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盛洋投資

Gemini Investments (Holdings) Limited

盛洋投資（控股）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 174)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

The Board of Directors (the “**Board**” or the “**Director(s)**”) of Gemini Investments (Holdings) Limited (the “**Company**”) is pleased to present the interim results of the Company and its subsidiaries (together referred to as the “**Group**”, “**our Group**” or “**We**”/“**we**”) for the six months ended 30 June 2016 (the “**Interim Period**”).

FINANCIAL REVIEW

Revenue

During the Interim Period, our Group recorded a total revenue of approximately HK\$9.6 million (for the six months ended 30 June 2015: approximately HK\$12.4 million), which comprises rental income of approximately HK\$9.2 million (for the six months ended 30 June 2015: approximately HK\$8.8 million) and dividend income of approximately HK\$0.4 million (for the six months ended 30 June 2015: approximately HK\$2.0 million).

Loss attributable to owners of the Company

During the Interim Period, our Group recorded a loss attributable to owners of the Company of approximately HK\$288.7 million (for the six months ended 30 June 2015: loss of approximately HK\$269.6 million). Such loss recorded was mainly because of:

- (i) share of a loss of approximately HK\$159.5 million in a joint venture of the Company, namely Sino Prosperity Real Estate Fund L.P. (the “**SPRE Fund**”). Our Group has disposed of the entire interest held in the SPRE Fund in June 2016 through the disposal of Chance Bright Limited (“**Chance Bright**”, a wholly-owned subsidiary of the Company which held the 50% equity interest in the SPRE Fund), for a total consideration of RMB970.0 million (approximately HK\$1,131.4 million), with a slight loss on disposal of approximately HK\$7.4 million recognised and;
- (ii) finance cost of approximately HK\$141.7 million, including the non-cash imputed interest expenses of approximately HK\$108.4 million relating to the loans borrowed from Grand Beauty Management Limited (“**Grand Beauty**”), an indirect wholly-owned subsidiary of our controlling shareholder, Sino-Ocean Group Holding Limited (“**Sino-Ocean**”, and together with its subsidiaries, “**Sino-Ocean Group**”), during the Interim Period.

Consequently, our Group recorded basic losses per share of approximately 0.64 HK dollar for the Interim Period versus basic losses per share of approximately 0.60 HK dollar during the last corresponding period.

The Board does not recommend the payment of any interim dividend for the Interim Period.

Financial Resources and Liquidity

Total assets and net asset value of our Group as at 30 June 2016 were approximately HK\$5,763.7 million (31 December 2015: approximately HK\$6,528.2 million) and approximately HK\$3,789.9 million (31 December 2015: approximately HK\$3,956.3 million), respectively.

As at 30 June 2016, the carrying amount of our total borrowings amounted to approximately HK\$1,925.3 million (31 December 2015: approximately HK\$2,465.0 million), mainly consisted of (a) unsecured borrowings with carrying amount of approximately HK\$1,476.4 million (31 December 2015: approximately HK\$1,941.9 million), of which approximately HK\$258.6 million classified as current liabilities, from Grand Beauty; and (b) an unsecured bank borrowing with carrying amount of HK\$448.8 million (31 December 2015: HK\$497.8 million), of which the whole amount will be repayable in one year. Apart from the above, our Group did not have any other interest bearing debt as at 30 June 2016.

Total cash resources (including bank balances and cash and short-term bank deposits) of our Group amounted to approximately HK\$1,265.3 million as at 30 June 2016 (31 December 2015: approximately HK\$851.5 million), and the current ratio of our Group as at 30 June 2016 was approximately 1.89 times. The net gearing ratio of our Group as at 30 June 2016, based on total borrowings (of which approximately 77% represented shareholder's loan from Grand Beauty) less cash resources divided by total shareholders' equity, was around 17% (31 December 2015: 41%).

Given our adaptable financial management policy amid the continued strong financial support from Sino-Ocean Group, we are confident about sustaining our financial liquidity to support our business expansion and maintaining overall financial healthiness in the coming years.

Risk of Exposure to Exchange Rate Fluctuations and Related Hedging

During the Interim Period, our Group's assets and liabilities were mainly denominated in Hong Kong Dollars, United States Dollars, Renminbi and Australian Dollars. In view of the potential Renminbi and Australian Dollars exchange rate fluctuations, our Group will continue to closely monitor the foreign currency exchange risk exposure and enter into any related hedging when appropriate.

OPERATION REVIEW

Our Group is principally engaged in investment in fund platform, property investment, fund investment, and securities investment business.

During the Interim Period, our Group adhered to the philosophy of value investment, actively optimizing its asset allocation. An analysis of our Group's revenue and contribution to operating result for the Interim Period by our principal activities is set out in Note 4 to the unaudited condensed consolidated financial statements of our Group as disclosed in this announcement below.

Investment in Fund Platform

Through investing in fund platform, our Group is able to participate in the property projects in the United States of America (the "U.S.") or in other countries where investment opportunities arise through various structures of vehicles, which enable our Group to share potential gain from such investments.

In order to capture the growth in the property market of the U.S. and strengthen our Group's presence therein, our Group has been actively exploring sound investment opportunities in the U.S. property market over the years, including the investment in Gemini-Rosemont Realty LLC ("**GR Realty**") as disclosed in the announcement of the Company dated 31 December 2014. GR Realty is a well-established platform principally engaged in the ownership and/or management of an investment portfolio which comprised 71 commercial properties, representing 112 buildings, with approximately

14.4 million square feet in 20 states across the U.S. as at 30 June 2016. During the first half of 2016, GR Realty has successfully raised around 80 % of equity contribution from good standing investors to acquire a premier class A office tower located in the heart of bustling Downtown San Diego, California, U.S.. GR Realty provides respective asset and property management as well as leasing services to the property owner of such class A office tower and earns management fee income.

During the Interim Period, our Group shared a profit of approximately HK\$31.8 million as a result of its interest in GR Realty and received dividend of approximately HK\$12.4 million from certain syndicated projects controlled by GR Realty. As at 30 June 2016, our interest in GR Realty, together with interest in certain syndicated projects controlled by GR Realty, amounted to approximately HK\$955.0 million.

Through investment in GR Realty, our Group is able to leverage on the expertise, experience and business network of its management team in the commercial real estate market, as well as diversifying our investment in fund platform business and property investment portfolio to a large number of states in the U.S., and allow our Group standing on a vantage point due to its exposure and presence in the U.S.

In March 2016, our Group, after taking into account the existing cash balance of the Group and the funding cost of the Group, entered into a loan agreement to provide unsecured loans in the amount of US\$6.3 million in aggregate at maximum to GR Realty, with interest at 6% per annum, for the purpose of facilitating the future expansion of GR Realty, which will in turn increase value to our Group. The details are set out in the Company's announcement dated 31 March 2016.

SPRE Fund (disposed in June 2016)

As disclosed in the Company's announcements dated 19 May 2016 and 28 June 2016, and circular dated 10 June 2016, the Group completed the disposal of its equity interest in the SPRE Fund through the disposal of the entire equity interest in Chance Bright and assignment of the shareholder's loan provided by the Group, for a total consideration of RMB970.0 million in June 2016. The disposal resulted in a loss of approximately HK\$7.4 million to our Group during the Interim Period.

During the Interim Period, share of loss of the SPRE Fund of approximately HK\$159.5 million was recognised, mainly as a result of the challenging property market, in particular in second and third tier cities.

The disposal enables our Group to focus top management resources and monetise the remaining value of its investment in the SPRE Fund for the purpose of seeking other overseas investment opportunities amid a competitive market environment.

Property Investments

Our Group held investment properties comprising A-grade office premises in Hong Kong with gross floor area of approximately 16,000 square feet and residential units in New York with gross floor area of approximately 17,000 square feet, with occupancy rate of 88% (based on square feet), as at 30 June 2016, and recognized rental income of approximately HK\$9.2 million during the Interim Period (for the six months ended 30 June 2015: approximately HK\$8.8 million). Revaluation gain of approximately HK\$4.4 million and HK\$5.0 million was recorded on the investment properties located in Hong Kong and New York, respectively (for the six months ended 30 June 2015: Nil).

In May 2016, our Group entered into purchase and sale agreements to acquire two properties adjacent to each other that are located at Sixth Avenue of Manhattan, New York, at a total cash consideration of US\$53.0 million, so as to expand its property investment portfolio in New York which is believed to be one of the prime property markets in the U.S. The Board considers that such properties are at a prime location in one of the busiest retail districts in New York with tremendous foot traffic and good connection to other areas through various metro lines and trains, and offer an attractive upside potential in the medium term. The details of such acquisition are set out in the Company's announcement dated 27 May 2016 and circular dated 20 June 2016.

Fund Investments

Through fund investments, our Group aims to capture more sound investment opportunities, diversify its risk exposure, and further enhance its rate of return through efficient management and a wider access to investment channels.

Our fund investment portfolio, classified as available-for-sale investments, recorded carrying value of approximately HK\$2,105.6 million as at 30 June 2016 (31 December 2015: approximately HK\$2,100.4 million). Apart from other movement, a decrease of approximately HK\$14.8 million in fair value of fund investments was recorded in other comprehensive income for the Interim Period, due to the volatile global financial market conditions (for the six months ended 30 June 2015: increase in fair value of approximately HK\$32.7 million). No revenue or gain has yet been recognised from fund investments for the Interim Period.

Securities and Other Investments

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

During the Interim Period, our Group recorded dividend income from securities and other investments of approximately HK\$0.4 million (for the six months ended 30 June 2015: approximately HK\$2.0 million), and a loss from changes in fair value of financial instruments held for trading of approximately HK\$16.9 million as a result of the high volatility of global capital market (for the six months ended 30 June 2015: a loss of approximately HK\$6.1 million).

As at 30 June 2016, our securities investment portfolio mainly consisted of investment in listed securities in Hong Kong of approximately HK\$4.8 million (31 December 2015: approximately HK\$10.6 million) and overseas of approximately HK\$67.0 million (31 December 2015: in overseas and the People's Republic of China of approximately HK\$139.0 million).

DEVELOPMENT PROSPECTS

Looking ahead to second half of 2016, while global economic prospect will be unclear, especially with potential adverse impacts of Brexit, prompt response to the changing market environment and prudent strategy towards investment opportunities shall be our essential themes when determining and executing investment strategies.

Our Group will continue to reinforce our professional knowledge and persistently adhere to the discipline of value investing in Hong Kong and overseas property markets, so as to contribute sustainable growth and returns, and extend its business scope in the property markets, as well as maintaining prudent and disciplined financial management to ensure its sustainability. For the U.S. market in particular, we will continue to leverage on the well-established platform of GR Realty to allow our Group to gain significant access to and expertise in the U.S. markets, and to capture market opportunities there in a timely manner and generate considerable investment returns for our Group from the management and investment of U.S. real estate assets.

CONDENSED CONSOLIDATED INCOME STATEMENT

| | Notes | Six months ended 30 June | |
|---|-------|---------------------------------|---------------------------------|
| | | 2016 HK\$'000 (Unaudited) | 2015 HK\$'000 (Unaudited) |
| Sales proceeds from disposal of financial instruments held for trading | | <u>171,360</u> | <u>517,065</u> |
| Revenue | 4 | 9,638 | 12,418 |
| Other income | | 20,108 | 5,945 |
| Employee costs | | (13,054) | (10,080) |
| Share-based compensation | | (599) | (4,466) |
| Depreciation | | (573) | (1,075) |
| Other expenses | | (18,940) | (25,683) |
| Loss arising from changes in fair value of financial instruments held for trading | | (16,904) | (6,104) |
| Gain arising from changes in fair value of investment properties | | 9,443 | — |
| Gain on disposal of available-for-sale investment | | — | 5,084 |
| Share of results of joint ventures | 8 | (128,706) | (223,915) |
| Loss on disposal of a subsidiary | 11 | (7,388) | — |
| Finance costs | | <u>(141,710)</u> | <u>(21,686)</u> |
| Loss before income tax | | (288,685) | (269,562) |
| Income tax | 5 | <u>—</u> | <u>—</u> |
| Loss for the period | | <u>(288,685)</u> | <u>(269,562)</u> |
| Loss for the period attributable to: | | | |
| Owners of the Company | | <u>(288,685)</u> | <u>(269,562)</u> |
| Losses per share for loss attributable to owners of the Company | 6 | | |
| — Basic (HK dollar) | | (0.64) | (0.60) |
| — Diluted (HK dollar) | | <u>N/A</u> | <u>N/A</u> |

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Six months ended 30 June | |
|--|--------------------------|-------------------------|
| | 2016 | 2015 |
| Notes | <i>HK\$'000</i> | <i>HK\$'000</i> |
| | (Unaudited) | (Unaudited) |
| Loss for the period | (288,685) | (269,562) |
| Other comprehensive income: | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Change in fair value of available-for-sale investments | (14,845) | 32,721 |
| Exchange differences on translation of foreign operations | (215) | (108) |
| Share of other comprehensive income of joint ventures | (12,062) | — |
| Release of exchange reserve upon disposal of a subsidiary | 73,406 | — |
| | <u>46,284</u> | <u>32,613</u> |
| Other comprehensive income for the period | 46,284 | 32,613 |
| Total comprehensive income for the period | <u>(242,401)</u> | <u>(236,949)</u> |
| Total comprehensive income attributable to: | | |
| Owners of the Company | <u>(242,401)</u> | <u>(236,949)</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | At 30 June 2016 <i>HK\$'000</i> (Unaudited) | At 31 December 2015 <i>HK\$'000</i> (Audited) |
|---|--------------|--|--|
| | <i>Notes</i> | | |
| Non-current assets | | | |
| Investment properties | | 537,923 | 528,275 |
| Property, plant and equipment | | 2,813 | 3,384 |
| Interests in joint ventures | 8 | 955,030 | 2,167,916 |
| Available-for-sale investments | 9 | 2,215,834 | 2,207,382 |
| Deposits paid | | 4,821 | — |
| Loan receivables | | <u>625,076</u> | <u>573,504</u> |
| | | <u>4,341,497</u> | <u>5,480,461</u> |
| Current assets | | | |
| Deposits, prepayments and other receivables | | 11,076 | 14,059 |
| Deposits paid for acquisition of properties held for resale | | 47,463 | — |
| Loan receivables | | 26,408 | 26,393 |
| Financial instruments held for trading | | 71,935 | 155,825 |
| Short-term bank deposits | | 107,876 | 214,576 |
| Bank balances and cash | | <u>1,157,468</u> | <u>636,918</u> |
| | | <u>1,422,226</u> | <u>1,047,771</u> |
| Current liabilities | | | |
| Other payables and accrued charges | | 46,631 | 39,178 |
| Amount due to a fellow subsidiary | | — | 65,880 |
| Taxation payable | | 102 | 102 |
| Borrowings | 10 | <u>707,491</u> | <u>863,333</u> |
| | | <u>754,224</u> | <u>968,493</u> |
| Net current assets | | <u>668,002</u> | <u>79,278</u> |
| Total assets less current liabilities | | <u><u>5,009,499</u></u> | <u><u>5,559,739</u></u> |

| | | At 30 June 2016 <i>HK\$'000</i> (Unaudited) | At 31 December 2015 <i>HK\$'000</i> (Audited) |
|---|-----------|--|--|
| Capital and reserves | | | |
| Share capital | | 184,881 | 184,881 |
| Reserves | | <u>3,605,013</u> | <u>3,771,465</u> |
| Total equity | | <u>3,789,894</u> | <u>3,956,346</u> |
| Non-current liabilities | | | |
| Borrowings | <i>10</i> | 1,217,837 | 1,601,625 |
| Deferred tax liabilities | | <u>1,768</u> | <u>1,768</u> |
| | | <u>1,219,605</u> | <u>1,603,393</u> |
| Total equity and non-current liabilities | | <u><u>5,009,499</u></u> | <u><u>5,559,739</u></u> |

NOTES

1. GENERAL INFORMATION

The unaudited condensed consolidated financial statements of Gemini Investments (Holdings) Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2016 (the “**Interim Financial Statements**”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 December 2015 that is included in the unaudited condensed consolidated financial statements for the six months ended 30 June 2016 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those consolidated financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Chapter 622) is as follows:

The Company will deliver the consolidated financial statements for the year ended 31 December 2015 to the Registrar of Companies in Hong Kong in due course as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Chapter 622).

The Company’s auditor has reported on those consolidated financial statements. The auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance (Chapter 622).

2. BASIS OF PREPARATION

The Interim Financial Statements do not include all of the information required in annual financial statements in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which includes all applicable individual Hong Kong Financial Reporting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended 31 December 2015.

For better understanding of the financial performance achieved by the Group, the directors of the Company disclosed the sales proceeds of the financial instruments held for trading in the condensed consolidated income statement, although such disclosure is not required under Hong Kong Accounting Standard 1 (Revised) “Presentation of Financial Statements”.

The Interim Financial Statements are unaudited, but have been reviewed by BDO Limited in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA.

3. PRINCIPAL ACCOUNTING POLICIES

The Interim Financial Statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the Interim Financial Statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2015.

In the current interim period, the Group has applied, for the first time, a number of new or revised standards and interpretations (“**new or revised HKFRSs**”) issued by the HKICPA. The application of the new and revised HKFRSs in the current period has no material effect on the amounts reported in the condensed consolidated financial statements and/or disclosures set out in the condensed consolidated financial statements.

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

| | |
|------------------------------------|--|
| Amendments to HKAS 7 | Disclosure Initiative ¹ |
| Amendments to HKAS 12 | Recognition of Deferred Tax Assets for Unrealised Losses ¹ |
| HKFRS 9 (2014) | Financial Instruments ² |
| HKFRS 15 | Revenue from Contracts with Customers ² |
| HKFRS 16 | Leases ³ |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴ |

¹ Effective for annual periods beginning on or after 1 January 2017

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for annual periods beginning on or after 1 January 2019

⁴ Effective date is deferred

The Group has already commenced an assessment of related impact of adopting the above new, revised or amended standards and interpretations to the Group. The Group is not yet in a position to state whether substantial changes to the Group’s accounting policies and presentation of the consolidated financial statements will be resulted.

4. SEGMENT INFORMATION

Information reported to the 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.

Specially, the Group’s reportable and operating segments under HKFRS 8 are as follows:

1. Investment in fund platform – provision of management and administration services for property development project and investing in real estate fund platform.
2. Property investments – rental income from leasing of office properties and residential condominium.
3. Fund investments – investing in various investment funds and generating investment income.
4. Securities and other investments – investing in various securities and generating investment income.

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

The following is an analysis of the Group's revenue and results from operations by reportable and operating segments for the period under review:

Six months ended 30 June 2016

| | Investment in fund platform <i>HK\$'000</i> (Unaudited) | Property investments <i>HK\$'000</i> (Unaudited) | Fund investments <i>HK\$'000</i> (Unaudited) | Securities and other investments <i>HK\$'000</i> (Unaudited) | Consolidated <i>HK\$'000</i> (Unaudited) |
|---|---|---|---|--|--|
| Segment revenue | — | 9,208 | — | 171,790 | 180,998 |
| Less: Sales proceeds from disposal of financial instruments held for trading | — | — | — | (171,360) | (171,360) |
| Revenue as presented in the condensed consolidated income statement | <u>—</u> | <u>9,208</u> | <u>—</u> | <u>430</u> | <u>9,638</u> |
| Segment results | <u>(125,429)</u> | <u>15,216</u> | <u>4,830</u> | <u>(14,616)</u> | <u>(119,999)</u> |
| Interest income from bank deposits | | | | | 1,266 |
| Finance costs | | | | | (141,710) |
| Unallocated corporate expenses | | | | | (28,242) |
| Loss before income tax | | | | | <u>(288,685)</u> |

Six months ended 30 June 2015

| | Investment in fund platform <i>HK\$'000</i> (Unaudited) | Property investments <i>HK\$'000</i> (Unaudited) | Fund investments <i>HK\$'000</i> (Unaudited) | Securities and other investments <i>HK\$'000</i> (Unaudited) | Consolidated <i>HK\$'000</i> (Unaudited) |
|---|---|---|---|--|--|
| Segment revenue | 1,606 | 8,844 | 620 | 518,413 | 529,483 |
| Less: Sales proceeds from disposal of financial instruments held for trading | — | — | — | (517,065) | (517,065) |
| Revenue as presented in the condensed consolidated income statement | <u>1,606</u> | <u>8,844</u> | <u>620</u> | <u>1,348</u> | <u>12,418</u> |
| Segment results | <u>(227,474)</u> | <u>7,134</u> | <u>(1,105)</u> | <u>(7,124)</u> | <u>(228,569)</u> |
| Interest income from bank deposits | | | | | 999 |
| Finance costs | | | | | (21,686) |
| Unallocated corporate expenses | | | | | (20,306) |
| Loss before income tax | | | | | <u>(269,562)</u> |

Except for the inclusion of sales proceeds from disposal of financial instruments held for trading in the segment revenue of securities and other investments reported to the chief operating decision makers, the accounting policies of the Group's operating segments under HKFRS 8 are the same as the Group's accounting policies.

Segment results represent the profit or loss by each segment without allocation of interest income from bank deposits, unallocated corporate expenses (including central administration costs, share-based compensation 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.

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

| | 30 June 2016 HK\$'000 (Unaudited) | 31 December 2015 HK\$'000 (Audited) |
|------------------------------------|--|--|
| Assets | | |
| Segment assets | | |
| — Investment in fund platform | 1,417,543 | 2,577,694 |
| — Property investments | 600,058 | 537,107 |
| — Fund investments | 2,316,456 | 2,306,177 |
| — Securities and other investments | 635,140 | 711,734 |
| Unallocated assets | <u>794,526</u> | <u>395,520</u> |
| Consolidated total assets | <u><u>5,763,723</u></u> | <u><u>6,528,232</u></u> |
| Liabilities | | |
| Segment liabilities | | |
| — Investment in fund platform | 9,844 | 14,739 |
| — Property investments | 3,525 | 4,593 |
| — Fund investments | — | 48 |
| — Securities and other investments | 10,977 | 5,401 |
| Unallocated liabilities | <u>1,949,483</u> | <u>2,547,105</u> |
| Consolidated total liabilities | <u><u>1,973,829</u></u> | <u><u>2,571,886</u></u> |

Segment assets include all assets allocated to operating segments other than property, plant and equipment, unallocated deposits, prepayment and other receivables, certain short-term bank deposits and bank balances and cash which are not allocated to a segment.

Segment liabilities include all liabilities allocated to operating segments other than taxation payable, borrowings, amount due to a fellow subsidiary, deferred tax liabilities and unallocated other payables and accrued charges.

The information disclosed above represented the segments to be identified on the basis of internal 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.

5. INCOME TAX

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profit arising in or derived from Hong Kong during the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

Overseas tax is calculated at the rates applicable in the respective jurisdictions in which the Group operates. The Group has no profit subject to the overseas tax during the six months ended 30 June 2016 (six months ended 30 June 2015: Nil).

6. LOSSES PER SHARE

The calculation of the losses per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of HK\$288,685,000 (six months ended 30 June 2015: HK\$269,562,000) and on the weighted average number of 450,990,000 ordinary shares (six months ended 30 June 2015: 448,642,000 ordinary shares) in issue during the period.

No adjustment has been made to basic losses per share amount presented for the periods ended 30 June 2016 and 30 June 2015 in respect of a dilution as the impact of convertible preference shares and/or share options outstanding had an anti-dilutive effect on the basic losses per share amount presented.

7. INTERIM DIVIDEND

The directors do not recommend the payment of interim dividend during the current interim period (six months ended 30 June 2015: Nil).

8. INTERESTS IN JOINT VENTURES

| | 30 June 2016 HK\$'000 (Unaudited) | 31 December 2015 HK\$'000 (Audited) |
|---|--|--|
| Share of net assets other than goodwill | 919,763 | 2,133,057 |
| Goodwill | <u>35,267</u> | <u>34,859</u> |
| At the end of the period/year | <u>955,030</u> | <u>2,167,916</u> |
| | 30 June 2016 HK\$'000 (Unaudited) | 31 December 2015 HK\$'000 (Audited) |
| At the beginning of the period/year | 2,167,916 | 1,772,482 |
| Capital contributions | 408 | 1,455,218 |
| Dividend distribution | (12,373) | (10,150) |
| Disposal (<i>Note 11</i>) | (1,060,153) | — |
| Share of post-acquisition losses and other comprehensive income | <u>(140,768)</u> | <u>(1,049,634)</u> |
| At the end of the period/year | <u>955,030</u> | <u>2,167,916</u> |

As at 30 June 2016 and 31 December 2015, the Group has interests in the following significant joint ventures:

| Name of joint venture | Form of business structure | Country of incorporation | Principal place of operation | Class of shares held | Percentage of ownership interests/ voting rights/ profit share | | Principal activities |
|---|----------------------------|---|--|--|--|------------------|----------------------------------|
| | | | | | 30 June 2016 | 31 December 2015 | |
| Sino Prosperity Real Estate Limited | Incorporated | Cayman Islands | The People's Republic of China ("PRC") | Ordinary | — | 50% | Investment holdings |
| Sino Prosperity Real Estate Advisor Limited | Incorporated | Cayman Islands | PRC | Ordinary | — | 50% | Investment advisory |
| Gemini-Rosemont Realty LLC | Limited liability company | The United States of America (the "U.S.") | The U.S. | Class A membership interests* | 45% | 45% | Property investment & management |
| Rosemont WTC Denver GPM LLC | Limited liability company | The U.S. | The U.S. | Membership interests [#] | 100% | 100% | Property investment & management |
| Rosemont Diversified Portfolio II LP | Limited Partnership | The U.S. | The U.S. | Limited partnership interests [#] | 37.19% | 37.19% | Property investment & management |

* Class A membership interests represent the interests have control over the joint venture

Membership interests and limited partnership interests are non-controlling interests

Under HKFRS 11, these joint arrangements are classified as joint ventures and have been included in the condensed consolidated financial statements of the Group using the equity method.

9. AVAILABLE-FOR-SALE INVESTMENTS

| | 30 June 2016 HK\$'000 (Unaudited) | 31 December 2015 HK\$'000 (Audited) |
|---|--|--|
| Unlisted equity investments, at cost | 107,277 | 107,313 |
| Club debenture, at cost | 3,333 | — |
| Unlisted fund investments | | |
| — at fair value | 366,417 | 361,262 |
| — at cost | 1,739,137 | 1,739,137 |
| | 2,105,554 | 2,100,399 |
| Impairment loss on available-for-sale investments | (330) | (330) |
| | 2,215,834 | 2,207,382 |

10. BORROWINGS

The maturity profile of the borrowings is as follows:

| | 30 June 2016 HK\$'000 (Unaudited) | 31 December 2015 HK\$'000 (Audited) |
|--|--|--|
| <i>Current:</i> | | |
| Obligation under finance lease | 45 | 45 |
| Bank and other loans | | |
| — unsecured and repayable within 1 year | <u>707,446</u> | <u>863,288</u> |
| | <u>707,491</u> | <u>863,333</u> |
| <i>Non-current:</i> | | |
| Obligation under finance lease | 48 | 71 |
| Bank and other loans | | |
| — unsecured and repayable after 1 year but within 2 years | — | 399,833 |
| — unsecured and repayable after 2 years but within 5 years | 758,614 | 758,270 |
| — unsecured and repayable after 5 years | <u>459,175</u> | <u>443,451</u> |
| | <u>1,217,837</u> | <u>1,601,625</u> |
| | <u>1,925,328</u> | <u>2,464,958</u> |

11. DISPOSAL OF SUBSIDIARY

On 19 May 2016, the Company entered into a sales and purchase agreement to dispose of a wholly-owned subsidiary, namely Chance Bright Limited (“Chance Bright”) and assigned the benefits of all loans of approximately HK\$2,308,875,000 advanced by the Group (the “Loan Assignment”) to Xin Cai Global Holdings Limited at the cash consideration of approximately RMB970,000,000 (equivalent to approximately HK\$1,131,379,000). Chance Bright was an investment holding company and it directly held the 50% equity interest in two joint venture companies, being (i) Sino Prosperity Real Estate Limited (*Note 8*), which is an investment holding company, and its subsidiaries are engaged in property development and provision of upfitting and decoration services in the PRC, and (ii) Sino Prosperity Real Estate Advisor Limited (*Note 8*), which is engaged in provision of investment advisory services. After the completion of disposal, Chance Bright would cease to be a subsidiary of the Company. The disposal of Chance Bright was completed on 28 June 2016. Details of the disposal were set out in the announcements of the Company dated 19 May 2016 and 28 June 2016 and the circular of the Company dated 10 June 2016.

The loss arising from the disposal was included as “Loss on disposal of a subsidiary” in the condensed consolidated income statement and is calculated as follows:

HK\$'000

Net liabilities disposed of:

| | |
|---|--------------------|
| Interests in joint ventures (<i>Note 8</i>) | 1,060,153 |
| Prepayments | 15 |
| Amount due to an immediate holding company | <u>(2,308,875)</u> |
| | (1,248,707) |

Loss on disposal of a subsidiary:

| | |
|--|----------------|
| Consideration received | 1,131,379 |
| Net liabilities disposed of | 1,248,707 |
| Cumulative exchange differences in respect of the net assets of the disposed subsidiary reclassified from equity to profit or loss | (73,406) |
| Loan Assignment | (2,308,875) |
| Direct expenses in relation to the disposal of a subsidiary | <u>(5,193)</u> |

Loss on disposal of a subsidiary (7,388)

Satisfied by:

| | |
|------|-------------------------|
| Cash | <u><u>1,131,379</u></u> |
|------|-------------------------|

An analysis of net inflow of cash and cash equivalents in respect of disposal of a subsidiary is as follows:

HK\$'000

Net cash inflow arising from disposal of a subsidiary:

| | |
|-----------------------------|-------------------------|
| Cash consideration received | <u><u>1,131,379</u></u> |
|-----------------------------|-------------------------|

PUBLICATION OF RESULTS ANNOUNCEMENT

This results announcement is published on the websites of the Company (www.geminiinvestments.com.hk) and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (www.hkexnews.hk).

CORPORATE GOVERNANCE

During the Interim Period, the Company has complied with the applicable code provisions (the “**Code Provisions**”) of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as and when they were/are in force, except for Code Provisions A.6.7 and E.1.2 which require that Mr. LI Ming (the honorary chairman of the Board and a non-executive Director, the “**Honorary Chairman**”) and all other non-executive Directors shall attend general meetings of the Company.

Due to other pre-arranged business commitments which had to be attended, (i) the Honorary Chairman and Mr. LI Hongbo (being a non-executive Director) were unable to attend the annual general meeting of the Company held on 22 April 2016 and the extraordinary general meeting of the Company held on 28 June 2016 (the “**EGM**”); and (ii) Mr. DENG Wei (being an independent non-executive Director) was unable to attend the EGM.

REVIEW BY AUDITOR AND AUDIT COMMITTEE

At the request of the audit committee of the Company (the “**Audit Committee**”), the auditor of the Company has carried out a review of the unaudited interim financial information of the Group for the six months ended 30 June 2016 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial information of the Group for the six months ended 30 June 2016.

CODES FOR SECURITIES TRANSACTION BY DIRECTORS AND RELEVANT EMPLOYEES

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the “**Model Code**”) 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 Interim Period.

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.

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 Interim Period.

By order of the Board
Gemini Investments (Holdings) Limited
LAI Kwok Hung, Alex
Executive Director

Hong Kong, 22 July 2016

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

Executive directors:

Mr. SUM Pui Ying

Ms. CUI Yueming

Mr. LAI Kwok Hung, Alex

Non-executive directors:

Mr. LI Ming

Mr. LI Hongbo

Independent non-executive directors:

Mr. LAW Tze Lun

Mr. LO Woon Bor, Henry

Mr. DENG Wei