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盛洋投资

Gemini Investments (Holdings) Limited
盛 洋 投 資（控 股）有 限 公 司

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

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 2017 (the "**Interim Period**").

FINANCIAL REVIEW

Revenue

During the Interim Period, our Group recorded a significant increase in revenue to approximately HK$35.6 million (for the six months ended 30 June 2016: approximately HK$9.6 million), which was mainly due to return of approximately HK$16.4 million recorded from an investment project in Melbourne in Australia, and increase in rental income of approximately HK$9.6 million as a result of our acquisition of properties in the United States of America (the "**U.S.**") in the second half of 2016.

Other Income

Other income, which mainly comprised loan interest income derived from our loans to a joint venture and investee, improved slightly from approximately HK$20.1 million to HK$22.4 million.

Changes in fair value of financial instruments held for trading

A loss from changes in fair value of financial instruments held for trading of approximately HK$24.9 million was recorded, due to volatile global capital market during the Interim Period (for the six months ended 30 June 2016: a loss of approximately HK$16.9 million).

Share of results of joint ventures

Profit arising from share of results of joint ventures of approximately HK$9.1 million was recorded during the Interim Period as compared to loss of approximately HK$128.7 million for the six months ended 30 June 2016. For the six months ended 30 June 2016, significant loss of approximately HK$159.5 million was recognised on share of results of a joint venture of the Company, namely Sino Prosperity Real Estate Fund L.P. (the "**SPRE Fund**"). Our Group disposed its entire interest held in the SPRE Fund in June 2016.

Finance Cost

Finance cost for the Interim Period, which mainly comprised (i) interest cost from the loans (the "**Shareholder's Loan**") borrowed from Grand Beauty Management Limited ("**Grand Beauty**"), a subsidiary of our controlling shareholder, Sino-Ocean Group Holding Limited ("**Sino-Ocean**") and (ii) bank loan, decreased from approximately HK$141.7 million to approximately HK$81.8 million. This was mainly due to decrease in non-cash imputed interest expense relating to the Shareholder's Loan from approximately HK$108.4 million for the six months ended 30 June 2016 to approximately HK$57.1 million during the Interim Period as a result of the issue of the perpetual bond to replace the Shareholder's Loan as elaborated further in the paragraph headed "Issue of the Perpetual Bond" below.

Loss attributable to owners of the Company

Loss attributable to owners of the Company improved from loss of approximately HK$288.7 million to loss of approximately HK$92.2 million for the Interim Period. Consequently, our Group recorded basic losses per share of approximately HK$0.20 for the Interim Period versus basic losses per share of approximately HK$0.64 for the six months ended 30 June 2016. Our management will continue to focus on the improvement of our shareholders' return as their on-going task.

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

Issue of the Perpetual Bond

On 31 May 2017, the Company and Grand Beauty entered into a subscription agreement pursuant to which the Company agreed to issue and Grand Beauty agreed to subscribe for an unsecured perpetual bond in an aggregate principal amount of approximately HK$2,259.5 million (the "**Perpetual Bond**"), with the consideration payable by Grand Beauty to be satisfied by setting off against the entire outstanding principal amount of the Shareholder's Loan and related interest accrued. The

Perpetual Bond was issued on the same date of 31 May 2017. As a result of this transaction, the Shareholder's Loan has been derecognised as the liability of the Company whilst the Perpetual Bond recognised as the equity of the Company. The details of this transaction are set out in the Company's announcement dated 1 June 2017 and circular dated 13 June 2017.

Proposed Capital Reduction involving Cancellation of Convertible Preference Shares and Elimination of Accumulated Losses

On 31 May 2017, Grand Beauty executed a deed of cancellation in favour of the Company pursuant to which Grand Beauty agreed to the proposed implementation of a capital reduction of the Company (the "**Capital Reduction**") involving the cancellation of around 470.7 million convertible preference shares previously issued by the Company to Grand Beauty, representing approximately 36.2% of all the convertible preference shares then in issue by the Company. As disclosed in the circular of the Company dated 13 June 2017, subject to the Capital Reduction becoming effective in accordance with the Companies Ordinance of Hong Kong, a credit of approximately HK$1,412.0 million will arise from the Capital Reduction and be transferred to a capital reduction reserve account of the Company, and such credit will be applied to set off against the accumulated losses of the Company of approximately HK$1,228.2 million standing in its accounts as at 31 December 2016, with the remaining credit balance of approximately HK$183.8 million following such set-off to be applied to set off against any future accumulated losses of the Company arising after 31 December 2016.

The Capital Reduction, which is still subject to satisfaction of certain other conditions, had been approved by way of special resolution by the shareholders of the Company at an extraordinary general meeting of the Company held on 5 July 2017.

Financial Resources and Liquidity

As at 30 June 2017, the carrying amount of our total borrowings decreased to approximately HK$496.0 million (as at 31 December 2016: approximately HK$2,048.9 million)), mainly as a result of the issue of the Perpetual Bond as mentioned above. Apart from the above, our Group did not have any other interest bearing debt as at 30 June 2017.

Total cash resources (including bank balances and cash and short-term bank deposits) of our Group amounted to approximately HK$830.9 million as at 30 June 2017 (as at 31 December 2016: approximately HK$1,121.4 million). The current ratio improved from approximately 4.53 times as at 31 December 2016 to around 37.83 times as at 30 June 2017, and our Group did not have any gearing on a net debt basis as at 30 June 2017 as compared to net gearing ratio of 24% as at 31 December 2016. Such change arose mainly as a result of the issue of the Perpetual Bond (which is recognized as the equity of the Company) and derecognition of the Shareholder's Loan as mentioned above.

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

Pledged Assets

As at 30 June 2017, our Group did not have any pledged assets.

Risk of Exposure to Exchange Rate Fluctuations and Related Hedging

As our Group's assets and liabilities were mainly denominated in Hong Kong Dollars, U.S. Dollars and RMB, in view of the potential RMB exchange rate fluctuations, our Group has entered relative hedging to mitigate the foreign exchange rate risk and will continue to closely monitor the exposure and take any actions when appropriate.

OPERATION REVIEW

During the Interim Period, our Group adhered to the philosophy of value investment and actively optimizing its asset allocation. An analysis of our Group's turnover 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

Gemini-Rosemont Realty LLC ("**GR Realty**"), in which our Group has 45% membership interests, acts as a jointly controlled and managed investment platform of our Group to invest in real estate projects in the U.S. During the Interim Period, our Group shared a profit of approximately HK$9.1 million as a result of its interest in GR Realty and received dividend of approximately HK$29.0 million from GR Realty and certain syndicated projects controlled by GR Realty. As at 30 June 2017, our interest in GR Realty, together with interest in certain syndicated projects controlled by GR Realty, amounted to approximately HK$965.3 million.

During the Interim Period, GR Realty continued to engage in the ownership and/or management of its investment portfolio, comprising over 60 commercial properties (100 buildings), with over 12.5 million square feet in 20 states across the U.S. Benefiting from GR Realty's professional expertise, well-established market resources, proactive asset management strategy, and efficient local execution experiences, our Group aims to capture quality investment opportunities in the U.S. property market, strengthen our Group's presence therein, and diversify our investment in fund platform business and property investment portfolio to a large number of states in the U.S.

Property Investments and Development

Rental income increased by approximately HK$9.1 million to approximately HK$18.3 million, mainly attributable to the rental income of approximately HK$9.6 million received from the office building in Durham, North Carolina, U.S. which was acquired in the second half of 2016. Revaluation gain of approximately HK$14.8 million was recorded during the Interim Period (for the six months ended 30 June 2016: approximately HK$9.4 million). As at 30 June 2017, our Group held investment properties comprising A-grade office premises in Hong Kong and U.S. with gross floor area of approximately 16,000 square feet and 146,000 square feet respectively, and residential units in New York with gross floor area of approximately 17,000 square feet. The average occupancy rate for all the above investment properties (based on square feet) was over 86% as at 30 June 2017.

In April 2017, our Group completed the acquisition of two buildings located at 531-537, and 539 Sixth Avenue, Manhattan, New York City, the U.S. for an aggregate consideration of US$53.0 million (equivalent to approximately HK$412.0 million). A proposed demolition of the two buildings and a redevelopment plan of gross floor area of approximately 80,000 square feet on the sites are now being explored so as to bring further value to the Company and our shareholders.

Fund Investments

Our fund investment portfolio, classified as available-for-sale investments, recorded carrying value of approximately HK$2,160.5 million as at 30 June 2017 (as at 31 December 2016: approximately HK$2,115.1 million). Apart from other movement, an increase of approximately HK$45.4 million in fair value of fund investment was recorded in other comprehensive income for the Interim Period, due to proactive investment approach implemented.

Through fund investments, our Group targets 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.

Securities and Other Investments

During the Interim Period, our Group recorded a loss from changes in fair value of financial instruments held for trading of approximately HK$24.9 million due to volatile global capital market in the Interim Period (for the six months ended 30 June 2016: a loss of approximately HK$16.9 million). Also, our Group recorded dividend income from securities and other investments of approximately HK$17.3 million (for the six months ended 30 June 2016: approximately HK$0.4 million) which was mainly as a result of return of approximately HK$16.4 million from our minority interest in a property development project in Melbourne, Australia.

As at 30 June 2017, our securities investment portfolio mainly consisted of investment in listed securities in Hong Kong and overseas of approximately HK$186.9 million (as at 31 December 2016: HK$160.3 million). 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.

DEVELOPMENT PROSPECTS

In anticipation that global economy will continue to recover in 2017 at a slow pace, accompanied by new challenges and opportunities, our Group will continue to focus on growing and improving the quality of our real estate portfolio, while carefully maintaining its diversity and managing downside risk, with a view to elevating efficiency and improving results for our shareholders.

The U.S. will continue to be our key focus area, under the backdrop of relatively stable economy and growing property market. Benefiting from our solid foundation of our fully integrated real estate platform, GR Realty, with strong financial resources and over 200 real estate expertise located in over 10 regional offices, we aim to more efficiently capture sound business opportunities in the U.S., through a variety of flexible structure and investment forms. Moreover, with GR Realty's over 25 years distinct experience in proactive asset management to provide a full scope of services in managing real estate investment projects, we are able to constructively monitor and execute post-acquisition management, so as to maximize value and identify recycling opportunities that further improve overall portfolio quality.

Further, we will keep a close eye on Hong Kong and other core overseas markets, take proactive move when sound opportunity arises, while staying cautious on the market and investment selection, under the backdrop of increasing unpredictability of political events.

We will continue to promote inspiring management culture, in which our employees can unfold their full potential, demonstrate their commitment and achieve performance excellence, aiming to maximize long-term values for our stakeholders.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

At the extraordinary general meeting of the Company held on 5 July 2017, the shareholders of the Company had passed a special resolution to approve the Capital Reduction. As disclosed in the circular and the announcement of the Company dated 13 June 2017 and 5 July 2017 respectively, the Capital Reduction is subject to satisfaction of certain conditions. The Company will make further announcement as and when appropriate in accordance with the applicable Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited when the Capital Reduction becomes effective.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
Sales proceeds from disposal of financial instruments held for trading		**166,888**	171,360
Revenue	*4*	**35,643**	9,638
Other income		**22,359**	20,108
Employee costs		**(17,561)**	(13,054)
Share-based compensation		**—**	(599)
Depreciation		**(281)**	(573)
Other expenses		**(37,064)**	(18,940)
Loss arising from changes in fair value of financial instruments held for trading		**(24,900)**	(16,904)
Gain arising from changes in fair value of investment properties		**14,856**	9,443
Share of results of joint ventures	*8*	**9,140**	(128,706)
Loss on disposal of a subsidiary		**—**	(7,388)
Provision for impairment loss on available-for-sale investments		**(1,703)**	—
Finance costs		**(81,832)**	(141,710)
Loss before income tax		**(81,343)**	(288,685)
Income tax	*5*	**(10,882)**	—
Loss for the period		**(92,225)**	(288,685)
Loss for the period attributable to:			
Owners of the Company		**(92,225)**	(288,685)
Losses per share for loss attributable to owners of the Company	*6*		
— Basic (HK dollar)		**(0.20)**	(0.64)
— Diluted (HK dollar)		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(92,225)**	(288,685)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Change in fair value of available-for-sale investments	**45,353**	(14,845)
Exchange differences on translation of foreign operations	**4,301**	(215)
Share of other comprehensive income of joint ventures	**—**	(12,062)
Release of exchange reserve upon disposal of a subsidiary	**—**	73,406
Other comprehensive income for the period	**49,654**	46,284
Total comprehensive income for the period	**(42,571)**	(242,401)
Total comprehensive income attributable to:		
Owners of the Company	**(42,571)**	(242,401)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**At 30 June 2017** **HK$'000** **(Unaudited)**	At 31 December 2016 *HK$'000* (Audited)
Non-current assets			
Investment properties		**730,253**	713,052
Property, plant and equipment		**2,255**	2,243
Interests in joint ventures	*8*	**965,311**	985,149
Available-for-sale investments	*9*	**2,176,877**	2,223,958
Loan receivables		**424,658**	604,031
		4,299,354	4,528,433
Current assets			
Deposits, prepayments and other receivables		**24,938**	7,426
Deposits paid for acquisition of properties held for resale		**—**	50,023
Properties under development		**426,682**	—
Loan receivables		**206,566**	47,611
Amount due from a fellow subsidiary		**1,377**	665
Financial instruments held for trading		**176,882**	170,645
Short-term bank deposits		**204,414**	440,314
Bank balances and cash		**626,468**	681,126
		1,667,327	1,397,810
Current liabilities			
Other payables and accrued charges		**43,956**	36,267
Taxation payable		**47**	123
Borrowings	*10*	**66**	272,513
		44,069	308,903
Net current assets		**1,623,258**	1,088,907
Total assets less current liabilities		**5,922,612**	5,617,340

	Notes	At 30 June 2017 HK$'000 (Unaudited)	At 31 December 2016 HK$'000 (Audited)
Capital and reserves			
Share capital		**184,881**	184,881
Reserves		**5,231,524**	3,649,311
Total equity		**5,416,405**	3,834,192
Non-current Liabilities			
Borrowings	*10*	**495,915**	1,776,477
Deferred tax liabilities		**10,292**	6,671
		506,207	1,783,148
Total equity and non-current liabilities		**5,922,612**	5,617,340

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 2017 (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 2016 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 June 2017 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 has delivered the consolidated financial statements for the year ended 31 December 2016 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 financial statements for the year ended 31 December 2016.

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 financial statements for the year ended 31 December 2016.

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 these condensed consolidated financial statements and/or disclosures set out in these 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.

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
Amendments to HKFRS 2	Classification and Measurement of Share-Based Payment Transactions[1]
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15)[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle[1]
HK(IFRIC) 22	Foreign Currency Transactions And Advance Consideration[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instrument with HKFRS 4 Insurance Contract[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for annual periods beginning on or after 1 January 2019
3 The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

The Group has the following updates to the information provided in the last annual financial statements about the possible impacts of the new standards issued but not yet effective which may have a significant impact on the Group's consolidated financial statements.

HKFRS 9, Financial instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, Financial instruments: Recognition and measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities. The Group has decided not to adopt HKFRS 9 until it becomes mandatory on 1 January 2018. Expected impacts of the new requirements on the Group's financial statements are as follows:

(a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss ("**FVTPL**") and (3) fair value through other comprehensive income ("**FVTOCI**") as follows:

- The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then effective interest, impairments and gains/losses on disposal will be recognised in profit or loss.

- For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

Based on the preliminary assessment, the Group expects that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of HKFRS 9.

With respect to the Group's financial assets currently classified as "available-for-sale", these are investments in equity securities which the Group may classify as either FVTPL or irrevocably elect to designate as FVTOCI (without recycling) on transition to HKFRS 9. The Group has not yet decided whether it will irrevocably designate these investments as FVTOCI or classify them as FVTPL. Either classification would give rise to a change in accounting policy as the current accounting policy for available-for-sale equity investments is to recognise fair value changes in other comprehensive income until disposal or impairment, when gains or losses are recycled to profit or loss. This change in policy will have no impact on the Group's net assets and total comprehensive income but will impact on reported performance amounts such as profit and earnings per share.

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement may not have any impact on the Group on adoption of HKFRS 9.

(b) Impairment

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the Group's trade receivables and other financial assets. However, a more detailed analysis is required to determine the extent of the impact.

(c) Hedge accounting

HKFRS 9 does not fundamentally change the requirements relating to measuring and recognising ineffectiveness under HKAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting. The Group currently does not have any hedge relationship and therefore it expects that the accounting for its hedging relationships will not be significantly impacted.

HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue for contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18 Revenue, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specifies the accounting for revenue from construction contracts. The Group is currently assessing the impacts of adopting HKFRS 15 on its financial statements. Based on the preliminary assessment, HKFRS 15 does not affect the revenue recognition to the Group as the revenue of the Group mainly derived from rental income and dividend income earned from investments including financial assets at fair value through profit or loss.

HKFRS 16, Leases

Currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee. HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As set out in note 20, total operating lease commitment of the Group in respect of rented premises as at 30 June 2017 amounted to HK$914,000. The Group does not expect the adoption of HKFRS 16 as compared with the current accounting policy would result in significant impact on the Group's results but it is expected that the right-of-use assets and the lease liabilities will be recognised in the Group's statement of financial position. In addition, more quantitative and qualitative disclosures about the leases will be made following the requirements of HKFRS 16.

The Group has already commenced an assessment of related impact of adopting the above new, revised or amended standards and interpretations to the Group. Except as described above, the directors of the Company anticipate that the application of other new and amendments to HKFRSs and an interpretation will have no material impact on the Group's financial performance and positions and/or the disclosures to the financial statements of the Group.

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 investment and development — rental income from leasing of office properties and residential condominium, properties held for resale and through investment in fund, and property development for sale of quality residential properties.

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 2017

	Investment in fund platform *HK$'000* (Unaudited)	**Properties investments and development** *HK$'000* (Unaudited)	**Fund investments** *HK$'000* (Unaudited)	**Securities and other investments** *HK$'000* (Unaudited)	**Consolidated** *HK$'000* (Unaudited)
Segment revenue	**—**	**18,303**	**—**	**184,228**	**202,531**
Less: Sales proceeds from disposal of financial instruments held for trading	**—**	**—**	**—**	**(166,888)**	**(166,888)**
Revenue as presented in the condensed consolidated income statement	**—**	**18,303**	**—**	**17,340**	**35,643**
Segment results	**16,248**	**22,983**	**(131)**	**(17,841)**	**21,259**
Interest income from bank deposits					**1,428**
Finance costs					**(81,832)**
Unallocated corporate expenses					**(22,198)**
Loss before income tax					**(81,343)**

Six months ended 30 June 2016

	Investment in fund platform *HK$'000* (Unaudited)	Properties investments and development *HK$'000* (Unaudited) *(Represented)	Fund investments *HK$'000* (Unaudited) *(Represented)	Securities and other investments *HK$'000* (Unaudited)	Consolidated *HK$'000* (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	—	9,208	—	430	9,638
Segment results	(125,429)	20,721	(675)	(14,616)	(119,999)
Interest income from bank deposits					1,266
Finance costs					(141,710)
Unallocated corporate expenses					(28,242)
Loss before income tax					(288,685)

* During the six months ended 30 June 2016, the Group was involved in property development, through an investment in fund which was presented in the operating segment of fund investments. For the six months ended 30 June 2017, the property development business was grouped with an existing business segment, "Property investment", to represent as a new segment "Property investment and development" in order to have much accurate presentation on resource allocation and performance assessment.

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 2017 **HK$'000** **(Unaudited)**	31 December 2016 HK$'000 (Audited)
Assets		
Segment assets		
— Investment in fund platform	**1,486,132**	1,458,852
— Property investment and development	**1,400,780**	968,578
— Fund investments	**2,174,170**	2,141,775
— Securities and other investments	**570,446**	758,581
Unallocated assets	**335,153**	598,457
Consolidated total assets	**5,966,681**	5,926,243
Liabilities		
Segment liabilities		
— Investment in fund platform	**16,460**	12,068
— Property investment and development	**13,650**	9,087
— Fund investments	**—**	48
— Securities and other investments	**8,280**	12,023
Unallocated liabilities	**511,886**	2,058,825
Consolidated total liabilities	**550,276**	2,092,051

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

Segment liabilities included all liabilities are allocated to operating segments other than tax payable, borrowings and unallocated other payables.

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.

5. INCOME TAX

The taxation attributable to the Group's operation comprises:

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax		
— Over provision in prior period	**(14)**	—
PRC Enterprise Income Tax		
— Provision for the period	**11**	—
Overseas taxation		
— Provision for the period	**7,317**	—
Deferred taxation	**3,568**	—
	10,882	—

No Hong Kong Profits Tax has been provided as the Group has no estimated assessable profit for the period (six months ended 30 June 2016: Nil)

All of the Group's PRC subsidiaries are subject to PRC Enterprise Income Tax rate ranged from 10% to 25% (six months ended 30 June 2016: 25%).

Tax on profits of overseas subsidiaries is provided for in accordance with relevant local laws at the applicable rates.

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$92,225,000 (six months ended 30 June 2016: HK$288,685,000) and on the weighted average number of 450,990,000 ordinary shares (six months ended 30 June 2016: 450,990,000 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 2017 and 30 June 2016 in respect of a dilution as the impact of share option and convertible preference shares 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 dividend during the current interim period (six months ended 30 June 2016: Nil).

8. INTERESTS IN JOINT VENTURES

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Share of net assets other than goodwill	**929,814**	949,883
Goodwill	**35,497**	35,266
At the end of the period/year	**965,311**	985,149

	30 June 2017	31 December 2016
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At the beginning of the period/year	**985,149**	2,167,916
Capital contributions	**—**	408
Dividend distribution	**(29,023)**	(24,765)
Disposal	**—**	(1,060,153)
Share of post-acquisition profits/(losses) and other comprehensive income	**9,140**	(98,257)
Exchange difference	**45**	—
At the end of the period/year	**965,311**	985,149

As at 30 June 2017 and 31 December 2016, 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 2017	31 December 2016	
Gemini-Rosemont Realty LLC	Limited liability company	The US	The US	Class A membership interests *	**45%**	45%	Property investment & management
Rosemont WTC Denver GPM LLC	Limited liability company	The US	The US	Membership interests #	**100%**	100%	Property investment & management
Rosemont Diversified Portfolio II LP	Limited Partnership	The US	The US	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 2017 *HK$'000* **(Unaudited)**	31 December 2016 *HK$'000* (Audited)
Unlisted equity investments, at cost	**14,761**	105,492
Club debenture	**3,669**	3,669
Unlisted fund investments	**2,160,480**	2,115,127
Impairment loss on available-for-sale investments	**(2,033)**	(330)
	2,176,877	2,223,958

10. BORROWINGS

The maturity profile of the borrowings is as follows:

	30 June 2017 *HK$'000* **(Unaudited)**	31 December 2016 *HK$'000* (Audited)
Current:		
Obligation under finance lease	**66**	45
Bank and other loans		
— unsecured and repayable within 1 year	**—**	272,468
	66	272,513
Non-current:		
Obligation under finance lease	**248**	25
Bank loan and other loans		
— unsecured and repayable after 1 year but within 2 years	**96,000**	851,693
— unsecured and repayable after 2 years but within 5 years	**399,667**	448,667
— unsecured and repayable after 5 years	**—**	476,092
	495,915	1,776,477
	495,981	2,048,990

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 (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 Listing Rules as and when they were/are in force, except for Code Provisions A.6.7 and E.1.2 which require chairman of the Board to attend the annual general meeting of the Company and non-executive Directors to attend general meetings of the Company.

Due to other pre-arranged business commitments which had to be attended, (i) Mr. LI Ming (the honorary chairman of the Board and non-executive Director) and Mr. LI Hongbo (a non-executive Director) were unable to attend the annual general meeting of the Company held on 21 April 2017 (the "**AGM**") and the extraordinary general meeting of the Company held on 5 July 2017; and (ii) Mr. DENG Wei (an independent non-executive Director) was unable to attend the AGM.

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 2017 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 2017.

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, 27 July 2017

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

Executive Directors:	*Non-executive Directors:*	*Independent non-executive Directors:*
Mr. SUM Pui Ying	Mr. LI Ming	Mr. LAW Tze Lun
Ms. CUI Yueming	Mr. LI Hongbo	Mr. LO Woon Bor, Henry
Mr. LAI Kwok Hung, Alex		Mr. DENG Wei