Shareholder(s) can submit a written request to move a resolution at an AGM of the Company pursuant to Section 615 of the Companies Ordinance if:

(a) they represent at least 2.5% of the total voting rights of all Shareholders having a right to vote at the AGM; or

(b) the number of such Shareholders represent at least 50 Shareholders who have a right to vote at the AGM.

The written request must:

(a) state the resolution, which may be accompanied by a statement of not more than 1,000 words with respect to the matter referred to in the proposed resolution or the business to be dealt with at the AGM; and

(b) be authenticated by the Shareholder(s) making the request.

The written request can be sent to the Company's registered office at Suite 610, One Pacific Place, 88 Queensway, Hong Kong for the attention of the Company Secretary, and it must be received by the Company not later than 6 weeks before the AGM or if later, the time at which notice is given of that AGM.

Proposing Directors for election at general meetings

In respect of proposing a person for election as a Director at general meetings, please refer to the procedures available on the website of the Company at www.geminiinvestments.com.hk.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board maintains an on-going dialogue with Shareholders and the investment community and has adopted a shareholders' communication policy (the "**Shareholders' Communication Policy**"), which sets out the principles of the Company in relation to Shareholders' communications, with the objective of ensuring that its communications with the Shareholders are timely, transparent, accurate and open.

According to the Shareholders' Communication Policy, information shall be communicated to Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the website of the Company at www.geminiinvestments.com.hk.

Effective and timely dissemination of information to Shareholders and the investment community shall be ensured at all times. The Company provides corporate communications (inclusive of interim reports, annual reports and circulars) to Shareholders by electronic means through the websites of the Company and the Stock Exchange ("**Website Version**"), provided that the relevant Shareholders have consented or are deemed to have consented to receive the Website Version of the Company's corporate communications. If consent has not been sought from Shareholders for receiving the Website Version of the Company's corporate communications, the Company will dispatch the printed version of its corporate communications to Shareholders timely at their addresses registered with the Company. Shareholders may at any time change their choice of language or means of receipt of all future corporate communications of the Company by giving reasonable notice (of not less than 7 days) to the share registrar of the Company, Tricor Investor Services Limited. The Company's website also provides Shareholders with its corporate information and updated development of the Group.

The Board considers that the annual general meeting of the Company provides an useful and important forum for Shareholders to exchange views with the Board. The Chief Executive Officer, other members of the Board and senior management are available at the annual general meeting to listen feedbacks and answer questions from Shareholders on the business and performance of the Group. In addition, the Company's external auditor is also invited to attend the annual general meeting to answer questions about the conduct of the audit, and the preparation and contents of the auditor's report.

The Board welcomes views and questions from Shareholders on the management and governance of the Group. Shareholders may at any time send their written enquiries and concerns to the Board by addressing them to the Company Secretary and sending them by post to the registered office of the Company at Suite 610, One Pacific Place, 88 Queensway, Hong Kong. In addition, Shareholders can contact the share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, if they have any enquiries about their shareholdings, entitlements to dividend and participation in the general meetings of the Company.

The Company has regularly reviewed the implementation and effectiveness of the Shareholders' Communication Policy through discussions amongst Board members during board meetings. The Company reviewed communication activities and engagement with Shareholders conducted in 2024 and was satisfied with the implementation and effectiveness of the Shareholders' Communication Policy which allowed Shareholders to engage actively with the Company.

CONSTITUTIONAL DOCUMENTS

During the Year, there had been no change to the Articles.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges its responsibilities for the preparation of the financial statements of the Company for each financial year, which should give a true and fair view of the state of affairs, results and cash flow of the Group for that year in compliance with relevant laws and disclosure provisions of the Listing Rules. In preparing the financial statements for the Year, the Directors adopted appropriate and consistent accounting policies and made prudent and reasonable judgments and estimations.

The financial statements for the Year have been prepared by the Directors on a going concern basis. There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. A statement by the external auditors of the Company regarding their reporting responsibilities on the accounts of the Group is set out in the "**Independent Auditor's Report**" on pages 78 to 83 in this annual report.

Auditors' Remuneration

The Board, based on the recommendation of the Audit Committee, approved the appointment of BDO Limited ("**BDO**") as the Group's external auditor to perform audit services for the Group for the Year. During the Year, total fees in respect of statutory audit, other audit and non-audit services to BDO amounted to HK$8,087,000, of which HK$2,034,000, or 25%, was fee for non-audit services.

During the Year, non-audit services fees payable to BDO include fees relating to advisory services and corporate exercise reporting services of HK$854,000, and review of interim financial information of the Group for the six months ended 30 June 2024 of HK$1,180,000.

CODES FOR SECURITIES TRANSACTION BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors, following specific enquiries made by the Company, have confirmed that they have complied with the required standard as set out in the Model Code during the Year.

The Company has also adopted a code of conduct regarding securities transactions by relevant employees on terms no less exacting than the required standard set out in the Model Code. All the relevant employees who, because of office or employment, are likely to be in possession of inside information in relation to the Company's securities has been requested to follow such code when dealing in the securities of the Company.

Independent Auditor's Report

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TO THE MEMBERS OF GEMINI INVESTMENTS (HOLDINGS) LIMITED
(incorporated in Hong Kong with limited liability)

OPINION

We have audited the consolidated financial statements of Gemini Investments (Holdings) Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 84 to 167, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*" section of our report. We are independent of the Group in accordance with the HKICPA's "*Code of Ethics for Professional Accountants*" (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(Continued)*

Investment properties

(Refer to Notes 3(e), 16 and 42(a) to the consolidated financial statements)

The Group's investment properties, which are located in Hong Kong and the United States of America (the "**U.S.**"), mainly comprise office premises and residential.

The aggregate fair values of the Group's investment properties as at 31 December 2024 amounted to HK$7,235,163,000, among which investment properties with fair value of HK$6,913,743,000, representing 68.3% of the Group's total assets as at that date, were situated in the U.S..

The fair values of these investment properties were estimated using either the market comparison approach or income approach. The valuations of these investment are conducted by either an independent qualified professional valuer who possess appropriate qualifications and experience in the valuation of properties in the relevant locations or by a dedicated valuation team reporting to the management. The appropriateness of the valuations is dependent on determination of certain key assumptions that require an exercise of management judgement including discount rate, terminal capitalisation rate, occupancy rate, estimated rental value and premium or discount for quality of properties.

We identified valuations of these investment properties as a key audit matter due to the size of the balance and determination of the fair values involves inherent judgement and estimation.

Our response:

Our key procedures performed on the valuations of these investment properties included:

(i) Evaluating the independent professional valuer's competence, capabilities and objectivity;

(ii) Understanding the facts and circumstances of the underlying investment properties valuations;

(iii) Assessing the methodologies used and the appropriateness of the key assumptions adopted;

(iv) Checking, on a sample basis, the accuracy and relevance of the input data used in the valuation; and

(v) Involving auditor's valuation experts in performing procedures (iii) and (iv) above for certain investment properties.

KEY AUDIT MATTERS *(Continued)*

Properties held for sale

(Refer to Notes 3(f), 20 and 42(d) to the consolidated financial statements)

As at 31 December 2024, the Group held properties held for sale located in the U.S. with aggregate value of HK$767,180,000, representing 7.6% of the Group's total assets as at 31 December 2024.

The properties are stated at the lower of cost and net realisable value. The determination of the net realisable value of these properties requires estimations, including expected future selling prices and costs necessary to the sale of these properties, and is assessed by management with reference to the valuations carried out by the external property valuer for certain properties.

We identified the assessment of the net realisable value of the properties as a key audit matter because of the significance of these properties to the Group's total assets and the assessment of net realisable value is inherently subjective and requires significant management judgement and estimation in estimating future selling prices and estimated cost to sell.

Our response:

Our procedures in relation to management's assessment of the net realisable value of properties held for sale located in the U.S. included:

(i) Understanding the facts and circumstances of the underlying net realisable value assessment of the properties from management;

(ii) Obtaining and inspecting management's net realisable value assessments of the properties held for sale and/or the external valuation reports prepared by external property valuer and on which the management's assessment of the net realisable value of the properties held for sale was based;

(iii) Evaluating the independent professional valuer's competence, capabilities and objectivity; and

(iv) Discussing with management and/or the external property valuer their valuation methodologies; and assessing the key estimates and assumptions adopted in the assessment, including expected future selling prices by comparing expected future selling prices to, where available, recently transacted prices for similar properties.

OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTOR'S RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(Continued)*

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO Limited
Certified Public Accountants

Lam Pik Wah
Practising Certificate Number P05325
Hong Kong, 14 March 2025

Consolidated Income Statement

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Revenue	4, 5	**1,047,591**	1,061,755
Direct costs and operating expenses	6	**(530,352)**	(601,739)
		517,239	460,016
Other income, gains/losses	7	**12,680**	9,294
Administrative and other expenses	8	**(186,724)**	(194,288)
Changes in fair value of financial instruments held for trading		**22,305**	12,143
Changes in fair value of financial assets at fair value through profit or loss		**(7,018)**	(7,048)
Changes in fair value of investment properties	16	**(256,383)**	(957,684)
Changes in fair value of assets classified as held for sale		**–**	(38,989)
Reversal of/(provision for) impairment loss on financial assets		**2,886**	(3,216)
Share of results of associates		**(6,343)**	–
Finance costs	9	**(329,933)**	(400,036)
Loss attributable to limited partners		**111,075**	229,396
Loss before income tax	10	**(120,216)**	(890,412)
Income tax	11	**(35,719)**	(23,685)
Loss for the year		**(155,935)**	(914,097)
Loss for the year attributable to:			
Owners of the Company		**(94,836)**	(655,881)
Non-controlling interests	36	**(61,099)**	(258,216)
		(155,935)	(914,097)
Loss per share for loss attributable to owners of the Company	14		
– Basic (HK dollars)		**(0.15)**	(1.03)
– Diluted (HK dollars)		**(0.15)**	(1.03)

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	2024 HK$'000	2023 HK$'000
Loss for the year		**(155,935)**	(914,097)
Other comprehensive income:			
Item that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of foreign operations		**(26,054)**	6,938
Other comprehensive income for the year		**(26,054)**	6,938
Total comprehensive income for the year		**(181,989)**	(907,159)
Total comprehensive income attributable to:			
Owners of the Company		**(120,890)**	(648,943)
Non-controlling interests	36	**(61,099)**	(258,216)
		(181,989)	(907,159)

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Investment properties	16	**7,235,163**	7,117,114
Property, plant and equipment	17	**237,771**	224,467
Investments in joint ventures		**6,262**	6,288
Investments in associates		**693**	5,968
Financial assets at fair value through profit or loss	18	**466,113**	478,641
Deposits, prepayments and other receivables	19	**49,359**	58,991
Other financial assets	27	**476,549**	399,275
Restricted bank deposits	22	**778**	348
Deferred tax assets	32	**150,326**	162,251
		8,623,014	8,453,343
Current assets			
Properties held for sale	20	**767,180**	1,349,749
Inventories		**114**	–
Deposits, prepayments and other receivables	19	**84,488**	127,233
Financial instruments held for trading	21	**121,812**	–
Tax recoverables		**18,188**	25,816
Restricted bank deposits	22	**129,801**	122,043
Cash and bank balances	23	**374,035**	455,995
		1,495,618	2,080,836
Total assets		**10,118,632**	10,534,179
Current liabilities			
Other payables and accrued charges	24	**434,109**	402,129
Amounts due to a shareholder	25	**9,637**	46,428
Tax payables		**3,831**	4,014
Borrowings	26	**652,925**	385,088
		1,100,502	837,659
Net current assets		**395,116**	1,243,177
Total assets less current liabilities		**9,018,130**	9,696,520

Consolidated Statement of Financial Position

As at 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Capital and reserves			
Share capital	28	**371,191**	371,191
Reserves	29	**3,966,196**	4,087,312
Equity attributable to owners of the Company		**4,337,387**	4,458,503
Non-controlling interests	36	**924,351**	1,004,651
Total equity		**5,261,738**	5,463,154
Non-current liabilities			
Other payables and accrued charges	24	**10,709**	12,820
Amounts due to a shareholder	25	**415,234**	417,814
Borrowings	26	**3,183,117**	3,593,897
Other financial liabilities	27	**17,269**	92,401
Deferred tax liabilities	32	**130,063**	116,434
		3,756,392	4,233,366
Total equity and non-current liabilities		**9,018,130**	9,696,520

The consolidated financial statements on pages 84 to 167 were approved and authorised for issue by the Board of Directors on 14 March 2025 and are signed on its behalf by

Sum Pui Ying
Director

Lai Kwok Hung, Alex
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital (Note 28)	Convertible preference shares reserve (Note 30)	Perpetual bond (Note 31)	Capital contribution reserve	Revaluation surplus reserve	Translation reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 January 2024	371,191	2,260,565	2,259,504	308,190	20,256	33,984	(795,187)	4,458,503	1,004,651	5,463,154
Loss for the year	–	–	–	–	–	–	(94,836)	(94,836)	(61,099)	(155,935)
Other comprehensive income										
– Exchange differences arising on translation of foreign operations	–	–	–	–	–	(26,054)	–	(26,054)	–	(26,054)
Total comprehensive income for the year	–	–	–	–	–	(26,054)	(94,836)	(120,890)	(61,099)	(181,989)
Distributions paid to the holders of perpetual bond	–	–	–	–	–	–	(226)	(226)	–	(226)
Distribution paid to non-controlling interests	–	–	–	–	–	–	–	–	(19,148)	(19,148)
Acquisition of equity interest of non-controlling interests	–	–	–	–	–	–	–	–	(53)	(53)
Balance at 31 December 2024	371,191	2,260,565	2,259,504	308,190	20,256	7,930	(890,249)	4,337,387	924,351	5,261,738

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital (Note 28)	Convertible preference shares reserve (Note 30)	Perpetual bond (Note 31)	Capital contribution reserve	Revaluation surplus reserve	Translation reserve	Accumulated losses	Attributable to owners of the Company	Non-controlling interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 January 2023	371,191	2,260,565	2,259,504	308,190	20,256	27,046	(139,080)	5,107,672	1,320,657	6,428,329
Loss for the year	–	–	–	–	–	–	(655,881)	(655,881)	(258,216)	(914,097)
Other comprehensive income										
– Exchange differences arising on translation of foreign operations	–	–	–	–	–	6,938	–	6,938	–	6,938
Total comprehensive income for the year	–	–	–	–	–	6,938	(655,881)	(648,943)	(258,216)	(907,159)
Distributions paid to the holders of perpetual bond	–	–	–	–	–	–	(226)	(226)	–	(226)
Distribution paid to non-controlling interests	–	–	–	–	–	–	–	–	(57,790)	(57,790)
Balance at 31 December 2023	371,191	2,260,565	2,259,504	308,190	20,256	33,984	(795,187)	4,458,503	1,004,651	5,463,154

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 HK$'000	2023 HK$'000
Cash flows from operating activities			
Net cash generated from operations	34(a)	**454,676**	645,716
Income tax paid		**(3,103)**	(14,496)
Net cash generated from operating activities		**451,573**	631,220
Cash flows from investing activities			
Purchase of property, plant and equipment		**(17,685)**	(15,833)
Capital contribution to joint ventures		**–**	(6,280)
Capital expenditure for investment properties		**(92,096)**	(68,278)
Proceed from disposal of investment properties		**69,303**	741,653
Distribution from unlisted fund investments		**2,663**	64,828
Distribution from investments in associates		**–**	539
Interest received		**12,376**	6,063
Net cash (used in)/generated from investing activities		**(25,439)**	722,692
Cash flows from financing activities			
New bank and other borrowings	34(b)	**229,288**	363,706
Repayment of bank and other borrowings	34(b)	**(336,796)**	(1,416,666)
Settlement paid to limited partner interests	34(b)	**(72,916)**	(101,977)
Repayment of lease liabilities	34(b)	**(10,148)**	(13,541)
Interest paid	34(b)	**(245,594)**	(301,189)
Advance from shareholders	34(b)	**–**	237,756
Repayment of amounts due to shareholders	34(b)	**(36,741)**	(399,023)
Distribution paid to non-controlling interests		**(19,148)**	(57,790)
Distributions paid to the holders of perpetual bond	31	**(226)**	(226)
Net cash used in financing activities		**(492,281)**	(1,688,950)
Net decrease in cash and cash equivalents		**(66,147)**	(335,038)
Cash and cash equivalents at beginning of the year		**455,995**	790,673
Effect of foreign exchange rate changes		**(15,813)**	360
Cash and cash equivalents at end of the year		**374,035**	455,995
Analysis of the balances of cash and cash equivalents:			
Deposits with banks and other financial institutions	23	**64,025**	57,948
Cash and bank balances	23	**310,010**	398,047
		374,035	455,995

1. GENERAL

Gemini Investments (Holdings) Limited (the "**Company**", together with its subsidiaries, the "**Group**") is a public limited company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The addresses of its registered office and principal place of business of the Company are disclosed in the section of Corporate Information of the annual report.

As at 31 December 2024 and 2023, Grand Beauty Management Limited ("**Grand Beauty**") and Estate Spring International Limited ("**Estate Spring**") directly owned approximately 24.86% and 41.77% issued ordinary shares of the Company respectively. Grand Beauty is an indirect wholly-owned subsidiary of Sino-Ocean Group Holding Limited.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in Note 39.

The financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

2. CHANGES IN ACCOUNTING POLICIES

(a) Adoption of revised Hong Kong Financial Reporting Standards ("HKFRSs") – from 1 January 2024

The following amendments are effective for the period beginning 1 January 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

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

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability[2]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature – dependent Electricity[3]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[4]

1 No mandatory effective date yet determined but available for adoption.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. When the transaction with an associate or joint venture that is accounted for using the equity method, any gains or losses resulting from the loss of control of a subsidiary that does not contain a business are recognised in the profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, any gains or losses resulting from the remeasurement of retained interest in any former subsidiary (that has become an associate or a joint venture) to fair value are recognised in the profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company anticipate that the application of these amendments would have an impact on the Group's consolidated financial statements in future periods should such transaction arise.

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

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

Amendments to HKAS 21 and HKFRS 1 – Lack of Exchangeability

The amendments help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not.

The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

Amendments to HKFRS Accounting Standards – Annual Improvements to HKFRS Accounting Standards – Volume 11

The amendments include clarifications, simplifications, corrections, and changes intended to improve consistency in (i) HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards; (ii) HKFRS 7, Financial Instruments: Disclosures and Guidance on implementing HKFRS 7; (iii) HKFRS 9, Financial Instruments; (iv) HKFRS 10, Consolidated Financial Statements; and (v) HKAS 7, Statement of Cash Flows.

The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

Amendments to HKFRS 9 and HKFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

The amendments included (a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; (b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("**SPPI**") criterion; (c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and (d) update the disclosures for equity instruments designated at fair value through other comprehensive income ("**FVOCI**"). The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.

The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

2. CHANGES IN ACCOUNTING POLICIES *(Continued)*

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

Amendments to HKFRS 9 and HKFRS 7 – Contracts Referencing Nature – dependent Electricity

Nature-dependent electricity contracts assist companies to secure their electricity supply from wind and solar power sources. Since the amount of electricity generated under these contracts may vary based on uncontrollable factors related to weather conditions, current accounting requirements may not adequately capture how these contracts affect a company's performance. The amendments include (i) clarifying the application of the "own-use"; (ii) permitting hedge accounting if these contracts are used as hedging instruments; and (iii) adding new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments are not expected to have any significant impact on the Group's consolidated financial statements.

HKFRS 18 – Presentation and Disclosure in Financial Statements

The amendments on presentation and disclosure in financial statements, which replaces HKAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced related to (i) the structure of the statement of profit or loss with defined subtotals; (ii) requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss; (iii) required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iv) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The directors of the Company do not anticipate that the application of the amendments and revision in the future will have an impact on the recognition or measurement of items in the consolidated financial statements, but it impacts on the presentation and disclosure of consolidated financial statements.

HKFRS 19 – Subsidiaries without Public Accountability: Disclosures

The amendment works alongside other HKFRS. An eligible subsidiary applies the requirements in other HKFRS except for the disclosure requirements; and it applies instead the reduced disclosure requirements in HKFRS 19. HKFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. HKFRS 19 is a voluntary standard for eligible subsidiaries.

The Company's shares are listed and traded in the Stock Exchange, and therefore it has public accountability according to HKFRS 19 and does not qualify for electing to apply the standard to prepare the Group's consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements on pages 84 to 167 have been prepared in accordance with all applicable, HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (hereinafter collectively referred to as the HKFRSs) and the provisions of the Hong Kong Companies Ordinance which concern the preparation of financial statements. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The principal accounting policies adopted in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, that are measured at fair values, as explained in the material accounting policies set out below.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 42.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements.

The carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

(c) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure or rights to variable returns from the investee and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. The contractual arrangement with the other vote holders of the investee.

b. Rights arising from other contractual arrangements.

c. The Group's voting rights and potential voting rights.

(d) Revenue and other income

Sales of properties

Revenues arising from the sale of properties developed for sale in the ordinary course of business are recognised when or as the control of the asset is transferred to the customer. The control of the property is transferred at a point in time, revenue is recognised when the customer obtains the physical possession or the legal title of the completed property and the Group has present right to payment and the collection of the consideration is probable.

Services rendered to customers

Revenue from service is recognised over time as those services are rendered or at the point of service completed.

Rental income

Rental income, including rentals invoiced in advance from properties let under operating leases, is recognised on a straight-line basis over the terms of the relevant leases. The difference between recognised rental income and rental cash receipts is recorded as accrued rental income receivable in the consolidated statement of financial position.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

(d) Revenue and other income *(Continued)*

Dividend income

Dividend income from investments including financial asset at fair value through profit or loss and financial instruments held for trading are recognised when the shareholder's rights to receive payment have been established (provided that it is probable that the economic benefit will flow to the Group and the amount of revenue can be measured reliably).

(e) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, and that are not occupied by the Group.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values with changes therein recognised in profit or loss.

(f) Properties under development and properties held for sale

Properties under development

The cost of properties under development comprises the acquisition cost of land, development expenditure, other direct expenses and capitalised borrowing costs (see Note 3(m)). On completion, all development costs of the properties are transferred to properties held for sale.

Properties under development are stated at the lower of cost and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less estimated cost of completion and the estimated costs necessary to complete a sale.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

(f) Properties under development and properties held for sale *(Continued)*

Properties held for sale

Properties held for sale are completed properties remaining unsold at the end of the reporting period and carried at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties.

(g) Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at cost less accumulated impairment losses.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment (other than freehold land) less their residue value over their estimated useful lives, using the straight-line method, as follows:

Furniture, fixtures and equipment	3 to 10 years
Computer equipment	3 years
Buildings	23 to 40 years
Leasehold improvements	3 to 5 years or over the lease term, whichever is shorter

(h) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets (e.g. property, plant and equipment) to determine whether there is any indication that these assets have suffered an impairment loss. When such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Financial instruments

(i) Financial assets

Investments in financial assets are recognised on the date the Group commits to purchase the investment.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

The subsequent measurement of financial assets depends on their classification as follows:

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the financial asset and the cash flow characteristics of the financial asset. There are two measurement categories into which the Group classifies its debt instruments:

– Amortised cost

  Financial assets that are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

– Fair value through profit or loss

  Financial assets that do not meet the criteria for amortised cost or financial assets at fair value through other comprehensive income are measured at fair value through profit or loss. Changes in fair value and interest income are recognised in profit or loss.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Financial instruments *(Continued)*

(i) Financial assets (Continued)

Fund investments, other assets and financial instruments held or trading

– Fair value through profit or loss

Fund investments, other assets and financial instruments held for trading with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss. Changes in fair value, dividend income and interest income are recognised in profit or loss.

(ii) Impairment loss of financial assets

The Group assesses on a forward looking basis the expected credit losses (the "**ECLs**") associated with its debt instruments carried at amortised cost (including rental and other related receivables, other receivables and deposits, restricted bank deposits and cash and bank balances) and measured at fair value through other comprehensive income.

ECLs are a probability-weighted estimate of credit losses which are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive) over the expected life of the financial instrument. The maximum period to consider when measuring ECLs is the maximum contractual period over which the entity is exposed to credit risk.

ECLs are measured at the end of each reporting period to reflect changes in the debt instrument's credit risk since initial recognition. Any change in the amount of ECLs is recognised as an impairment gain or loss in profit or loss. Loss allowances for debt instruments measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Financial instruments *(Continued)*

(ii) Impairment loss of financial assets (Continued)

For rental and other related receivables, the Group applies a simplified approach to measure the loss allowance at an amount equal to lifetime ECLs. ECLs on rental and other related receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the end of the reporting period. For other debt financial assets, the Group measures the loss allowance either based on 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

(i) Financial instruments *(Continued)*

(iii) Financial liabilities

A financial liability is classified as (i) financial liabilities at amortised cost; or (ii) financial liabilities at fair value through profit or loss.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including other payables and accrued charges, amounts due to shareholders and subsidiaries and borrowings, are initially measured at fair value, net of directly attributable costs incurred and subsequently measured at amortised cost using the effective interest method. The related interest expense is accounted for in accordance with the accounting policy as set out in Note 3(m).

Financial liabilities at fair value through profit or loss

A financial liability may be designated irrevocably as at fair value through profit or loss upon initial recognition if:

– such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or

– the financial liability forms part of a group of financial liabilities, which are managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel.

If a financial liability forms part of a contract containing one or more embedded derivatives, the entire combined contract is allowed to be designated as at fair value through profit or loss.

The accounting policy of lease liabilities is set out in Note 3(l).

(iv) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

(j) Other financial assets/liabilities

Limited Partner Interests

Limited partner interests represent interests held by third parties in certain real estate limited partnerships that are consolidated for financial reporting purposes. Limited partner interests at 31 December 2024 and 2023 consist primarily of limited partnership interests in subsidiaries.

Limited partner interests are presented separately in the consolidated income statement and within the financial assets/liabilities and equity in the consolidated statement of financial position. The limited partner interests associated with those limited partnerships that have a fixed term are recorded as assets/liabilities in the consolidated statement of financial position and the related income/(loss) allocated to the limited partner is recorded as loss or income relating to limited partner in the consolidated income statement. The limited partner interests associated with those limited partnerships that have a perpetual term are recorded as non-controlling interests within equity in the consolidated statement of financial position and the related income/(loss) allocated to non-controlling interests is presented as profit or loss attributable to non-controlling interests in the consolidated income statement.

The percentage of capital contribution is not necessarily representing the profit or loss sharing percentage applicable at each subsidiary. The profit or loss sharing based on a waterfall structure. A waterfall structure provides for the allocation of profit or loss and cash distributions on an other than pro rata basis providing for preferential returns. Waterfall structure provides allocation of profit or loss between the general partners and limited partners in a specific sequence. The waterfall structure based on specific terms of each partnership, which included return of capital, preferred return for limited partners, return for general partners. For those subsidiaries containing a waterfall structure, the distribution provisions vary and therefore the ownership percentages do not effectively represent the profit or loss sharing percentage or economic interest that the limited partners will receive from the subsidiaries.

(k) Taxation

Income taxes comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

(k) Taxation *(Continued)*

In respect of deferred tax assets arising from investment property measured at fair value, the presumption that recovery will be through sale rather than use has not been rebutted.

(l) Leasing

All leases are required to be capitalised in the consolidated statement of financial position of the leasee as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and leases for which at the commencement date have a lease term of 12 months or less and do not contain purchase option. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The Group measures the right-of-use assets (included in property, plant and equipment), applying a cost model. Under the cost model, the Group measures the right-of-use assets at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liability.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the lessee's incremental borrowing rate as the interest rate implicit in the lease cannot be readily determined.

3. MATERIAL ACCOUNTING POLICIES *(Continued)*

(l) Leasing *(Continued)*

Accounting as a lessor

The Group has leased out its investment property to a number of tenants. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

When the Group acts as an intermediate lessor in a sublease arrangement, the Group is required to classify the sublease as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset.

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(n) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

Payments to the Mandatory Provident Fund Scheme and other defined contribution retirement schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

4. SEGMENT INFORMATION

Information reported to executive directors of the Company, being the chief operating decision makers, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

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

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

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

– Property development in the U.S.

  Income from sale of commercial and residential properties in the U.S. which are managed by GR Realty. During the year, the Group commenced the operation of a restaurant, which received income from sale of food and beverages, in its self-developed properties in the U.S..

– Property investment in Hong Kong

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

– Fund investments

  Investing in various investment funds and generating investment income.

– Securities and other investments

  Investing in various securities and generating investment income.

Revenue and expenses are allocated to the reportable and operating segments with reference to the income generated from and the expenses incurred by those segments. Each of the reportable and operating segments is managed separately as the resources requirement of each of them is different.

4. SEGMENT INFORMATION *(Continued)*

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

For the year ended 31 December 2024

	Managed by GR Realty					
	Property investment in the U.S.	Property development in the U.S.	Property investment in Hong Kong	Fund investments	Securities and other investments	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue	742,702	295,941	8,363	–	3,930	1,050,936
Less: Inter-segment sales	–	–	–	–	(3,345)	(3,345)
Revenue as presented in consolidated income statement	742,702	295,941	8,363	–	585	1,047,591
Segment results	365,262	45,678	(68,014)	(5,500)	18,697	356,123
Interest income from bank deposits						12,376
Depreciation						(12,997)
Finance costs						(329,933)
Reversal of impairment loss on financial assets						2,886
Unallocated corporate expenses						(148,671)
Loss before income tax						(120,216)

4. SEGMENT INFORMATION *(Continued)*

For the year ended 31 December 2023

	Managed by GR Realty					
	Property investment in the U.S.	Property development in the U.S.	Property investment in Hong Kong	Fund investments	Securities and other investments	Consolidated
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue	868,452	185,804	7,240	–	3,172	1,064,668
Less: Inter-segment sales	–	–	–	–	(2,913)	(2,913)
Revenue as presented in consolidated income statement	868,452	185,804	7,240	–	259	1,061,755
Segment results	(191,082)	(119,444)	(4,872)	(3,318)	11,887	(306,829)
Interest income from bank deposits						6,063
Depreciation						(16,187)
Provision for impairment loss on financial assets						(3,216)
Finance costs						(400,036)
Unallocated corporate expenses						(170,207)
Loss before income tax						(890,412)

Segment result represents the profit or loss by each segment without allocation of interest income from bank deposits, depreciation, unallocated reversal of/provision for impairment loss on financial assets, unallocated corporate expenses (including central administration and staff costs and directors' remuneration) and finance costs. This is the measure reported to the chief operating decision makers, the executive directors, for the purposes of resource allocation and performance assessment.

4. SEGMENT INFORMATION *(Continued)*

(a) Segment assets and liabilities

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

	2024	2023
	HK$'000	HK$'000
Assets		
Segment assets		
– Property investment in the U.S.	**8,129,494**	7,897,599
– Property development in the U.S.	**1,034,657**	1,664,570
– Property investment in Hong Kong	**322,174**	396,839
– Fund investments	**458,512**	470,501
– Securities and other investments	**133,112**	8,652
Unallocated assets	**40,683**	96,018
Consolidated total assets	**10,118,632**	10,534,179
Liabilities		
Segment liabilities		
– Property investment in the U.S.	**4,488,673**	4,358,322
– Property development in the U.S.	**265,546**	473,979
– Property investment in Hong Kong	**5,332**	4,011
– Fund investments	**268**	268
– Securities and other investments	**190**	190
Unallocated liabilities	**96,885**	234,255
Consolidated total liabilities	**4,856,894**	5,071,025

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

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

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

4. SEGMENT INFORMATION *(Continued)*

(a) Segment assets and liabilities *(Continued)*

For the year ended 31 December 2024

Other segment information

	Managed by GR Realty					
	Property investment in the U.S.	Property development in the U.S.	Property investment in Hong Kong	Fund investments	Securities and other investments	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Amounts included in the measure of segment profit or loss:						
Changes in fair value of financial instruments held for trading	–	–	–	–	22,305	22,305
Changes in fair value of financial assets at fair value through profit or loss	–	–	–	(6,738)	(280)	(7,018)
Changes in fair value of investment properties	(181,473)	–	(74,910)	–	–	(256,383)
Share of results of associates	(6,343)	–	–	–	–	(6,343)
Loss attributable to limited partners	111,075	–	–	–	–	111,075

For the year ended 31 December 2023

Other segment information

	Managed by GR Realty					
	Property investment in the U.S.	Property development in the U.S.	Property investment in Hong Kong	Fund investments	Securities and other investments	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Amounts included in the measure of segment profit or loss:						
Changes in fair value of financial instruments held for trading	–	–	–	–	12,143	12,143
Changes in fair value of financial assets at fair value through profit or loss	–	–	–	(6,898)	(150)	(7,048)
Changes in fair value of investment properties	(947,734)	–	(9,950)	–	–	(957,684)
Gain on disposal of investment properties	2,147	–	–	–	–	2,147
Loss attributable to limited partners	229,396	–	–	–	–	229,396

4. SEGMENT INFORMATION *(Continued)*

(b) Geographical information

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

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

	Revenue (excluded inter-segment sales)		Non-current assets other than financial instruments and deferred tax assets	
	2024	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong	**8,363**	7,240	**321,420**	396,330
The U.S.	**1,039,228**	1,054,508	**7,151,514**	6,945,251
Others	**–**	7	**–**	–
	1,047,591	1,061,755	**7,472,934**	7,341,581

(c) Information about major customers

For the years ended 31 December 2024 and 2023, no revenue from a single customer accounted for 10% or more of the total revenue of the Group.

5. REVENUE

	2024	2023
	HK$'000	HK$'000
Rental income	**571,508**	678,760
Dividend income	**585**	259
Revenue from contracts with customers recognised at a point in time		
– Sale of properties	**293,413**	185,804
– Sale of food and beverages	**2,528**	–
Revenue from contracts with customers recognised overtime		
– Ancillary service income to property leasing and management service income	**179,557**	196,932
	1,047,591	1,061,755

6. DIRECT COSTS AND OPERATING EXPENSES

	2024 HK$'000	2023 HK$'000
Repairs, maintenance and utilities	**150,517**	164,848
Property insurance costs	**16,172**	18,750
Property management expenses	**35,088**	37,004
Real estate taxes	**120,963**	82,099
Cost of properties sold	**182,709**	150,874
Selling cost	**18,657**	10,771
Cost of sales of food and beverages	**1,130**	–
Write down of properties held for sale to net realisable value (Note 20)	**–**	130,991
Others	**5,116**	6,402
	530,352	601,739

7. OTHER INCOME, GAINS/LOSSES

	2024 HK$'000	2023 HK$'000
Interest income	**12,376**	6,063
Gain on disposal of investment properties	**–**	2,147
Others	**304**	1,084
	12,680	9,294

8. ADMINISTRATIVE AND OTHER EXPENSES

	2024 HK$'000	2023 HK$'000
Auditor's remuneration (Note 10)	**6,053**	5,869
Depreciation (Note 17)	**12,997**	16,187
Employee costs	**85,410**	90,655
Rental expenses on short term leases	**589**	815
Legal and professional fee	**36,431**	47,453
Insurances expenses	**6,932**	7,326
Informative service fee	**10,020**	11,684
Exchange difference, net	**7,713**	(8,546)
Others	**20,579**	22,845
	186,724	194,288

9. FINANCE COSTS

	2024 HK$'000	2023 HK$'000
Interest on bank and other borrowings	**319,631**	384,574
Interest expenses on lease liabilities (Note 33)	**2,878**	1,064
Total interest expenses for financial liabilities that are not measured at fair value through profit or loss	**322,509**	385,638
Amortisation of arrangement fee	**7,424**	14,398
	329,933	400,036

10. LOSS BEFORE INCOME TAX

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

	2024 HK$'000	2023 HK$'000
Auditor's remuneration (Note 8)		
– Statutory audit services	**2,310**	2,250
– Other audit services	**3,743**	3,619
	6,053	5,869
Gross rental income from investment properties	**(571,508)**	(678,760)
Direct operating expenses arising from investment properties that generate rental income	**327,856**	309,103
	(243,652)	(369,657)
Exchange difference, net	**7,713**	(8,546)
Loss on disposal of property, plant and equipment	**145**	–
Retirement benefits scheme contributions (excluding amounts paid under directors' emoluments) (Note 35)	**1,838**	1,890

11. INCOME TAX

The taxation attributable to the Group's operation comprises:

	2024 HK$'000	2023 HK$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	**139**	163
Over provision in respect of prior years	**–**	(97)
	139	66
Current tax – Overseas tax		
Provision for the year	**12,894**	14,342
(Over)/under provision in respect of prior years	**(2,485)**	77
	10,409	14,419
Total current tax	**10,548**	14,485
Deferred tax expenses (Note 32)	**25,171**	9,200
Income tax	**35,719**	23,685

Hong Kong Profits Tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong for the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2 million of assessable profits of the qualifying entity is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The Group's subsidiaries in the U.S. are subject to United States Federal Income Tax at 21% (2023: 21%) and States Income Tax at range from 0% to 8.84% (2023: range from 3.95% to 8.84%).

11. INCOME TAX *(Continued)*

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

	2024	2023
	HK$'000	HK$'000
Loss before income tax	**(120,216)**	(890,412)
Tax calculated at the rate applicable to loss in the respective jurisdictions	**(25,166)**	(190,790)
Tax effect of expenses not deductible for tax purpose	**72,160**	246,349
Tax effect of income not taxable for tax purpose	**(38,726)**	(51,448)
Tax effect on tax losses being utilised	**(54)**	(64)
Tax effect of unrecognised tax losses	**13,078**	5,859
Tax effect on temporary difference not recognised	**(549)**	(587)
Others	**840**	(934)
Over provision in respect of prior years	**(2,485)**	(20)
Withholding tax	**16,621**	15,320
Income tax	**35,719**	23,685

12. DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap. 622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) is as follows:

	Sum Pui Ying	Lai Kwok Hung, Alex	Lam Yee Lan	Tang Runjiang	Lo Woon Bor, Henry	Chen Yingshun[2]	Lee Sai Kai, David	Leung Wai Hung[3]	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2024									
Fees	221	221	221	221	221	55	221	165	1,546
Other emoluments									
– Salaries and other benefits	–	1,996	1,274	–	–	–	–	–	3,270
– Contributions to retirement benefits schemes	–	195	126	–	–	–	–	–	321
Total emoluments	221	2,412	1,621	221	221	55	221	165	5,137

	Sum Pui Ying	Lai Kwok Hung, Alex	Lam Yee Lan	Tang Runjiang	Zhou Yue[1]	Lo Woon Bor, Henry	Chen Yingshun	Lee Sai Kai, David	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
2023									
Fees	180	180	180	180	169	180	180	180	1,429
Other emoluments									
– Salaries and other benefits	–	1,932	1,229	–	–	–	–	–	3,161
– Contributions to retirement benefits schemes	–	190	122	–	–	–	–	–	312
Total emoluments	180	2,302	1,531	180	169	180	180	180	4,902

1 resigned as a non-executive director on 9 December 2023.
2 resigned as an independent non-executive director on 20 April 2024.
3 appointed as an independent non-executive director on 20 April 2024.

Notes:

(a) No directors waived any emoluments for each of the years ended 31 December 2024 and 2023.

(b) No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office during each of the years ended 31 December 2024 and 2023.

13. FIVE HIGHEST PAID INDIVIDUALS AND SENIOR MANAGEMENT PERSONNEL'S EMOLUMENT

The five highest paid individuals for the year did not include any director during the years ended 31 December 2024 and 2023 whose emolument is reflected in Note 12 above. The emoluments of the five (2023: five) highest paid individuals are as follows:

	2024	2023
	HK$'000	HK$'000
Salaries and other benefits	**15,972**	16,241
Contributions to retirement benefits schemes	**120**	412
	16,092	16,653

Their emoluments were within the following bands:

	2024	2023
	No. of employees	No. of employees
HK$4,000,001 to HK$4,500,000	**1**	1
HK$3,500,001 to HK$4,000,000	**2**	1
HK$3,000,001 to HK$3,500,000	**–**	2
HK$2,000,001 to HK$2,500,000	**2**	1

Note:

During the years ended 31 December 2024 and 2023, the emoluments of the five highest paid individuals are the employees of GR Realty, their emoluments are determined with reference to the salary standard in the U.S..

No emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during each of the years ended 31 December 2024 and 2023.

The emoluments paid or payable to members of senior management personnel were within the following band:

	2024	2023
	No. of employees	No. of employees
HK$1,000,001 to HK$1,500,000	**2**	2

14. LOSS PER SHARE

(a) Basic loss per share

The calculation of the basic loss per share attributable to owners of the Company is based on the adjusted loss for the year attributable to owners of the Company of approximately HK$95,062,000 (2023: approximately HK$656,107,000) and on the weighted average number of ordinary shares of 635,570,000 (2023: 635,570,000) in issue during the year.

	2024	2023
	HK$'000	HK$'000
Loss attributable to owners of the Company	**(94,836)**	(655,881)
Less: Distributions paid to the holders of perpetual bond during the year	**(226)**	(226)
Adjusted loss attributable to the owners of the Company	**(95,062)**	(656,107)

(b) Diluted loss per share

No adjustment has been made to basic loss per share amount presented for the years ended 31 December 2024 and 2023 in respect of a dilution as the impact of convertible preference shares outstanding had an anti-dilutive effect on the basic loss per share amount presented.

15. DIVIDENDS

No dividend was paid or proposed in respect of the convertible preference shares and the ordinary shares of the Company during the years ended 31 December 2024 and 2023, nor has any dividend been proposed since the end of the reporting period.

16. INVESTMENT PROPERTIES

The Group's investment properties comprise:

	2024	2023
	HK$'000	HK$'000
Properties in Hong Kong	**321,420**	396,330
Properties in the U.S.	**6,913,743**	6,720,784
	7,235,163	7,117,114

Notes:

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

The revaluation of investment properties during the current year gave rise to a net loss arising from changes in fair value of approximately HK$256,383,000 (2023: approximately HK$957,684,000) which has been recognised in profit or loss. Approximately 73% (2023: approximately 70%) of the investment properties of the Group were rented out under operating leases as at 31 December 2024.

As at 31 December 2024, investment properties of approximately HK$5,180,481,000 (2023: approximately HK$5,679,485,000) were pledged as collateral for bank borrowings of approximately HK$3,439,522,000 (2023: approximately HK$3,565,408,000) as disclosed in Note 26.

(b) The fair value of investment properties is a level 3 recurring fair value measurement. A reconciliation of the opening and closing balance is summarised below.

	2024	2023
	HK$'000	HK$'000
At the beginning of the year	**7,117,114**	8,194,869
Transferred from properties held for sale (Note 20)	**392,260**	273,401
Capital expenditure	**92,096**	64,460
Disposal during the year	**(67,345)**	(782,848)
Changes in fair value	**(256,383)**	(957,684)
Transferred from assets classified as held for sale	**–**	308,161
Exchange realignment	**(42,579)**	16,755
At the end of the year	**7,235,163**	7,117,114

16. INVESTMENT PROPERTIES *(Continued)*

Notes: *(Continued)*

(c) Included in total investment properties are assets in which the Group is a lessee for certain ground leases. These ground leases have been recognised with the corresponding investment properties at fair value and recorded as investment properties.

A reconciliation of the ground leases is as follows:

	2024	2023
	HK$'000	HK$'000
At the beginning of the year	**550**	–
Changes in fair value	**(140)**	(133)
Transferred from assets classified as held for sale	**–**	681
Exchange realignment	**(2)**	2
At the end of the year	**408**	550

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used).

The significant unobservable inputs into the valuation technique include:

Estimated rental value	Based on the actual view, type and quality of the properties and supported by the terms of any existence lease, other contracts and external evidence such as current market rents for similar properties
Capitalisation rate	The expected rate of return on an investment property
Discount rate	Reflecting current market assessments of the uncertainty in the amount and timing of cash flows
Premium or discount for quality of properties	Quality of properties, such as view, location, size, level and condition of the properties
Terminal capitalisation rate	Indicating the potential rate of return, nature of the property and prevailing market condition
Occupancy rate	Ratio of rented or used space to the total amount of available space

16. INVESTMENT PROPERTIES *(Continued)*

Information about Level 3 fair value measurements of the investment properties are as follows:

31 December 2024

Properties and location	Fair value HK$'000	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Office premises situated in Hong Kong (Note (i))	290,500	Income capitalisation approach	Estimated rental value	HK$41-HK$51 per month per square feet	The higher the estimated rental value, the higher the fair value
			Capitalisation rate	2.4%-3.4%	The higher the capitalisation rate, the lower the fair value
Residential properties and car parking spaces situated in Hong Kong (Note (i))	27,420	Income capitalisation approach	Estimated rental value	HK$24-HK$27 per month per square feet	The higher the estimated rental value, the higher the fair value
			Capitalisation rate	2.3%-3.4%	The higher the capitalisation rate, the lower the fair value
Land lots in demarcation district in Hong Kong (Note (ii))	3,500	Market comparison approach	Premium or discount for quality of properties (e.g. location, zoning and condition of the residential properties)	-20%-10%	The higher the quality of properties with reference to comparables, the higher the fair value
Residential properties situated in the U.S. (Note (ii))	1,136,421	Market comparison approach	Premium or discount for quality of properties (e.g. location, view, level and condition of the residential properties)	-25%-36%	The higher the quality of properties with reference to comparables, the higher the fair value
Office premises situated in the U.S. (Note (ii))	656,016	Market comparison approach	Premium or discount for quality of properties (e.g. location, size and condition of the office premises)	-21%-30%	The higher the quality of properties with reference to comparables, the higher the fair value
Other office premises situated in the U.S. (Note (iii))	5,121,306	Income approach – discounted cash flow method	Discount rate	5.75%-12.5%	The higher the discount rate, the lower the fair value
			Terminal capitalisation rate	5.75%-10%	The higher the terminal capitalisation rate, the lower the fair value
			Occupancy rate	41%-100%	The higher occupancy rate, the higher the fair value
			Estimated rental value	HK$6-HK$30 per month per square feet	The higher estimated rental value, the higher fair value

16. INVESTMENT PROPERTIES *(Continued)*

31 December 2023

Properties and location	Fair value HK$'000	Valuation techniques	Significant unobservable inputs	Range of significant unobservable inputs	Interrelationship between key unobservable inputs and fair value measurement
Office premises situated in Hong Kong (Note (i))	364,300	Income capitalisation approach	Estimated rental value	HK$42 – HK$50 per month per square feet	The higher the estimated rental value, the higher the fair value
			Capitalisation rate	2.1% – 2.6%	The higher the capitalisation rate, the lower the fair value
Residential properties and car parking spaces situated in Hong Kong (Note (i))	28,290	Income capitalisation approach	Estimated rental value	HK$22 – HK$24 per month per square feet	The higher the estimated rental value, the higher the fair value
			Capitalisation rate	2.3% – 3%	The higher the capitalisation rate, the lower the fair value
Land lots in demarcation district in Hong Kong (Note (ii))	3,740	Market comparison approach	Premium or discount for quality of properties (e.g. location, zoning and condition of the residential properties)	-20%-10%	The higher the quality of properties with reference to comparables, the higher the fair value
Residential properties situated in the U.S. (Note (ii))	706,338	Market comparison approach	Premium or discount for quality of properties (e.g. view, level and condition of the residential properties)	-11% – 5%	The higher the quality of properties with reference to comparables, the higher the fair value
Office premises situated in the U.S. (Note (ii))	704,620	Market comparison approach	Premium or discount for quality of properties (e.g. location, size and condition of the office premises)	-11% – 15%	The higher the quality of properties with reference to comparables, the higher the fair value
Other office premises situated in the U.S. and held by GR Realty (Note (iii))	5,309,826	Income approach – discounted cash flow method	Discount rate	6.02% – 12.25%	The higher the discount rate, the lower the fair value
			Terminal capitalisation rate	5.75% – 10%	The higher the terminal capitalisation rate, the lower the fair value
			Occupancy rate	52% – 100%	The higher occupancy rate, the higher the fair value
			Estimated rental value	HK$6 – HK$32 per month per square feet	The higher estimated rental value, the higher fair value

16. INVESTMENT PROPERTIES *(Continued)*

Note (i): The fair values of the office premises, residential properties and car parking space situated in Hong Kong are determined using income capitalisation approach, where the market rentals of all lettable units of the properties are assessed and discounted at the market yield expected by investors for this type of properties. The market rentals are assessed by reference to the rentals achieved in lettable units of the properties as well as other lettings of similar properties in the same location. The discount rate is determined by reference to the yields derived from analysing the sales transactions of similar commercial properties in Hong Kong and adjusting to take into account the quality and location of the properties. As at 31 December 2024 and 2023, the fair values of these investment properties have been arrived at on the basis of a valuation carried out on that dates by BMI Appraisals Limited ("**BMI Appraisals**"), which is an independent qualified professional valuer not connected with the Group. The valuation reports on these properties were signed by a director of BMI Appraisals who is member of the Hong Kong Institute of Surveyors.

Note (ii): The fair values of the land lots in demarcation district in Hong Kong and residential properties and office building located in the U.S. are determined using market comparison approach by reference to recent sales price 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. Higher premium for higher quality buildings will result in a higher fair value measurement. As at 31 December 2024, the fair values of investment properties of approximately HK$1,600,763,000 (2023: approximately HK$1,414,698,000) have been arrived at on the basis of a valuation carried out on that dates by BMI Appraisals, which is an independent qualified professional valuer not connected with the Group. The valuation reports on these properties were signed by a director of BMI Appraisals who is member of the Hong Kong Institute of Surveyors. The fair values of residential properties of approximately HK$195,174,000 located in the U.S. are conducted by a dedicated valuation team reporting to the management.

Note (iii): The fair values of these investment properties located in the U.S. and held by GR Realty are conducted by a dedicated valuation team reporting to the management. It utilised discounted cash flow ("**DCF**") method under income approach by generating the DCF models via ARGUS Enterprise software ("**Argus Model**"), which involves the projection of a series of cash flows on real property interest. Argus Model is a global solution for commercial real estate valuation. Under the Argus Model, a property's fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's estimated life, including an exit or terminal value. The DCF method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of cash flows associated with the property.

The specific timing of cash inflows and outflows are determined by events, such as rent reviews, lease renewal and related lease up periods, re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net cash inflows, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

There were no changes to the valuation techniques during the year.

The fair value measurement is based on the above properties' highest and best use, which does not differ from their actual use.

17. PROPERTY, PLANT AND EQUIPMENT

	Freehold land HK$'000	Buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	Computer equipment HK$'000	Total HK$'000
COST						
At 1 January 2023	–	44,046	13,425	10,883	1,494	69,848
Additions	–	29,246	11,588	4,392	14	45,240
Transfer from properties held for sale (Note 20)	85,687	85,713	–	–	–	171,400
Disposal	–	–	–	(125)	–	(125)
Transferred	–	–	(446)	446	–	–
Lease termination	–	(11,437)	–	(256)	–	(11,693)
Exchange realignment	(167)	(184)	(12)	3	–	(360)
At 31 December 2023	85,520	147,384	24,555	15,343	1,508	274,310
Additions	–	10,107	14,962	2,819	–	27,888
Disposal	–	–	(154)	(833)	–	(987)
Lease termination	–	(5,462)	–	–	–	(5,462)
Exchange realignment	(528)	(961)	(196)	(73)	–	(1,758)
At 31 December 2024	84,992	151,068	39,167	17,256	1,508	293,991
DEPRECIATION						
At 1 January 2023	–	25,747	10,082	6,336	1,348	43,513
Charged for the year (Note 8)	–	12,253	2,604	1,234	96	16,187
Disposal	–	–	–	(125)	–	(125)
Lease termination	–	(9,584)	–	(229)	–	(9,813)
Exchange realignment	–	(7)	7	81	–	81
At 31 December 2023	–	28,409	12,693	7,297	1,444	49,843
Charged for the year (Note 8)	–	11,204	578	1,164	51	12,997
Disposal	–	–	(10)	(832)	–	(842)
Lease termination	–	(5,462)	–	–	–	(5,462)
Exchange realignment	–	(237)	(55)	(24)	–	(316)
At 31 December 2024	–	33,914	13,206	7,605	1,495	56,220
NET BOOK VALUE						
At 31 December 2024	84,992	117,154	25,961	9,651	13	237,771
At 31 December 2023	85,520	118,975	11,862	8,046	64	224,467

17. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Note:

The analysis of the net book value of right-of-use assets, included in the above property, plant and equipment, by class of underlying asset is as follows:

	Buildings	Furniture, fixture and equipment	Total
	HK$'000	HK$'000	HK$'000
Right-of-use assets			
At 1 January 2023	18,299	888	19,187
Additions	29,246	161	29,407
Depreciation	(12,604)	(494)	(13,098)
Lease termination	(1,853)	(27)	(1,880)
Exchange realignment	(9)	(83)	(92)
At 31 December 2023	33,079	445	33,524
Additions	10,107	96	10,203
Depreciation	(9,036)	(325)	(9,361)
Exchange realignment	(204)	84	(120)
At 31 December 2024	33,946	300	34,246

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	HK$'000	HK$'000
Other assets (Note (a))	**7,670**	8,210
Unlisted fund investments (Note (b))	**458,443**	470,431
	466,113	478,641

The fair value of these investments as at 31 December 2024 and 2023 were estimated by BMI Appraisals, details of the fair value measurement are set out in Note 41(h) to the consolidated financial statements.

Notes:

(a) Other assets represented the club debentures. As the end of the reporting period, the fair value of the club debentures held by the Group was HK$7,670,000 (31 December 2023: HK$8,210,000).

(b) On 27 April 2023, Prosperity Risk Balanced Fund LP's directors have resolved to make a partial distribution to its limited partner. After distribution, the Group indirectly held limited partner interest of an entity (the "**Fund**") and the investment objective of the Fund is to invest in real estates. The fair value of the investments in the Fund as at 31 December 2024 was approximately HK$458,443,000 (2023: approximately HK$470,431,000).

The amount of the Group's maximum exposure to loss from its interests in the Fund was the balance of the Fund of approximately HK$458,443,000 as at 31 December 2024 (2023: approximately HK$470,431,000). As at 31 December 2024 and 2023, the Group has no outstanding commitments to make capital contribution.

As at 31 December 2024 and 2023, the fair value measurement of other assets as mentioned in Note (a) above and unlisted fund investments as mentioned in Note (b) above was categorised within level 3 of the fair value hierarchy.

19. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2024	2023
	HK$'000	HK$'000
Service income receivables (Note (a))	**7,444**	9,791
Rental receivables	**8,925**	7,832
Accrued rental income receivables	**81,870**	81,222
Other receivables (Note (b))	**18,969**	44,774
Prepayments	**16,639**	42,605
	133,847	186,224
Classified as		
Current assets	**84,488**	127,233
Non-current assets	**49,359**	58,991
	133,847	186,224

Notes:

(a) The service income receivables are receivables from contracts with customers. Based on invoice date, the whole balances (net of ECLs) as at 31 December 2024 and 2023 are aged within 0 – 30 days.

(b) As at 31 December 2024 and 2023, the other receivables are unsecured, non-interest bearing and repayable on demand.

20. PROPERTIES UNDER DEVELOPMENT AND PROPERTIES HELD FOR SALE

(i) Properties under development

	2024	2023
	HK$'000	HK$'000
At the beginning of the year	**–**	1,024,961
Additions	**–**	89,794
Transferred to properties held for sale	**–**	(1,118,692)
Exchange realignment	**–**	3,937
At the end of the year	**–**	–

The Group's properties under development are located in the U.S. They are expected to be completed within the normal operating cycle of the Group and classified as current assets.

20. PROPERTIES UNDER DEVELOPMENT AND PROPERTIES HELD FOR SALE *(Continued)*

(ii) Properties held for sale

	2024	2023
	HK$'000	HK$'000
At the beginning of the year	**1,349,749**	955,520
Transfer from properties under development	**–**	1,118,692
Transfer to investment properties (Note 16)	**(392,260)**	(273,401)
Derecognised upon sales	**(182,709)**	(150,874)
Transfer to properties, plant and equipment (Note 17)	**–**	(171,400)
Write down to net realisable value (Note 6)	**–**	(130,991)
Exchange realignment	**(7,600)**	2,203
At the end of the year	**767,180**	1,349,749

	2024	2023
	HK$'000	HK$'000
Properties held for sale comprised:		
Land	**403,219**	692,622
Construction costs and capitalised expenditures	**358,346**	646,621
Borrowing costs capitalised	**5,615**	10,506
	767,180	1,349,749

All properties held for sale are located in the U.S..

21. FINANCIAL INSTRUMENTS HELD FOR TRADING

	2024	2023
	HK$'000	HK$'000
Current assets		
Listed investments:		
– Shares listed in U.S.	**121,812**	–

The fair values of the listed securities are determined by reference to the quoted market bid price available on the relevant exchanges.

22. RESTRICTED BANK DEPOSITS

As at 31 December 2024, restricted bank deposits represented pledged bank deposits amounted to approximately HK$59,676,000 (2023: approximately HK$53,103,000), security deposit from tenants amounted to approximately HK$9,939,000 (2023: nil) and escrow and reserves of approximately HK$60,964,000 (2023: approximately HK$69,288,000). Certain pledged bank deposits amounted to approximately HK$58,898,000 (2023: approximately HK$52,755,000) were classified as current assets and the remaining balance of pledged bank deposits of approximately HK$778,000 (2023: approximately HK$348,000) were classified as non-current assets as at 31 December 2024.

Escrow and reserves represented mandatory deposits to cover certain obligations as set forth in the mortgage loan agreement. These cash balances are used primarily to pay for insurance and real estate taxes over the next period and capital repairs as needed. Escrow and reserves are classified as current assets accordingly.

Pledged bank deposits have been secured for the borrowing as disclosed in Note 26.

23. CASH AND BANK BALANCES

	2024	2023
	HK$'000	HK$'000
Cash and bank balances	**310,010**	398,047
Deposits with banks and other financial institutions	**64,025**	57,948
Total cash and bank balances	**374,035**	455,995

Cash at banks earn interest at floating rates based on the daily bank deposit rates.

As at 31 December 2024, the bank balances of the Group denominated in Renminbi ("**RMB**") amounted to approximately HK$177,000 (2023: approximately HK$223,000), which were deposited with the banks and financial institution in the People's Republic of China ("**PRC**"). RMB is currently not a free convertible currency in the international market. The conversion of RMB into foreign currencies and remittance of RMB out of the PRC are subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

24. OTHER PAYABLES AND ACCRUED CHARGES

	2024 HK$'000	2023 HK$'000
Current liabilities		
Other payables and accrued charges (Note)	**87,025**	104,069
Other taxes payables	**917**	1,292
Accrued interests	**285,822**	229,861
Tenant improvement payables	**49,313**	56,309
Rental deposits received	**11,032**	10,598
	434,109	402,129
Non-current liabilities		
Rental deposits received	**9,541**	11,830
Other payables and accrued charges	**1,168**	990
	10,709	12,820

Note:

It mainly consisted of rental income received in advance from the tenants in the U.S., staff costs payable and payables to services providers related to investment properties.

25. AMOUNTS DUE TO SHAREHOLDERS

	2024 HK$'000	2023 HK$'000
Current liabilities		
Sino-Ocean Land (Hong Kong) Limited (Note (a))	**9,637**	46,428
Non-current liabilities		
Grand Beauty (Note (b))	**415,234**	417,814

Notes:

(a) The amount due was unsecured, interest-free and repayable on demand.

(b) The amount due is unsecured, interest bearing at a rate of 4.25% (2023: 4.25%) per annum, matures on 1 April 2026 and denominated in U.S. dollars ("**US$**"). The related interest payable due to Grand Beauty amounted to approximately HK$14,123,000 (2023: approximately HK$8,583,000) is included in accrued interests (Note 24).

26. BORROWINGS

	2024 HK$'000	2023 HK$'000
Lease liabilities (Note 33)		
Within 1 year	**8,906**	7,347
After 1 year but within 2 years	**7,956**	7,527
After 2 years but within 5 years	**21,944**	21,230
	38,806	36,104
Bank loans and revolving loans (Note (a))		
Within 1 year	**496,959**	135,543
After 1 year but within 2 years	**765,729**	1,806,021
After 2 years but within 5 years	**2,176,834**	1,440,398
Over 5 years	**–**	183,446
	3,439,522	3,565,408
Notes payable (Note (b))		
Within 1 year	**147,060**	242,198
After 1 year but within 2 years	**143,870**	–
After 2 years but within 5 years	**66,784**	135,275
	357,714	377,473
Total borrowings	**3,836,042**	3,978,985
Amount due within 1 year included under current liabilities	**(652,925)**	(385,088)
	3,183,117	3,593,897

26. BORROWINGS *(Continued)*

Notes:

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

	2024	2023
	HK$'000	HK$'000
Secured		
HK$	**–**	103,200
U.S. dollars	**3,439,522**	3,462,208
	3,439,522	3,565,408

The bank loans and revolving loans amounted to approximately HK$3,439,522,000 (2023: approximately HK$3,462,208,000) borrowed by certain subsidiaries of the Group. These mortgage loans were non-recourse and secured by way of legal charges over certain of the Group's investment properties of HK$5,180,481,000 (31 December 2023: HK$5,315,185,000) (Note 16) and pledged bank deposits (Note 22).

As at 31 December 2023, the remaining bank loans and revolving loans amounted to approximately HK$103,200,000 were secured by way of legal charges over certain of the Group's investment properties of HK$364,300,000 and the interests of certain subsidiaries of the Group.

Mortgage loans of HK$496,959,000 (2023: nil) were subject to repayment or renewal in the next twelve months after the end of the reporting period. The Group commenced communication with banks for the renewal of mortgage loans and the Group considered it has complied with the terms of the loan agreements during the year.

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

27. OTHER FINANCIAL ASSETS/LIABILITIES

	2024	2023
	HK$'000	HK$'000
Non-current assets		
Limited partner interests (Note)	**476,549**	399,275
Non-current liabilities		
Limited partner interests (Note)	**17,269**	92,401

Note:

Limited partner interests are associated with those limited partnerships where GR Realty being the general partner. Limited partner interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the Group's consolidated income statement and within other financial assets/liabilities or in equity in the consolidated statement of financial position.

27. OTHER FINANCIAL ASSETS/LIABILITIES *(Continued)*

Note: *(Continued)*

The limited partner interests associated with those limited partnerships that have a perpetual term are recognised as non-controlling interests within equity in the consolidated statement of financial position. The related income or loss allocated to non-controlling interests is presented as profit or loss attributable to non-controlling interests in the consolidated income statement.

The limited partner interests associated with those limited partnerships that have a fixed term are recognised as non-current assets or non-current liabilities in the consolidated statement of financial position, and the related income or loss is recognised as profit or loss attributable to the limited partner interests in the consolidated income statement.

The Group allocates partnership income between the general partner interests and the limited partner interests by using the waterfall calculation (the "**Waterfall**"), which are based on the terms agreed in the limited partnership agreements. The allocation represents the change in the liquidation value of the entities which is composed of the profit or loss attributable to limited partners, income or loss allocated to non-controlling interest (equity) and the residual movement year over year.

Where there are losses or where the value of entity is lower than the initial investment, losses are allocated pro rata basis on the capital invested in that entity.

The ownership by a member of the relevant units shall entitle such member to allocations of net income, net loss and other items of income, gain, loss or deduction, and distributions of cash and other property of GR Realty for each fiscal year, in proportion to their respective distribution percentage interests, after repayment of loans made by the members or their affiliates to GR Realty and relevant tax payments.

For the year ended 31 December 2024, the loss allocated to the limited partners amounted to approximately HK$111,075,000 (2023: approximately HK$229,396,000) and recognised within loss attributable to limited partners in the consolidated income statement.

28. SHARE CAPITAL

	2024		2023	
	Number	**HK$'000**	Number	HK$'000
Ordinary shares issued and fully paid				
At the beginning and at the end of the year	**635,570,000**	**371,191**	635,570,000	371,191

In accordance with Section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

29. RESERVES

The Group

Details of the movements on the Group's reserves are set out in the consolidated statement of changes in equity.

29. RESERVES *(Continued)*

The Company

	Convertible preference shares reserve	Perpetual bond	Capital contribution reserve	Retained profits	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2023	2,260,565	2,259,504	308,190	399,271	5,227,530
Distributions paid to holder of perpetual bond	–	–	–	(226)	(226)
Loss for the year	–	–	–	(113,437)	(113,437)
At 31 December 2023 and 1 January 2024	2,260,565	2,259,504	308,190	285,608	5,113,867
Distributions paid to holders of perpetual bond	–	–	–	(226)	(226)
Profit for the year	–	–	–	167,752	167,752
At 31 December 2024	2,260,565	2,259,504	308,190	453,134	5,281,393

30. CONVERTIBLE PREFERENCE SHARES RESERVE

On 23 December 2014, the Company issued 1,300,000,000 non-voting convertible preference shares of HK$3 each (the "**CPSs**") with total subscription price of HK$3,900,000,000 to its parent, Grand Beauty, after having obtained the approval from the independent shareholder of the Company at the extraordinary general meeting held on the same date.

All the CPSs are non-redeemable by the Company and the CPSs holder shall have no right to request the Company to redeem any of the CPSs. Also subject to certain limited exceptions, the CPSs holder is not permitted to attend or vote at meetings of the Company. The board of directors of the Company may, in its sole discretion, elect not to pay dividend on the CPSs in any year, and the dividend not paid shall be extinguished and not be carried forward (the "**Discretionary Non-payment Restriction**"). Save for a non-cumulative floating preference dividend at the floating rate per annum determined with reference to the prevailing annualised yield-to-maturity rate of the 10-year Government Bonds issued by the Hong Kong Government (which is subject to the Discretionary Non-payment Restriction), the CPSs shall not entitle the CPSs holders thereof to any further or other right of participation in the profits of the Company.

During the term of the CPSs, subject to certain conversion restrictions, the holder of the CPSs shall only have right to convert all or part of any CPSs into new ordinary shares at any time after the end of the period of 5 years commencing from the issue date of the CPSs, at the initial conversion price of HK$3 per convertible preference share, subject to adjustments.

30. CONVERTIBLE PREFERENCE SHARES RESERVE *(Continued)*

Details of the CPSs were set out in the announcements of the Company dated 26 October 2014 and 24 November 2014, and the Company's circular dated 27 November 2014.

As the conversion option involves only a conversion of a fixed number of the Company's ordinary shares (i.e. settled by the exchange of fixed amount of equity), the CPSs are classified as equity instruments accordingly.

Amendments

On 26 January 2018, the Company entered into the second supplemental deed (the "**Second Supplemental Deed**") with Grand Beauty, pursuant to which the parties conditionally agreed to amend certain terms of the CPSs ("**the Amendments**"), which include: (i) acceleration of the commencement of the conversion period such that it will commence from the first business day immediately after the amendments effective date (instead of commencing from the end of a five-year period from the issue date of the CPSs as originally contemplated); (ii) increase of the conversion price from HK$3 to HK$6 (subject to adjustments); and (iii) adjustment of the dividends payable on the CPSs from a non-cumulative floating rate per annum to a fixed rate of 3% per annum, nevertheless the Discretionary Non-payment Restriction is remained effective after the Amendments. Furthermore, if the Company should issue, at any time on or before (and including) 30 June 2018, any new shares or convertible securities of the Company to any person other than a person who is a CPSs holder on the date of such new issuance (the "**New Issuance**"), the conversion price shall be reduced, concurrently with and effective from the completion of the New Issuance, to HK$3, provided that: (i) such conversion price shall only be HK$3 in respect of such number of CPSs (in such integral multiple) (the "**Adjusted CPSs**") which will enable the converting shareholder to increase its shareholding to no less than, but closest to, its equity shareholding (excluding its shareholding in any CPSs) in the Company (taking into account the New Issuance and any outstanding convertible and/or exchangeable securities of the Company (other than the CPSs) on an as converted and fully dilutive basis) immediately before completion of the New Issuance; and (ii) the number of Adjusted CPSs shall not exceed 203,466,429 (the "**Adjustments to the revised conversion price**").

Details of the proposed amendments to the terms of the CPSs were set out in the Company's announcement and circular dated 28 January 2018.

On 25 April 2018 (the "**Effective Date**"), the conditions precedent in the Second Supplemental Deed are fulfilled and the Amendments are effective on that date.

30. CONVERTIBLE PREFERENCE SHARES RESERVE *(Continued)*

Amendments *(Continued)*

The Amendments were accounted for as extinguishment of the Adjusted CPSs as the conversion options of the Adjusted CPSs do not meet the fixed-for-fixed criteria, that is, it will not be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's ordinary shares by considering the adjustments to conversion price. Accordingly, the Adjusted CPSs should be accounted for as liability component and are measured at fair value at initial recognition. Subsequently, it is classified as a financial liability at fair value through profit or loss. The difference between the fair value of the Adjusted CPSs of approximately HK$77,301,000 and its carrying amount of approximately HK$610,399,000 at the Effective Date was recognised as "Other reserve" included in "Reserves" and as presented in the Group's consolidated statement of changes in equity.

The Adjustments to the revised conversion price expired on 1 July 2018 (the "**Expiry of Adjustments**"). After the Expiry of Adjustments, the conversion price of the Adjusted CPSs was fixed at HK$6. Accordingly, the conversion option of the Adjusted CPSs involves only a conversion of a fixed number of the Company's ordinary shares (i.e. settled by the exchange of fixed amount of equity), the Adjusted CPSs are reclassified as equity instruments at 1 July 2018. The balance of approximately HK$533,098,000 recorded in the "Other reserve" was also reclassified as convertible preference shares reserve after the Expiry of Adjustments.

Capital reduction

Pursuant to a special resolution passed by the shareholders of the Company at an extraordinary general meeting on 5 July 2017, the cancellation of 470,666,666 CPSs was effective following the registration in the public record of the relevant statutory return filed with the Hong Kong Companies Registry ("**the Capital Reduction**") on 10 August 2017. The credit in the amount of approximately HK$1,411.5 million in the CPSs reserve account of the Company arising from this Capital Reduction was credited to the accumulated losses account of the Company during the year ended 31 December 2017.

Details of the Capital Reduction were set out in the announcements of the Company dated 1 June 2017 and 10 August 2017 and the circular of the Company dated 13 June 2017.

On 26 January 2018, Grand Beauty executed a second deed of cancellation in favour of the Company, pursuant to which Grand Beauty agreed to the implementation of the proposed capital reduction involving the further cancellation of 43,333,334 CPSs held by Grand Beauty (representing approximately 5.23% of all the CPSs in issue as at 31 December 2017 ("**the Second Capital Reduction**").

30. CONVERTIBLE PREFERENCE SHARES RESERVE *(Continued)*

Capital reduction *(Continued)*

Following completion of the Second Capital Reduction, the credit in the amount of approximately HK$130,000,000 in the CPSs reserve account of the Company arising from the Capital Reduction shall be transferred and credited to the capital reduction reserve account of the Company; and the credit in the amount of approximately HK$130,000,000 in the capital reduction reserve account of the Company shall be applied to set off against the accumulated losses of the Company.

Details of the Second Capital Reduction was set out in the announcements of the Company dated 28 January 2018 and 3 May 2018 and the circular of the Company dated 28 February 2018.

On 28 February 2020, Grand Beauty executed a third deed of cancellation in favour of the Company, pursuant to which Grand Beauty agreed to the implementation of the proposed capital reduction involving the cancellation of 31,666,667 CPSs held by Grand Beauty (representing approximately 4.03% of all the CPSs in issue as at 31 December 2019 (the "**Third Capital Reduction**")).

Following completion of the Third Capital Reduction, the credit in the amount of approximately HK$94,948,000 in the CPSs reserve account of the Company arising from the capital reduction shall be transferred and credited to the capital reduction reserve account of the Company; and the credit in the amount of approximately HK$94,948,000 in the capital reduction reserve account of the Company shall be applied to set off against the accumulated losses of the Company.

Details of the Third Capital Reduction was set out in the announcement of the Company dated 28 February 2020 and circular of the Company dated 18 March 2020.

31. PERPETUAL BOND

On 31 May 2017, the Company issued unsecured perpetual bond in an aggregate principal amount of approximately HK$2,259.5 million to Grand Beauty, the shareholder of the Company.

According to the subscription agreement, the consideration payable by Grand Beauty to the Company for the subscription of the perpetual bond shall be satisfied by offsetting against the entire outstanding principal amount of other borrowings provided by Grand Beauty in prior years and related interests accrued thereon as at the date of issue of the perpetual bond in an aggregate amount of approximately HK$2,259.5 million.

31. PERPETUAL BOND *(Continued)*

The perpetual bond confers a right to receive distribution at 0.01% per annum on the principal amount and has no fixed redemption date. The Company may elect to cancel or defer (in whole or in part) any distribution accrued on the perpetual bond at its sole and absolute discretion. The Company may elect to redeem (in whole but not in part) the perpetual bond at 100% of the outstanding principal amount, together with any distribution accrued thereon, on the date falling 10 years after the date of issue of the perpetual bond (the "**First Call Date**") or any distribution payment date after the First Call Date. The perpetual bond constitutes direct, unconditional, unsubordinated and unsecured obligations of the Company and ranks in priority over any shares or convertible preference shares of the Company in respect of any payment in the event of liquidation, dissolution or winding up (whether voluntary or involuntary) of the Company.

The carrying amounts of the other borrowings provided by Grand Beauty as stated above together with interests accrued thereon as at 31 May 2017 amounting to approximately HK$1,599.8 million in aggregate has been used to settle the above consideration payable. The capital contribution previously recognised through the other borrowings provided by Grand Beauty amounting to approximately HK$659.7 million was derecognised and transferred to the perpetual bond. The perpetual bond is classified as an equity of the Company.

On 23 March 2022, Grand Beauty and Estate Spring entered into a sale and purchase agreement, pursuant to which Grand Beauty agreed to sell and Estate Spring agreed to purchase the perpetual bond with consideration RMB200,000,000 (equivalent to approximately HK$245,878,000). The transaction was completed in 2022.

During the year, the Company paid distributions to the holders of perpetual bond amounted to approximately HK$226,000 (2023: approximately HK$226,000).

32. DEFERRED TAXATION

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2024	2023
	HK$'000	HK$'000
Deferred tax assets	**(150,326)**	(162,251)
Deferred tax liabilities	**130,063**	116,434
	(20,263)	(45,817)

32. DEFERRED TAXATION *(Continued)*

The net movement on the deferred tax is as follows:

	2024	2023
	HK$'000	HK$'000
At the beginning of the year	**(45,817)**	(55,041)
Charged to profit or loss (Note 11)	**25,171**	9,200
Exchange realignment	**383**	24
At the end of the year	**(20,263)**	(45,817)

	Depreciation in excess of related depreciation allowance	Temporary difference on accrued rental income	Withholding tax on interest income	Tax losses	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2023	(1,777)	(5,726)	97,869	(145,407)	(55,041)
(Credited)/charged to profit or loss (Note 11)	(2,435)	(815)	15,320	(2,870)	9,200
Exchange realignment	2	(278)	150	150	24
At 31 December 2023 and 1 January 2024	(4,210)	(6,819)	113,339	(148,127)	(45,817)
Charged to profit or loss (Note 11)	1,196	938	16,621	6,416	25,171
Exchange realignment	497	37	(791)	640	383
At 31 December 2024	(2,517)	(5,844)	129,169	(141,071)	(20,263)

The Group has tax losses arising in U.S. of approximately HK$1,852,642,000 (2023: approximately HK$1,631,842,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets of approximately HK$141,071,000 (2023: HK$148,127,000) have been recognised in respect of tax losses of approximately HK$627,586,000 (2023: HK$707,248,000) where the directors of the Company believe it is probable that these assets will be recovered.

At the end of the reporting period, the Group had unused tax losses of approximately HK$331,510,000 (2023: approximately HK$327,862,000) available for offset against future profits. The tax losses are subject to the final assessment of Hong Kong Inland Revenue Department. No deferred tax assets have been recognised in respect of such losses due to the unpredictability of future profit streams. Such tax losses may be carried forward indefinitely.

32. DEFERRED TAXATION *(Continued)*

No deferred tax liability has been recognised on temporary differences of approximately HK$12,329,000 (equivalent to approximately RMB9,217,000) (2023: approximately HK$12,390,000 (equivalent to approximately RMB9,273,000)) relating to the undistributed earnings of foreign subsidiaries because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such difference will not reverse in the foreseeable future.

33. LEASES LIABILITIES

	Buildings	Ground lease	Furniture, fixture and equipment	Total
	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2023	19,489	679	1,075	21,243
Additions	29,246	–	161	29,407
Interest expenses (Note 9)	965	33	66	1,064
Lease payment	(12,581)	(166)	(794)	(13,541)
Lease terminated	(1,853)	–	(27)	(1,880)
Exchange realignment	(179)	2	(12)	(189)
At 31 December 2023	35,087	548	469	36,104
Additions	10,107	–	96	10,203
Interest expenses (Note 9)	2,829	26	23	2,878
Lease payment	(9,626)	(165)	(357)	(10,148)
Exchange realignment	(227)	(2)	(2)	(231)
At 31 December 2024	38,170	407	229	38,806

The Group has certain investment properties on the ground leases at 31 December 2024 and 2023. The terms of the Group's ground leases are typically over 20 years or more.

33. LEASES LIABILITIES *(Continued)*

Future lease payments are due as follows:

	Future lease payments HK$'000	Interest HK$'000	Present value HK$'000
As at 31 December 2024			
Within 1 year	**12,196**	**3,290**	**8,906**
After 1 year but within 2 years	**10,138**	**2,182**	**7,956**
After 2 years but within 5 years	**23,763**	**1,819**	**21,944**
	46,097	**7,291**	**38,806**

	Future lease payments HK$'000	Interest HK$'000	Present value HK$'000
As at 31 December 2023			
Within 1 year	9,967	2,620	7,347
After 1 year but within 2 years	9,631	2,104	7,527
After 2 years but within 5 years	24,343	3,113	21,230
	43,941	7,837	36,104

Operating lease – the Group as lessor

Property rental income earned from leasing of the Group's investment properties during the year is disclosed in Notes 4 and 5. The properties held by the Group have committed tenants for the lease term ranging from one month to ten years (2023: one months to ten years) and rentals are fixed over the lease terms.

At the end of the reporting period, the undiscounted lease payments receivable by the Group in future periods under non-cancellable operating leases with its tenants are as follows:

	2024 **HK$'000**	2023 HK$'000
Within one year	**491,155**	517,605
After 1 year but within 2 years	**387,802**	450,108
After 2 years but within 3 years	**286,592**	328,477
After 3 years but within 4 years	**166,971**	304,076
After 4 years but within 5 years	**182,799**	252,432
After 5 years	**23,546**	196,820
	1,538,865	2,049,518

34. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of loss before income tax to net cash generated from operations:

	2024	2023
	HK$'000	HK$'000
Cash flows from operating activities		
Loss before income tax	**(120,216)**	(890,412)
Adjustments for:		
Depreciation	**12,997**	16,187
Changes in fair value of financial instruments held for trading	**(22,305)**	(12,143)
Changes in fair value of financial assets at fair value through profit or loss	**7,018**	7,048
Changes in fair value of investment properties	**256,383**	957,684
Changes in fair value of assets classified as held for sale	**–**	38,989
Gain on disposal of investment properties	**–**	(2,147)
Loss on disposal of property, plant and equipment	**145**	–
(Reversal of)/provision for impairment loss on financial assets	**(2,886)**	3,216
Share of results of associates	**6,343**	–
Finance costs	**329,933**	400,036
Interest income	**(12,376)**	(6,063)
Write down of properties held for sale to net realisable value	**–**	130,991
Loss attributable to limited partners	**(111,075)**	(229,396)
Operating profit before working capital changes	**343,961**	413,990
Decrease in deposits, prepayments and other receivables	**52,977**	111,532
Decrease in properties held for sale	**182,709**	61,080
Increase in inventories	**(114)**	–
(Increase)/decrease in restricted bank deposits	**(8,188)**	4,563
(Increase)/decrease in financial instruments held for trading	**(99,507)**	130,264
Decrease in other payables and accrued charges	**(17,162)**	(75,713)
Net cash generated from operations	**454,676**	645,716

34. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) Reconciliation of liabilities arising from financing activities:

	Bank loans and other borrowings	Lease liabilities	Amounts due to shareholders	Interest payable	Other financial liabilities	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2024	3,942,881	36,104	464,242	229,861	92,401	4,765,489
Changes from cash flows:						
New bank and other borrowings	229,288	–	–	–	–	229,288
Repayment of bank and other borrowings	(336,796)	–	–	–	–	(336,796)
Settlement paid to limited partner interests	–	–	–	–	(72,916)	(72,916)
Repayment of amounts due to shareholders	–	–	(36,741)	–	–	(36,741)
Repayment of lease liabilities	–	(10,148)	–	–	–	(10,148)
Interest paid	–	–	–	(245,594)	–	(245,594)
Total changes from financing cash flows	(107,508)	(10,148)	(36,741)	(245,594)	(72,916)	(472,907)
Exchange realignment	(23,623)*	(231)*	(2,630)*	(11,092)*	(200)*	(37,776)
Other changes:						
Recognition of lease liabilities	–	10,203*	–	–	–	10,203
Loss attributable to limited partner and puttable instrument holders	–	–	–	–	(2,016)*	(2,016)
Finance charges on obligations under lease liabilities (Note 9)	–	2,878*	–	–	–	2,878
Settlement through the forgiveness of note payables and accrued interest (Note 41 (h)(iv))	(14,514)*	–	–	(14,408)*	–	(28,922)
Interest on bank and other borrowings (Note 9)	–	–	–	327,055*	–	327,055
Total other changes	(14,514)	13,081	–	312,647	(2,016)	309,198
At 31 December 2024	3,797,236	38,806	424,871	285,822	17,269	4,564,004

34. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

(b) Reconciliation of liabilities arising from financing activities: *(Continued)*

	Bank loans and other borrowings	Lease liabilities	Amounts due to shareholders	Interest payable	Other financial liabilities	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2023	5,275,719	21,243	623,988	373,950	225,196	6,520,096
Changes from cash flows:						
New bank borrowings	363,706	–	–	–	–	363,706
Repayment of bank borrowings	(1,416,666)	–	–	–	–	(1,416,666)
Settlement paid to limited partner interests	–	–	–	–	(101,977)	(101,977)
Advance from amounts due to shareholders	–	–	237,756	–	–	237,756
Repayment of amount due to shareholders	–	–	(399,023)	–	–	(399,023)
Repayment of lease liabilities	–	(13,541)	–	–	–	(13,541)
Interest paid	–	–	–	(301,189)	–	(301,189)
Total changes from financing cash flows	(1,052,960)	(13,541)	(161,267)	(301,189)	(101,977)	(1,630,934)
Exchange realignment	11,969*	(189)*	1,521*	5,478*	679*	19,458
Other changes:						
Recognition of lease liabilities	–	29,407*	–	–	–	29,407
Lease termination	–	(1,880)*	–	–	–	(1,880)
Loss attributable to limited partner and puttable instrument holders	–	–	–	–	(31,497)*	(31,497)
Finance charges on obligations under lease liabilities (Note 9)	–	1,064*	–	–	–	1,064
Settlement through the forgiveness of note payables and accrued interest (Note 41 (h)(iv))	(248,505)*	–	–	(247,350)*	–	(495,855)
Settled through disposal of investment properties#	(43,342)	–	–	–	–	(43,342)
Interest on bank and other borrowings (Note 9)	–	–	–	398,972*	–	398,972
Total other changes	(291,847)	28,591	–	151,622	(31,497)	(143,131)
At 31 December 2023	3,942,881	36,104	464,242	229,861	92,401	4,765,489

Bank borrowings of HK$43,342,000 were settled through the proceeds of disposal of investment properties directly during the year.

* Non-cash transactions

35. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme and other defined contribution retirement schemes for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The employees of the Company's subsidiaries established outside Hong Kong are members of a state-managed retirement scheme operated by respective governments. These subsidiaries are required to contribute certain percentage of basic payroll costs to the retirement benefit scheme. The only obligation of the Group with respect to these schemes is to make the required contributions under the scheme.

The Group maintains a retirement plan in the U.S., pursuant to Section 401(k) of the Internal Revenue Code, for eligible participants to make voluntary contributions of a portion of their annual compensation to the retirement plan, on a deferred basis, subject to limitations provided by the Internal Revenue Code.

During the year, the retirement benefits cost charged to the consolidated income statement of approximately HK$2,159,000 (2023: approximately HK$2,202,000) represents contributions payable to the scheme by the Group at rates specified in the rules of the scheme.

During the years ended 31 December 2024 and 2023, the Group has no forfeiture of contributions under the defined contribution retirement plans (i.e. contributions processed by the employer on behalf of the employee who has left the defined contribution retirement plans prior to vesting fully in such contributions). As at 31 December 2024 and 2023, no forfeited contribution under the defined contribution retirement plans was available for the Group to reduce the existing level of contributions.

36. NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests are as follows:

Name of entities	**Place of incorporation and principal place of business**	**Proportion of ownership interest and voting rights held by limited partners**	
		2024	2023
112@Bellevue JV LP	The U.S.	**80%**	80%
600 Clipper Investment Partnership LP	The U.S.	**80%**	80%

Note:

As the Group is the general partner of 112@Bellevue JV LP ("**112@Bellevue**") and 600 Clipper Investment Partnership LP ("**600 Clipper**"), the Group is able to direct the relevant activities and achieves control of 112@Bellevue and 600 Clipper.

36. NON-CONTROLLING INTERESTS *(Continued)*

Summarised financial information of 112@Bellevue before intra-group eliminations is presented below:

	2024	2023
	HK$'000	HK$'000
For the year ended 31 December		
Revenue	**217,266**	220,549
Loss for the year	**(5,293)**	(349,311)
Total comprehensive income	**(5,293)**	(349,311)
Loss and total comprehensive income allocated to non-controlling interests*	**(4,235)**	(271,023)
Dividends paid to non-controlling interests	**4,338**	17,090
Cash flows generated from operating activities	**38,162**	46,271
Cash flows used in investing activities	**(23,212)**	(17,400)
Cash flows generated from financing activities	**11,384**	3,241
Net cash inflows	**26,334**	32,112

	2024	2023
	HK$'000	HK$'000
As at 31 December		
Current assets	**116,367**	90,677
Non-current assets	**2,311,194**	2,343,525
Current liabilities	**(31,264)**	(32,937)
Non-current liabilities	**(1,524,780)**	(1,519,032)
Net assets	**871,517**	882,233
Accumulated non-controlling interests	**697,213**	705,786

* The loss and total comprehensive income allocated to non-controlling interests included limited partner interests classified as non-controlling interests.

36. NON-CONTROLLING INTERESTS *(Continued)*

Summarised financial information of certain non-controlling interests in 600 Clipper before intra-group eliminations is presented below:

	2024	2023
	HK$'000	HK$'000
For the year ended 31 December		
Revenue	**80,334**	78,739
(Loss)/profit for the year	**(13,117)**	29,725
Total comprehensive income	**(13,117)**	29,725
(Loss)/profit and total comprehensive income allocated to non-controlling interests	**(12,868)**	27,841
Dividends paid to non-controlling interests	**19,148**	9,992
Cash flows generated from operating activities	**43,852**	36,792
Cash flows (used in)/generated from investing activities	**(3,070)**	1,370
Cash flows used in financing activities	**(23,962)**	(12,550)
Net cash inflows	**16,820**	25,612

	2024	2023
	HK$'000	HK$'000
As at 31 December		
Current assets	**77,718**	61,557
Non-current assets	**668,934**	723,822
Current liabilities	**(2,260)**	(1,407)
Non-current liabilities	**(421,558)**	(424,178)
Net assets	**322,834**	359,794
Accumulated non-controlling interests	**218,933**	250,950

37. RELATED PARTY TRANSACTIONS

The compensation of key management personnel, representing remuneration of the Company's directors (Note 12).

In addition to those related party transactions disclosed elsewhere in the financial statements, the amounts due to shareholders (Note 25) and distributions to the holders of perpetual bond (Note 31), the Group entered into the following transactions with its related parties during the year. The transactions were carried out at market terms determined by the Group's management.

	2024	2023
	HK$'000	HK$'000
Transaction with a shareholder:		
– Interest expenses (Note)	**18,031**	22,153

Note: As at 31 December 2024, as described in Note 25, amount due to a shareholder of approximately US$53,485,000 (equivalent to approximately HK$415,234,000) (2023: approximately US$53,485,000 (equivalent to approximately HK$417,814,000)) in aggregate is interest-bearing at rate of 4.25% (2023: 4.25%) per annum. The interest expenses incurred for the amounts due to shareholder for the year was approximately HK$18,031,000 (2023: approximately HK$22,153,000) which was included in interest on bank and other borrowings (Note 9).

38. HOLDING COMPANY'S STATEMENT OF FINANCIAL POSITION

	Notes	2024 HK$'000	2023 HK$'000
Non-current assets			
Investments in subsidiaries	39	**1,085,963**	1,191,999
Amounts due from subsidiaries		**3,487,939**	3,512,706
		4,573,902	4,704,705
Current assets			
Deposits and prepayments		**796**	794
Amounts due from subsidiaries		**1,089,059**	755,538
Other receivables		**–**	1,722
Cash and bank balances		**10,948**	44,747
		1,100,803	802,801
Current liabilities			
Other payables and accrued charges		**4,277**	4,233
Amounts due to subsidiaries		**17,844**	18,215
		22,121	22,448
Net current assets		**1,078,682**	780,353
Total assets less current liabilities		**5,652,584**	5,485,058
Capital and reserves			
Share capital	28	**371,191**	371,191
Reserves	29	**5,281,393**	5,113,867
Total equity		**5,652,584**	5,485,058

On behalf of the directors

Sum Pui Ying
Director

Lai Kwok Hung, Alex
Director

39. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2024	2023
	HK$'000	HK$'000
Unlisted shares, at cost	**3,113**	3,113
Deemed capital contribution (Note)	**1,082,850**	1,188,886
	1,085,963	1,191,999

Note:

The amounts due are unsecured, interest-free and have no fixed terms of repayment.

In the opinion of the directors, based on their assessment as at 31 December 2024 of the estimated future cash flows from the subsidiaries, the amounts due from subsidiaries of approximately HK$3,487,939,000 (2023: approximately HK$3,512,706,000) will not be recovered within one year from the end of the reporting period, accordingly, these amounts are classified as non-current. During the year, the principal amounts due from subsidiaries have been adjusted to their fair value with a corresponding increase of approximately HK$1,082,850,000 (2023: approximately HK$1,188,886,000) in investments in subsidiaries. These are regarded as deemed contribution by the Company to these subsidiaries. The effective interest rate on the amounts due from subsidiaries ranged from 5.97% to 12.51% (2023: 7.08% to 12.51%) per annum, representing the borrowing rates of the relevant subsidiaries.

The following is a list of the subsidiaries as at 31 December 2024 and 2023 which in the opinion of the directors, materially affect the results on assets of the Group:

Name of subsidiaries	Place of incorporation/ registration	Principal place of operation	Issued/registered and fully paid capital	Percentage of issued/ registered capital held by the Group		Principal activities
				2024 **%**	2023 %	
112th@Bellevue Operating LLC*	The U.S.	The U.S.	US$101,978,000	**20**	20	Property investment
171 North First Street LLC	The U.S.	The U.S.	US$24,504,000	**100**	99	Property development
531-539 Sixth Avenue LLC	The U.S.	The U.S.	US$115,061,000	**100**	100	Property development
600 Clipper Operating LLC*	The U.S.	The U.S.	US$92,336,000	**20**	20	Property investment

39. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of incorporation/ registration	Principal place of operation	Issued/registered and fully paid capital	Percentage of issued/ registered capital held by the Group		Principal activities
				2024 **%**	2023 %	
Billion Thrive Limited	BVI/Hong Kong	Hong Kong	US$1	**100**	100	Property Investment
Central Tech Park Operating LLC	The U.S.	The U.S.	US$81,000,000	**100**	99	Property investment
Dawn City Global II LLC	The U.S.	The U.S.	US$12,152,000	**100**	100	Property investment
Diamond Hill Operating LLC	The U.S.	The U.S.	US$4,200,000	**51**	50	Property investment
Gemini Investment (HK) Limited	Hong Kong	Hong Kong	HK$2	**100^**	100^	Securities investment and trading
Gemini-Rosemont Realty LLC	The U.S.	The U.S.	US$113,209,000	**100**	99	Investment holding
Jian Feng Holdings Limited	BVI/Hong Kong	Hong Kong	US$1	**100**	100	Property investment
Precise Bloom Limited	BVI/Hong Kong	Hong Kong	US$1	**100**	100	Property investment
Prosperity Tech Park LLC	The U.S.	Hong Kong	US$60,001,000	**100**	100	Investment holding

39. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of incorporation/ registration	Principal place of operation	Issued/registered and fully paid capital	Percentage of issued/ registered capital held by the Group		Principal activities
				2024	2023	
				%	%	
Rosemont Lakeview Operating LLC*	The U.S.	The U.S.	US$12,000,000	**44**	44	Property investment
Rosemont Summit Operating LLC	The U.S.	The U.S.	US$16,731,000	**64**	63	Property investment
Second and Second Property LLC	The U.S.	The U.S.	US$67,446,000	**100**	99	Property development
Shine Victory II LLC	The U.S.	The U.S.	US$8,055,000	**100**	100	Property Investment
Talent Elite Holdings Limited	BVI/Hong Kong	Hong Kong	US$1	**100**	100	Property Investment
Ultimate Ventures Holdings Limited	BVI/Hong Kong	Hong Kong	US$1	**100**	100	Property Investment
West Ash Operating LLC*	The U.S.	The U.S.	US$28,125,000	**20**	20	Property investment

* The percentage of issued/registered capital represented the effective proportion of ownership interest of the noted entities. As the Group is the general partner of the noted entities or the holding company of the noted entities, which it has decision making power in relation to the operation, management and control of its business. Also, the Group would expose to significant variable returns from returns on its ownership interest held, and management fees and performance return as the returns of the general partner. Thus, The Group is able to direct the relevant activities and achieves control of the noted entities.

^ Directly held by the Company

40. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of total equity attributable to owners of the Company, comprising issued share capital, convertible preference shares reserve, perpetual bond and other reserves.

The management reviews the capital structure regularly. As a part of this review, the management considers the cost of capital and the risks associated with the issued share capital and will balance the Group's overall capital structure through the payment of dividends or the issue of new debt.

The Group's overall strategy remains unchanged from prior year.

The total equity attributable to owners of the Company to total assets ratio of the Group at the end of the reporting period was as follows:

	2024	2023
	HK$'000	HK$'000
Total equity attributable to owners of the Company	**4,337,387**	4,458,503
Total assets	**10,118,632**	10,534,179
Total equity attributable to owners of the Company to total assets ratio	**0.43:1**	0.42:1

The Group's secured bank loans are subject to various covenants. Two of these loans include covenants that need to be complied with within 12 months after the reporting date.

The Group has a secured bank loan with a carrying amount of approximately HK$760,730,000 (equivalent to approximately US$97,988,000) as at 31 December 2024 (2023: approximately HK$759,258,000 (equivalent to approximately US$97,194,000)). The loan is repayable on 23 March 2026. The agreement includes a covenant that requires a debt service coverage ratio ("**DSCR**") above 1.3 at the end of each quarter. The DSCR is calculated based on net operating income divided by total debt service (which means the current debt obligations). The DSCR at the end of each quarter in 2024 were ranged from 1.41 to 1.97 which meet the covenant requirements.

The Group has another secured bank loan with a carrying amount of approximately HK$238,902,000 (equivalent to approximately US$30,772,000) as at 31 December 2024 (2023: approximately HK$244,205,000 (equivalent to approximately US$31,261,000)). The loan is repayable on 1 April 2027. The agreement includes a covenant which among other things, that requires a DSCR above 1.15 at the end of each quarter. The DSCR at the end of each quarter in 2024 were ranged from 0.24 to 0.54 which does not meet the covenant requirements. The covenant violation is not an event of default, but rather than the Group has deposited the requested funds in pledged bank deposits (Note 22) as defined in the loan agreement.

41. FINANCIAL RISK MANAGEMENT

(a) Categories of financial instruments

The carrying amounts presented in the consolidated statement of financial position:

	2024	2023
	HK$'000	HK$'000
Financial assets		
At fair value through profit or loss		
– Financial assets at fair value through profit or loss	**466,113**	478,641
– Limited partner interests	**476,549**	399,275
– Financial instruments held for trading	**121,812**	–
At amortised cost		
– Deposits and other receivables	**117,208**	143,619
– Cash and bank balances	**374,035**	455,995
– Restricted bank deposits	**130,579**	122,391
	1,686,296	1,599,921
Financial liabilities		
At fair value through profit or loss		
– Limited partner interests	**17,269**	92,401
At amortised cost		
– Other payables and accrued charges	**428,336**	403,223
– Amount due to shareholders	**424,871**	464,242
– Bank Borrowings and notes payable	**3,797,236**	3,942,881
– Lease liabilities	**38,806**	36,104
	4,706,518	4,938,851

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Financial risk management objectives and policies

The management monitors and manages the financial risks relating to the operations of the Group through various internal management reports which analyses exposures by degree and magnitude of risks. These risks include market risks (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

There has been no significant change to the manner in which the Group manages and measures such risks.

(c) Foreign currency risk management

Some of the Group's transactions were conducted in foreign currencies other than the functional currency of the operations to which they related. Certain bank balances and deposits of the Group are also denominated in foreign currencies other than the functional currency of the group entities. Hence, exposures to exchange rate fluctuations arise. The Group manages its foreign currency risks by constantly monitoring the movement of the foreign exchange rates.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities other than the functional currency of the operations to which they relate at the end of the reporting period is as follows:

	Assets		**Liabilities**	
	2024	2023	**2024**	2023
	HK$'000	HK$'000	**HK$'000**	HK$'000
US$	**225,946**	112,715	**9,637**	28,908
RMB	**197**	247	**–**	–
Euro ("**EUR**")	**4**	4	**–**	–
	226,147	112,966	**9,637**	28,908

The policies to manage the foreign currency risk have been followed by the Group since prior years and are considered to be effective.

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Foreign currency risk management *(Continued)*

Foreign currency sensitivity

As HK$ is currently pegged to U.S. dollars, management considers that the exposure to exchange fluctuation in respect of U.S. dollars is limited as the relevant group entities have HK$ as their functional currency. The Group therefore mainly exposed to risks in relation to other currencies.

The following table indicates the approximate change in the Group's profit or loss in response to reasonably possible changes in the foreign exchange rates to which the Group have significant exposure at the end of reporting period.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the Group entities' exposure to currency risk for non-derivative financial instruments in existence at that date.

The stated changes represent the management's assessment of reasonably possible changes in foreign exchange rates over the next reporting period. Results of the analysis as presented in the below table represent an aggregation of the effects on each of the Group entities' profit or loss measured in the respective functional currencies, translated into HK$ at the exchange rate ruling at the end of the reporting period for presentation purposes. A positive/(negative) numbers represented a decrease/(an increase) in loss in 2024 and a decrease/(an increase) in loss in 2023.

	2024		2023	
	Increase/ (decrease) in foreign exchange rate	**Effect on profit or loss and an accumulated loss**	Increase/ (decrease) in foreign exchange rate	Effect on profit or loss and an accumulated loss
		HK$'000		HK$'000
RMB against HK$	**10%**	**20**	10%	25
	(10%)	**(20)**	(10%)	(25)
EUR against HK$	**10%**	**–**	10%	–
	(10%)	**–**	(10%)	–

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Interest rate risk management

The Group's borrowings as disclosed in Note 26 was issued at variable rates and fixed rates which expose the Group to cash flow interest-rate risk and fair value interest-rate risk for the borrowings respectively. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

The terms of repayment of the Group's borrowings are disclosed in Note 26 to the consolidation financial statements. The Group was not exposed to significant fair value interest rate risk as the Group did not have any fixed rate borrowings measured at fair value through profit or loss and the Group did not have significant fixed rate financial assets.

The Group's bank balances and deposits with banks and other financial institutions carry interest at market rates. In the opinion of the directors of the Company, the impact of the change in the interest rate on deposits with banks and other financial institutions is negligible. Accordingly, the sensitivity analysis below only includes analysis on bank borrowings with variable interest rates amounted to HK$2,285,507,000 as at 31 December 2024 (2023: HK$2,399,350,000).

The policies to manage the interest rate risk have been followed by the Group since prior years and are considered to be effective.

Interest rate sensitivity

The sensitivity analysis indicates the instantaneous change in the Group's loss after tax and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to remeasure those financial instruments held by the Group which expose the Group to fair value interest-rate risk at the end of the reporting period. In respect of the exposure to cash flow interest-rate risk arising from instruments held by the Group at the end of the reporting period, the impact on the group's loss after tax and other components of consolidated equity is estimated as an annualised impact on interest expenses or income of such a change in interest rates. The analysis is performed on the same basis for 2023.

The sensitivity analyses below have been determined based on the exposure to interest rates for variable rate borrowing. A 50 basis point increase or decrease is used as it represents management's assessment of the possible change in interest rate.

If interest rates of borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's results for the year ended 31 December 2024 would decrease/increase by HK$9,084,000 (2023: HK$9,363,000).

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(e) Other price risks

The Group is exposed to price risk through its financial assets at fair value through profit or loss measured at fair value (Note 18) and the financial instruments held for trading (Note 21), comprising listed equity securities and measured at fair value at the end of the reporting period.

Listed equity securities held in the portfolio of financial assets at fair value through profit or loss have been chosen based on their growth potential and are monitored regularly for performance against expectations. The management also performed analysis of the nature of market risk associated with the equity securities held for trading, including discussion with the investment advisors, and concluded that the price risk is more prominent in evaluating the market risk of this kind of investments. The management manages this exposure by maintaining a portfolio of investments with different risk profiles in accordance with the limits set by the Group and located in different jurisdictions.

Price sensitivity

The policies to manage other price risk have been followed by the Group since prior years and are considered to be effective.

The sensitivity analyses below have been determined based on the exposure to price risk at the end of the reporting period for the Group's financial assets at fair value through profit or loss at fair value and investments held for trading. A 10% increase or decrease is used as it represents management's assessment of the possible change in price of equity securities.

If the prices of the respective equity securities that are indexed to equity prices had been 10% higher/lower, the Group's results for the year ended 31 December 2024 would increase/decrease by HK$12,181,000 (2023: nil) as a result of the changes in fair value of financial instruments held for trading.

The Company is not exposed to other price risk as no listed equity investments held at the end of the reporting period.

(f) Credit risk management

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's credit risk is primarily attributable to its rental and other related receivables, other receivables and bank balances.

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(f) Credit risk management *(Continued)*

In respect of rental and other related receivables, the Group limits its exposure to credit risk by rigorously selecting the counterparties and to deal with credit worthy counterparties. Credit terms are granted to new customers after credit worthiness assessment. The Group performs ongoing credit evaluation on the financial condition of its debtors and tightly monitors the ageing of the receivable balances. Follow up action is taken in case of overdue balances. In addition, management assesses the collectability of the receivables regularly and on a case-by-case basis for the determination of any loss allowance for the receivables by taking into account the customers' or debtors' financial condition, current creditworthiness, past settlement history, business relationship with the Group and other factors such as current market conditions.

As at 31 December 2024, the Group had certain concentration of credit risk as approximately 13.7% (2023: approximately 20.5%) of the Group's rental and other related receivables were due from the Group's one tenant.

The Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition on an ongoing basis throughout the years. To assess whether there has been a significant increase in credit risk, the Group compares the risk of default occurring on receivables over the expected life between the reporting date and the date of initial recognition. For this purpose, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition.

– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations.

– Actual or expected significant changes in the operating results of the debtors.

– Significant changes in the expected performance and behaviour of the debtors, including changes in the payment status of debtors in the Group.

– Actual or expected significant adverse change in the regulatory, economic, or technological environment in which the debtors operate that results in a significant change in the customer's ability to meet its debt obligations.

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(f) Credit risk management *(Continued)*

The Group presumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers a financial asset to be in default when (i) the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is more than 90 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The Group assesses whether a financial asset is credit-impaired at the end of each reporting period. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter into bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

The Group measures loss allowance for rental and other related receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix by reference to past default experience of the debtor and current market condition in relation to each debtor's exposure and time value of money where appropriate. The ECLs also incorporate forward looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle the rental and other related receivables. Rental and other related receivables have been grouped based on shared credit risk characteristics.

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(f) Credit risk management *(Continued)*

As the Group's historical credit loss experience does not indicate significantly different loss patterns for different tenant segments and different debtors, the expected loss rate and loss allowance is not further distinguished between the Group's different tenant and debtor bases.

	2024	2023
	HK$'000	HK$'000
Expected loss rate	**3.33%**	3.71%
Gross carrying amount of rental and other related receivables	**101,624**	104,381
Loss allowance	**3,385**	3,874

As at 31 December 2023, management considered that certain rental and other related receivables amounted to HK$4,111,000 were credit-impaired and written off the carrying amount of these receivables. During the year, the Group recovers the rental and other related receivables of HK$1,390,000 previously written off and recognised as reversal of impairment losses during the year.

For all other receivables, the Group measures loss allowance at an amount equal to 12 months ECLs, which is calculated by reference to past default experience of the debtor and current market condition in relation to each debtor's exposure and time value of money where appropriate. The ECLs also incorporate forward looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle these receivables.

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(f) Credit risk management *(Continued)*

Movement in the loss allowance account in respect of rental and other related receivables and other receivables during the year is as follows:

	Rental and other related receivables HK$'000	Other receivables HK$'000	Total HK$'000
Balance at 1 January 2023	5,305	1,126	6,431
Provision for impairment losses recognised during the year	2,680	536	3,216
Written-off	(4,111)	–	(4,111)
Balance at 31 December 2023 and 1 January 2024	3,874	1,662	5,536
Reversal of impairment losses recognised during the year	(489)	(1,007)	(1,496)
Balance at 31 December 2024	3,385	655	4,040

The following significant changes in the gross carrying amounts of the above receivables contributed to the decrease/increase in the loss allowance:

– decrease in rental and other related receivables resulted in reversal of loss allowance of HK$489,000 (2023: provision for impairment loss HK$2,680,000).

– decrease in other receivables resulted in reversal of loss allowance of HK$1,007,000 (2023: provision for impairment loss HK$536,000).

– A write off of rental and other related receivables with a gross carrying amount of HK$4,111,000 resulted in a decrease in loss allowance of HK$4,111,000 in 2023.

The Group does not provide any guarantees which would expose the Group to credit risk during the years ended 31 December 2024 and 2023.

The credit policies have been consistently applied and are considered to be effective in limiting the Group's exposure to credit risk to a desirable level.

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(g) Liquidity risk management

In the management of the liquidity risk, the Group monitor and maintain a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risks.

Liquidity information

The following tables detail the Group's remaining contractual maturity for other non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

	Effective interest rate	Repayable on demand or less than 1 month	1 – 3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 December 2024							
Other payables and accrued charges		3,963	390,687	33,686	–	428,336	428,336
Amounts due to shareholders		9,637	–	–	437,293	446,930	424,871
Borrowings	3.72%-11.10%	–	–	696,058	3,367,450	4,063,508	3,797,236
Lease liabilities	5.06%	1,084	2,046	9,066	33,901	46,097	38,806
		14,684	392,733	738,810	3,838,644	4,984,871	4,689,249

	Effective interest rate	Repayable on demand or less than 1 month	1 – 3 months	3 months to 1 year	Over 1 year	Total undiscounted cash flows	Carrying amount
	%	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
31 December 2023							
Other payables and accrued charges		8,604	359,281	35,338	–	403,223	403,223
Amount due to shareholders		46,428	–	–	475,525	521,953	464,242
Borrowings	2.59%-12.00%	–	–	408,055	3,749,392	4,157,447	3,942,881
Lease liabilities	5.44%	576	1,645	7,746	33,974	43,941	36,104
		55,608	360,926	451,139	4,258,891	5,126,564	4,846,450

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(h) Fair value of financial instruments

The Group followed HKFRS 7 Financial Instruments: Disclosures which introduce a three-level hierarchy for fair value measurement (HKFRS 13) disclosures and additional disclosures about the relative reliability of fair value measurements.

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
As at 31 December 2024				
Financial assets at fair value through profit or loss				
– Others (Note (i))	–	–	7,670	7,670
– Unlisted fund investments (Notes (i) and (iii))	–	–	458,443	458,443
– Financial instruments held for trading (Note (ii))	121,812	–	–	121,812
– Limited partner interests (Note (iv))	–	–	476,549	476,549
	121,812	–	942,662	1,064,474
Financial liabilities at fair value through profit or loss				
– Limited partner interests (Note (iv))	–	–	17,269	17,269

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(h) Fair value of financial instruments *(Continued)*

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
As at 31 December 2023				
Financial assets at fair value through profit or loss				
– Others (Note (i))	–	–	8,210	8,210
– Unlisted fund investments (Notes (i) and (iii))	–	–	470,431	470,431
– Limited partner interests (Note (iv))	–	–	399,275	399,275
	–	–	877,916	877,916
Financial liabilities at fair value through profit or loss				
– Limited partner interests (Note (iv))	–	–	92,401	92,401

During the years ended 31 December 2024 and 2023 there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets and financial liabilities.

Notes:

(i) The fair values of others and unlisted fund investments have been determined by BMI Appraisals, the independent qualified valuer which are level 3 fair value measurement. The movement of these financial instruments is as follows:

	2024 HK$'000	2023 HK$'000
At the beginning of the year	**478,641**	546,938
Return of capital	**(2,663)**	(64,828)
Fair value change recognised in profit or loss	**(7,018)**	(7,048)
Exchange realignment	**(2,847)**	3,579
At the end of the year	**466,113**	478,641

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(h) Fair value of financial instruments *(Continued)*

Notes: *(Continued)*

(ii) The financial instruments held for trading is measured subsequent to initial recognition at fair value and grouped into Level 1 based on the degree to which the fair value is observable. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

As at 31 December 2024, the financial instruments held for trading grouped into level 1 is HK$121,812,000 (2023: nil).

(iii) The valuations are determined based on the following significant unobservable inputs:

	Valuation technique	**Significant unobservable inputs**	**Range/ value**	**Sensitivity of fair value to the input**
Unlisted fund investments which invests in real estate project	Asset-based approach	Discount/ premium of quality of properties (e.g. location, view, size, condition and age of the properties).	-20%-20%	Had the discount decreased by 10%, the fair value would have increased by approximately HK$50,721,000. Had the discount increased by 10%, the fair value would have decreased by approximately HK$50,721,000.

(iv) The fair value of limited partner interests with put option within Level 3 is determined by assets based approach. The fair value of it is calculated principally by reference to the estimated fair value of the portion of the underlying investment property in which the owner of the limited partnership is interested.

The investment property's fair value is itself subject to a number of unobservable inputs, including the discount rate and the terminal capitalisation rate.

41. FINANCIAL RISK MANAGEMENT *(Continued)*

(h) Fair value of financial instruments *(Continued)*

Notes: *(Continued)*

(iv) *(Continued)*

The fair values of limited partner interests is level 3 fair value measurement. The movement of these financial instruments is as follows:

	Limited partner interest – other financial assets	**Limited partner interest – other financial liabilities**	**Total**
	HK$'000	**HK$'000**	**HK$'000**
31 December 2024			
At the beginning of the year	**399,275**	**(92,401)**	**306,874**
Settlement paid to limited partner interests	**–**	**72,916**	**72,916**
Loss attributable to limited partners	**109,059**	**2,016**	**111,075**
Settlement through the forgiveness of note payables and accrued interest	**(28,922)**	**–**	**(28,922)**
Exchange realignment	**(2,863)**	**200**	**(2,663)**
At the end of the year	**476,549**	**(17,269)**	**459,280**

	Limited partner interest – other financial assets	Limited partner interest – other financial liabilities	Total
	HK$'000	HK$'000	HK$'000
31 December 2023			
At the beginning of the year	695,342	(225,196)	470,146
Settlement paid to limited partner interests	–	101,977	101,977
Loss attributable to limited partners	197,900	31,496	229,396
Settlement through the forgiveness of note payables and accrued interest	(495,855)	–	(495,855)
Exchange realignment	1,888	(678)	1,210
At the end of the year	399,275	(92,401)	306,874

The carrying amounts of the financial assets and financial liabilities measured at amortised cost as disclosed under current assets and current liabilities, respectively, approximate their fair value as they are all short term in nature.

42. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, which are described in Note 3, management has made various estimates and judgements which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Estimates and judgements are continually evaluated. The key source of estimation uncertainty and accounting judgements that result in significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year or significantly affect the amounts recognised in the financial statements are discussed below:

(a) As described in Notes 3(e) and 16, investment properties are stated at fair value based on the valuation performed by an independent professional valuer and a dedicated valuation team reporting to management. In determining the fair value, the valuer and valuation team has based on methods of valuation which involves estimates in rental value, capitalisation rate, discount rate, premium or discount for quality of properties, terminal capitalisation rate and occupancy rate. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market conditions.

(b) The ECLs for rental and other receivables are based on the assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's assessment on debtors' payment history and current and future ability for payment taking into account the information specific to the debtors as well as pertaining to the current and future general economic environment in which the debtors operated. Details of management's credit risk assessment are disclosed in Note 41(f).

(c) The Group estimates the fair value of financial assets using the valuation performed by an independent professional valuer. In determining the fair value, the valuer based on a method of valuation which involves estimates in discount or premium of quality of properties. The directors have exercised their judgement and are satisfied that the method of valuation is reflective of the current market condition.

(d) Management determines the net realisable value of properties held for sale requires estimations, including expected future selling prices and costs necessary to the sale of these properties, and is assessed by management with reference to the valuations carried out by the external property valuer for certain properties. These properties hold significance to the Group's total assets. The assessment of net realisable value is inherently subjective and requires significant management judgement and estimation in estimating future selling prices and estimated cost to sell.

Details of Major Investment Properties

Investment property and address	Lot Number	Use	Total gross floor area (Approx. square feet)	Our Group's interest %	Government lease expiry/Freehold
Units 2310 to 2312 on 23rd Floor, Tower Two Lippo Centre, No. 89 Queensway, Hong Kong	Certain parts or shares of and in Inland Lot No. 8615	Office	3,000	100%	2059 (renewable for a further term of 75 years)
Unit 3701 on 37th Floor, Tower Two Lippo Centre, No. 89 Queensway, Hong Kong	Certain parts or shares of and in Inland Lot No. 8615	Office	2,000	100%	2059 (renewable for a further term of 75 years)
Unit 3702A on 37th Floor, Tower Two Lippo Centre, No. 89 Queensway, Hong Kong	Certain parts or shares of and in Inland Lot No. 8615	Office	1,000	100%	2059 (renewable for a further term of 75 years)
Unit 3604B on 36th Floor, Tower Two Lippo Centre, No. 89 Queensway, Hong Kong	Certain parts or shares of and in Inland Lot No. 8615	Office	2,000	100%	2059 (renewable for a further term of 75 years)
Unit Nos. 2119-2120 on 21st Floor, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong	Certain parts or shares of and in Inland Lot No. 8517	Office	3,000	100%	2055 (renewable for a further term of 75 years)
Unit Nos. 2704-2705 on 27th Floor, West Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong	Certain parts or shares of and in Inland Lot No. 8517	Office	4,000	100%	2055 (renewable for a further term of 75 years)
Units 16G, 20A, 20B, 21D, 25G, 26C, 26G, 28D, 29C, 30D, 31F, 32F, 32G, 33E, 34B, 34G, 35C, 35E, 37C, 15 William Street, Manhattan, New York 10004, the U.S.	N/A	Residential	17,000	100%	Freehold
500 and 600 Clipper Drive, Belmont, California 94002, the U.S.	N/A	Office	159,000	20%	Freehold
1100, 1110, 1120, 112th Avenue, Bellevue, Washington 98004, the U.S.	N/A	Office	484,000	20%	Freehold
2420-2490 West 26th Avenue, Denver, Colorado 80211, the U.S.	N/A	Office	374,000	51%	Freehold
3380-3420 Central Expressway, Santa Clara, California 95051, the U.S.	N/A	Office	369,000	100%	Freehold

Details of Major Investment Properties

Investment property and address	Lot Number	Use	Total gross floor area (Approx. square feet)	Our Group's interest %	Government lease expiry/Freehold
15, 22 & 25 Century Boulevard, Nashville, Tennessee 37214, the U.S.	N/A	Office	382,000	44%	Freehold
610 West Ash Street, San Diego, California 92101, the U.S.	N/A	Office	177,000	20%	Freehold
11757 Katy Freeway, Houston, Texas 77079, the U.S.	N/A	Office	286,000	4%	Freehold
545 East John Carpenter Freeway, Dallas, Texas 75062, the U.S.	N/A	Office	376,000	64%	Freehold
12000 Aerospace Avenue, Houston, Texas 77034, the U.S.	N/A	Office	80,000	40%	Held under leasehold interest for a term expiring on 22 August 2027 with two opinions to extend for 20 years each

Details of Properties Held For Sale

Address	Use	Approx. site area (square feet)	Approx. gross floor area (square feet)	Our Group's Interest %
161-171 North First Street, Brooklyn, New York 11211, the U.S.	Residential	14,000	78,000*	100%
38, 42-48 Second Avenue, Manhattan, New York 10003, the U.S.	Mixed-used residential	14,000	N/A	100%
531-537 & 539 Avenue of the Americas, Manhattan, New York, 10011, the U.S.	Mixed-used residential	8,000	82,000*	100%

* Area represents aggregate gross floor area of the whole project. Certain units in these two projects have been sold or retained for lease purpose. As at 31 December 2024, the total remaining saleable area of these two projects was about 22,000 square feet.

Five-Year Financial Summary

CONSOLIDATED INCOME STATEMENTS

For the year ended 31 December,

	2020 HK$'000	2021 HK$'000	2022 HK$'000	2023 HK$'000	**2024** **HK$'000**
Revenue	603,856	1,227,106	1,064,608	1,061,755	**1,047,591**
(Loss)/profit before taxation	(137,456)	284,166	(295,564)	(890,412)	**(120,216)**
Taxation	(95,780)	(45,551)	(34,224)	(23,685)	**(35,719)**
(Loss)/profit for the year	(233,236)	238,615	(329,788)	(914,097)	**(155,935)**
(Loss)/profit for the year attributable to:					
Owners of the Company	(233,036)	(8,111)	(295,740)	(655,881)	**(94,836)**
Non-controlling interests	(200)	246,726	(34,048)	(258,216)	**(61,099)**
	(233,236)	238,615	(329,788)	(914,097)	**(155,935)**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 December,

	2020 HK$'000	2021 HK$'000	2022 HK$'000	2023 HK$'000	**2024** **HK$'000**
Total asset	17,955,521	16,022,667	13,313,358	10,534,179	**10,118,632**
Total liabilities	(10,768,836)	(8,715,249)	(6,885,029)	(5,071,025)	**(4,856,894)**
	7,186,685	7,307,418	6,428,329	5,463,154	**5,261,738**
Equity attributable to:					
Owners of the Company	5,392,323	5,406,016	5,107,672	4,458,503	**4,337,387**
Non-controlling interests	1,794,362	1,901,402	1,320,657	1,004,651	**924,351**
	7,186,685	7,307,418	6,428,329	5,463,154	**5,261,738**

Corporate Information

BOARD OF DIRECTORS

Executive Directors

SUM Pui Ying *(Chairman)*
LAI Kwok Hung, Alex *(Chief Executive Officer)*
LAM Yee Lan

Non-executive Director

TANG Runjiang

Independent Non-executive Directors

LO Woon Bor, Henry
CHEN Yingshun *(resigned on 20 April 2024)*
LEE Sai Kai, David
LEUNG Wai Hung *(appointed on 20 April 2024)*

AUDIT COMMITTEE

LEE Sai Kai, David *(Chairman)*
TANG Runjiang
LO Woon Bor, Henry
CHEN Yingshun *(resigned on 20 April 2024)*
LEUNG Wai Hung *(appointed on 20 April 2024)*

REMUNERATION COMMITTEE

LEE Sai Kai, David *(Chairman)*
LO Woon Bor, Henry
CHEN Yingshun *(resigned on 20 April 2024)*
LEUNG Wai Hung *(appointed on 20 April 2024)*

NOMINATION COMMITTEE

SUM Pui Ying *(Chairman)*
LO Woon Bor, Henry
CHEN Yingshun *(resigned on 20 April 2024)*
LEE Sai Kai, David
LEUNG Wai Hung *(appointed on 20 April 2024)*

INVESTMENT COMMITTEE

SUM Pui Ying *(Chairman)*
LAI Kwok Hung, Alex
TANG Runjiang
LEE Sai Kai, David

COMPANY SECRETARY

CHEUNG Sin Kei

AUTHORISED REPRESENTATIVES

LAI Kwok Hung, Alex
CHEUNG Sin Kei

AUDITOR

BDO Limited
Certified Public Accountants

LEGAL ADVISORS
(in alphabetical order)

Baker & Mckenzie
Sit Fung Kwong & Shum

PRINCIPAL BANKERS
(in alphabetical order)

DBS Bank (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

SHARE REGISTRAR

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 610, One Pacific Place
88 Queensway
Hong Kong

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Stock Code: 174

COMPANY WEBSITE

www.geminiinvestments.com.hk