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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)

(1) ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020 AND (2) CHANGES IN DIRECTORSHIP AND BOARD COMMITTEE COMPOSITION

The Board is pleased to present the unaudited interim results of the Group for the six months ended 30 June 2020 with highlights below and details as set out in this announcement:

- During the 2020 Interim Period, loss attributable to owners of the Company decreased from approximately HK$181.7 million for the 2019 Interim Period to approximately HK$126.6 million for the 2020 Interim Period.

  The Board does not recommend the payment of any interim dividend on the ordinary shares of the Company for the 2020 Interim Period.

- As at 30 June 2020, the Group's net asset value (after deduction of equity attributable to Convertible Preference Shares) was approximately HK$3.5 billion.

Apart from the interim results for the 2020 Interim Period, the Board would like to inform shareholders of the Company the following changes in the Board and the nomination committee of the Board with effect from 30 July 2020:

(i) Mr. LI Ming has resigned as a non-executive Director, the honorary chairman of the Board as well as the chairman of the nomination committee of the Company; and

(ii) Mr. SUM Pui Ying, currently an executive Director, chief executive officer, the chairman of investment committee and a member of the nomination committee of the Company, has been appointed as the Chairman of the Board and the chairman of the nomination committee of the Company.

The Board of Directors (the "**Board**" or the "**Director(s)**") of Gemini Investments (Holdings) Limited (the "**Company**") hereby announces the unaudited 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 2020 (the "**2020 Interim Period**").

INTERIM RESULTS FOR 2020

During the 2020 Interim Period, our Group recorded a loss attributable to its owners of approximately HK$126.6 million (a loss attributable to owners of the Company of approximately HK$181.7 million was recorded for the six months ended 30 June 2019 (the "**2019 Interim Period**")).

The Board does not recommend the payment of any interim dividend on the ordinary shares of the Company for the 2020 Interim Period.

STRATEGIC REVIEW AND DEVELOPMENT OUTLOOK

In the first half of 2020, the global situation remained complicated and changing under the influence of growing trade protectionism and geopolitical risks. The unexpected outbreak of novel coronavirus ("**COVID-19**") posed certain harm to the global production and demand, which in turn brought heavy burden on the global economy with unpredictable consequences. Central banks of major global economies started a new round of interest rate reduction in response to the downward economic pressure, further clouding the subsequent movement of markets which have been unpredictable with uncertainties.

Placing Exercises and Introduction of New Shareholders

Unique opportunities arise in times of turbulence. The Company has kept abreast of times by adjusting and reviewing business strategies as well as equipping itself with sufficient resources to seize a new round of opportunities. Having comprehensively considered the financial and business conditions of the Company, including the prolonged extremely low level of share trading liquidity, we took a significant move forward in April and May 2020 that we completed the Company's first-time equity fundraising in a decade, under which 180,556,000 new ordinary shares were issued by placing, representing around 28.6% of existing number of ordinary shares in issue, raising a total of approximately HK$180 million and successfully introducing new shareholders, including Sino-Ocean Capital Holding Limited ("**Sino-Ocean Capital**"), the ordinary shareholding of which accounts for approximately 14.3% of existing number of ordinary shares in issue. Accordingly, the ordinary shareholding of Sino-Ocean Group Holding Limited ("**Sino-Ocean Group**"), the largest shareholder of the Company, has decreased to approximately 49.5%.

In June 2020, the Company launched changes to the Board composition, including the appointment of Mr. TANG Runjiang, the chief financial officer of Sino-Ocean Capital, as a member of the audit committee and the investment committee of the Board. In July 2020, Mr. LI Ming, the chief executive officer of Sino-Ocean Group, has resigned as non-executive Director and the honorary chairman of the Board of the Company so as to devote more time to his other commitments with Sino-Ocean Group, with Mr. SUM Pui Ying, an executive Director of the Company, appointed as his successor to the chairman post.

In the second half of 2020, the Company will continue to explore, adjust and review our business strategies in hope of exploring the possibility of developing closer cooperative ties with our new shareholder, i.e. Sino-Ocean Capital, through diversified means, including but not limited to further placing exercise, enhancing its presence on the Board, etc. Thus we can explore ways to further expand and deepen our cooperation, including but not limited to resource sharing in business operations and cooperation in projects. With all these efforts, the Company envisages synergy effects can be generated in the near future to achieve mutual benefits and resource sharing.

Refinement on and Adjustment of the U.S. Core Business Model

During the 2020 Interim Period, the Group's principal business continued to focus on business related to commercial and residential real estate with a geographical presence mainly in the United States of America (the "**U.S.**") and Hong Kong, particularly the U.S. real estate related investments which accounted for about 43% of our total assets. Our local strategic partner in the U.S., i.e. Gemini-Rosemont Realty LLC ("**GR Realty**"), a real estate fund platform, lies at the very core of the Group's business strategies in the U.S.. In addition to holding of 45% membership interests in GR Realty and sharing of its profit or loss, the Group also formulated the overall investment strategy in the U.S. through close cooperation with GR Realty. GR Realty managed and operated for us all of our U.S. investment projects. In the U.S., GR Realty has three regional operation centers located in Los Angeles, New York, and Dallas, respectively, and a number of U.S. based property management offices with approximately 130 professionals. As affected by the overall environment, our Group and GR Realty made a downward adjustment to the valuation of certain real estate projects we and GR Realty invested and managed in the U.S., especially properties intended for sale in non-core markets of the U.S., on a prudent basis during the 2020 Interim Period.

In this new economic-driven era, we witnessed changes in the behaviour of investors and operators. Our Group, together with GR Realty, has started repositioning the real estate business in the U.S. since 2019, and also better positioned itself to primarily tap into the first tier and gateway markets which are technology-driven in nature in the U.S. by active implementation of and alignment with new operating strategies. At the same time, we have begun consolidating internal operational efficiency in response to changes in the markets. The emergence of COVID-19 pandemic has not only hastened changes in the behaviour and risk appetite of investors and operators, but also prompted new changes, either temporary or long term, especially in commercial real estate business. After categorisation and analysis, we have also incorporated these observations into our overall business positioning strategy.

Meanwhile, we shall make refinement on our cooperation model with GR Realty, with an aim to strengthen our control over the operating committee of GR Realty without any changes in our shareholding in GR Realty. In this way, we can exercise our control over GR Realty and achieve better resource sharing and complement each other in terms of advantages and team support to prospectively seize the next wave of business opportunities under the new model.

Suffering from the setback brought by the COVID-19 pandemic, 2020 is doomed to be an uneasy year, inevitably upsetting the global economy in particular China and the U.S.. Nevertheless, we believe more investment opportunities will emerge after short-term pressures and adjustments. The opportunity hidden in adversity will bring us prosperity. When the COVID-19 pandemic starts fading out, we will continue to further step up capital investment in our U.S. business centering around GR Realty to strengthen and consolidate the core competitiveness of GR Realty as well as making efforts in acquisition and management of more high-quality assets in order to expand asset scale and market presence.

FINANCIAL REVIEW

Revenue and Other Income

During the 2020 Interim Period, the Group recorded revenue of approximately HK$56.6 million (2019 Interim Period: approximately HK$60.4 million), which mainly represented rental income from our investment properties of approximately HK$55.2 million (2019 Interim Period: approximately HK$59.7 million). Other income of the Group was approximately HK$16.6 million for the 2020 Interim Period (2019 Interim Period: approximately HK$17.3 million), which mainly included interest income relating to loan receivables from a joint venture of the Group of approximately HK$12.6 million (2019 Interim Period: approximately HK$12.7 million).

Other Expenses

Other expenses of the Group were approximately HK$41.9 million for the 2020 Interim Period (2019 Interim Period: approximately HK$47.7 million). Other expenses included direct operating expenses arising from investment properties held by the Group of approximately HK$17.2 million (2019 Interim Period: approximately HK$18.2 million) and general operating costs of the Group of approximately HK$24.7 million (2019 Interim Period: approximately HK$29.5 million), such as rent and rate, professional fees paid for daily operations and investment research, other administrative and office expenses, as well as exchange difference.

Loss Attributable to Owners of the Company

During the 2020 Interim Period, loss attributable to owners of the Company decreased from approximately HK$181.7 million for the 2019 Interim Period to approximately HK$126.6 million for the 2020 Interim Period. The loss was mainly due to the following reasons (further elaborated in the various subsections respectively headed "Real Estate Fund Platform", "Fund Investments" and "Securities Investments" under "Operation Review" below):—

(i) loss arising from share of results of joint ventures of approximately HK$64.4 million;

(ii) loss arising from changes in fair value of financial assets at fair value through profit and loss of approximately HK$30.8 million;

(iii) loss arising from changes in fair value of financial instruments held for trading of approximately HK$50.0 million; and

(iv) offsetting by reversal of provision for impairment loss on loan receivables from a joint venture of the Group of approximately HK$34.9 million.

Consequently, our Group recorded basic loss per ordinary share of approximately HK$0.25 for the 2020 Interim Period (2019 Interim Period: loss per ordinary share of approximately HK$0.40). No adjustment was made on the diluted loss per ordinary share for the 2020 and 2019 Interim Periods as the impact of the outstanding share options and convertible preference shares of the Company ("**Convertible Preference Shares**") has an anti-dilutive effect on the basic loss per ordinary share.

Financial Resources and Liquidity

As at 30 June 2020, the Group's net asset value (after deduction of equity attributable to Convertible Preference Shares) was approximately HK$3.5 billion.

The Group had bank balances and cash in total amounting to approximately HK$922.1 million as at 30 June 2020 (as at 31 December 2019: approximately HK$975.2 million). As at 30 June 2020, the total borrowings of the Group amounted to approximately HK$767.5 million (as at 31 December 2019: approximately HK$672.6 million) and our Group did not have any gearing on a net debt basis as at 30 June 2020 and 31 December 2019 as the total cash resources of our Group were sufficient to pay off all borrowings then. The net gearing ratio of our Group is calculated based on total borrowings less cash resources divided by total shareholders' equity.

To finance its operations, the Group utilises cash flow generated from business operations and maintains multiple channels of funding sources including bank borrowings. As of 30 June 2020, the outstanding principal amount of our bank borrowings was approximately US$98.3 million (equivalent to approximately HK$761.9 million) (as at 31 December 2019: approximately US$85.3 million (equivalent to approximately HK$664.3 million)), of which borrowings of approximately US$54.3 million bear interests at fixed rate of 3.72% per annum and are repayable in 2028, and borrowings of approximately US$44.0 million bear interests at floating interest rate with average of 3.7% per annum for the 2020 Interim Period and are repayable in 2020. Finance costs (net of interest capitalisation) of approximately HK$7.9 million on the above bank borrowings were recognised during the 2020 Interim Period accordingly (2019 Interim Period: approximately HK$8.8 million).

Given our adaptable financial management policy, we are confident about sustaining our financial liquidity to support our business expansion and maintaining overall financial healthiness in the coming years.

Capital Reduction involving Cancellation of Convertible Preference Shares

For the purpose of further enhancing the Company's ability and flexibility in potential dividend distribution in future, on 28 February 2020, the Company entered into a deed of cancellation with Grand Beauty Management Limited ("**Grand Beauty**"), a wholly-owned subsidiary of Sino-Ocean Group, to cancel 31,666,667 Convertible Preference Shares held by Grand Beauty, representing approximately 4.03% of all the Convertible Preference Shares then in issue. The capital reduction became effective on 4 June 2020, and a credit in the amount of approximately HK$95.0 million has arose from the capital reduction and been transferred and credited to a capital reduction reserve account of the Company, which will be available to set off against any losses of the Company and/or to make distribution to its shareholders in the future when appropriate.

New Shares Issuance

On 3 April 2020, the Company entered into three subscription agreements with (i) Hongkong Presstar Enterprise Co., Limited ("**Presstar**"), (ii) Trend Best Investment Limited ("**Trend Best**") and (iii) Glory Class Ventures Limited ("**Glory Class**") respectively, and Presstar, Trend Best and Glory Class respectively agreed to conditionally subscribe for 45,139,000, 45,139,000 and 90,278,000 new ordinary shares of the Company (representing a total of 180,556,000 new ordinary shares of the Company) (collectively the "**Subscription Shares**") at the subscription price of HK$1.00 per Subscription Share (collectively the "**Placing Exercises**"). The subscription price of HK$1.00 per Subscription Share under the Placing Exercises represented a premium of approximately 81.8% to the closing price of HK$0.550 per ordinary share of the Company as quoted on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 3 April 2020.

The subscription by each of Presstar and Trend Best was completed on 17 April 2020, raising gross proceeds and net proceeds in total of approximately HK$90.3 million and HK$89.6 million respectively. The net price per Subscription Share is approximately HK$0.993.

The subscription by Glory Class, which is ultimately owned as to 49% by Sino-Ocean Group, was completed on 27 May 2020, and a total of 90,278,000 new ordinary shares of the Company had been issued to Estate Spring International Limited (a wholly-owned subsidiary of Glory Class), raising gross proceeds and net proceeds of approximately HK$90.3 million and HK$89.6 million respectively. The net price per Subscription Share is approximately HK$0.993.

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 Stock Exchange as the transaction volume of our ordinary shares is constantly thin.

The Company's ultilisation plan of the net proceeds from the Placing Exercises remained unchanged as at 30 June 2020 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 approximately HK$77.5 million to HK$93.0 million), representing approximately 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 the Group. Subject to the emerging opportunities, the Company considered applying the remaining balance of the net proceeds and other available cash resources of the Company for other good real estate investments in the U.S., if the investments would be in the interests of the Company and its shareholders as a whole.

Even though the Group has been actively looking for good investment opportunities, as business activities maintained at a very inactive mode globally as a result of the wide spread of the COVID-19 pandemic during the second quarter of 2020, the Group had yet to make any investment nor utilise as working capital of the Group out of the net proceeds from the Placing Exercises as at 30 June 2020.

Financial Guarantees

As at 30 June 2020, our Group did not have any financial guarantees given for the benefit of third parties.

Pledged Assets

As at 30 June 2020, our Group had pledged bank deposits amounting to approximately HK$5.2 million (as at 31 December 2019: approximately HK$8.6 million) and pledged investment properties in the U.S. with a carrying value of approximately US$93.3 million (equivalent to approximately HK$723.1 million) (as at 31 December 2019: approximately US$92.1 million (equivalent to approximately HK$717.3 million)), both as securities to secure a long-term bank borrowing of the Group of approximately US$54.3 million (equivalent to approximately HK$420.8 million) (as at 31 December 2019: approximately US$54.3 million (equivalent to approximately HK$422.9 million)).

Deposits of approximately HK$11.7 million was placed in a bank for trading of financial instruments as at 30 June 2020 (as at 31 December 2019: Nil) and will be repayable to the Group upon the settlement or sale of the financial instruments.

Capital Commitments

As at 30 June 2020, the Group had capital commitments of approximately HK$246.9 million (as at 31 December 2019: approximately HK$325.0 million), which were wholly attributable to property development expenditure for the property development project in Manhattan as mentioned in the sub-section headed "Property Investments and Development" below.

OPERATION REVIEW

Real Estate Fund Platform

During the 2020 Interim Period, our Group recorded a share of loss of GR Realty and certain syndicated projects controlled by GR Realty (recorded as "share of results of joint ventures" of the Group) of approximately HK$64.4 million (2019 Interim Period: a share of loss of approximately HK$46.2 million). The loss was mainly as a result of lower fair value of investment properties and additional provision made by GR Realty during the 2020 Interim Period, especially on those investment properties in the non-core markets of the U.S. which are on the planned disposal list, as a result of global market turbulence. The negative impact, especially as a result of COVID-19 pandemic, is expected to continue in the second half of 2020, and we will closely monitor the impact.

As at 30 June 2020, our total capital contribution to GR Realty and certain syndicated projects that it controlled was approximately US$118.6 million (equivalent to approximately HK$919.6 million). As at 30 June 2020, our investment in GR Realty, together with certain syndicated projects controlled by GR Realty, had a carrying value of approximately HK$798.1 million, representing about 11.2% of our Group's total assets as at 30 June 2020 (as at 31 December 2019: approximately HK$861.7 million).

Other than investment in GR Realty and certain syndicated projects of GR Realty, the Group maintained loan receivables from GR Realty of approximately HK$406.2 million (as at 31 December 2019: approximately HK$373.4 million). During the 2020 Interim Period, our Group recorded loan interest income of approximately HK$12.6 million on the loan receivables from GR Realty (2019 Interim Period: approximately HK$12.7 million).

Also our Group recognised a reversal of provision of impairment loss on such loan receivables from GR Realty of approximately HK$34.9 million (2019 Interim Period: provision of impairment loss of approximately HK$54.5 million). The Group re-assessed the credit risk of loan receivables from GR Realty as at 30 June 2020. GR Realty possesses stable cash inflows arising from rental income generated by its investment properties, solid and achievable business plan with resources and management abilities, which proves its ability to repay loans when they become due. Besides, with reference to reasonable and supportive industrial comparables, as well as similar industry market condition insight and other related factors, our Group adopts estimate on the expected credit loss rate of 6% as at 30 June 2020, which is considered prudence and reasonable.

GR Realty, in which our Group has 45% membership interests, acted as a jointly controlled and managed investment platform of our Group to invest in real estate projects in the U.S., especially commercial properties. As at 30 June 2020, GR Realty continued to engage in the ownership and/or management of its investment portfolio, comprising over 34 commercial properties (50 buildings), with over 8.0 million square feet in 14 states across the U.S.. GR Realty kept up with its investment plan to focus on investments in tech-driven, high potential markets in the U.S. The management of GR Realty advises they will continue to take actions as and when necessary and appropriate. Our Group will work closely with the management of GR Realty, monitor our investment in GR Realty and take appropriate actions from time to time.

As at 30 June 2020, our Group owned and operated a premier office campus (the "**Office Campus**") in the heart of San Francisco Peninsula, California, the U.S. with gross floor area of approximately 159,000 square feet. Such investment was recorded as investment property with a carrying value of approximately US$93.3 million (equivalent to approximately HK$723.1 million) (as at 31 December 2019: approximately US$92.1 million (equivalent to approximately HK$717.3 million)) and recorded rental revenue of approximately HK$37.1 million for the 2020 Interim Period (2019 Interim Period: approximately HK$42.2 million). It was being 100% leased to an investment grade credit-backed tenant.

Property Investments and Development

During the 2020 Interim Period, our Group's investment properties (excluding the Office Campus) recorded a rental revenue of approximately HK$18.1 million (2019 Interim Period: approximately HK$17.5 million), comprising rental income of approximately HK$12.7 million and HK$5.4 million from investment properties in U.S. and Hong Kong, respectively. Revaluation loss of our investment properties (excluding the Office Campus) of approximately HK$10.6 million was recognised during the 2020 Interim Period (2019 Interim Period: revaluation gain of approximately HK$14.0 million).

As at 30 June 2020, our Group held investment properties comprising A-grade offices and residential units in the U.S. with gross floor area of approximately 163,000 square feet and carrying value of approximately HK$351.6 million, as well as A-grade office premises, residential unit and car parking space in Hong Kong with gross floor area of approximately 18,800 square feet and carrying value of approximately HK$441.7 million. The average occupancy rate (based on square feet) was approximately 79.7% as at 30 June 2020 for all the above investment properties.

As at 30 June 2020, our development project located in 531-537, 539th Sixth Avenue of Manhattan, New York City, had a carrying value of approximately HK$772.8 million (as at 31 December 2019: approximately HK$685.9 million). This development project will comprise a 13-storey mixed-use residential property with estimated gross floor area of approximately 82,000 square feet, which will be structured with unique product types with splendid amenities including duplex units which are in scarcity in Manhattan. The final completion of the development is expected in the second half of 2021.

Fund Investments

During the 2020 Interim Period, our fund investment portfolio (classified as "financial assets at fair value through profit or loss") recorded loss of approximately HK$30.8 million (2019 Interim Period: loss of approximately HK$70.4 million), as certain equity investments held by the funds recorded weak performance and loss during the 2020 Interim Period, while other investments recorded stable return. There was no dividend income received/receivable from fund investments during the 2020 and 2019 Interim Periods.

Our fund investment portfolio includes unlisted equity investments and fund investments, with carrying value of approximately HK$2,184.4 million as at 30 June 2020 (as at 31 December 2019: approximately HK$2,215.4 million).

The funds are advised by the independent investment managers, with their diversified investment portfolio, strategy and expertise, which focus on different industries such as property and property-related value chain industries, technology industries and new economy industries.

Apart from the significant fund investments disclosed below, there were other fund investments held by the Group, which mainly invested in global securities in diversified industries, with fair value of approximately HK$439.9 million as at 30 June 2020 (as at 31 December 2019: approximately HK$420.9 million).

As at 30 June 2020, significant fund investments held by the Group include the following:

- ***Neutron Property Fund Limited (the "Property Fund")***

  As at 30 June 2020, the Group held 1,012,000 (as at 31 December 2019: 1,012,000) non-redeemable, non-voting participating shares of the Property Fund incorporated in the Cayman Islands. The investment cost was US$100.0 million. Such shares held by the Group represented 100% of the same class of shares issued by the Property Fund as at 30 June 2020. The fair value of our investment in the Property Fund as at 30 June 2020 was approximately US$88.6 million (equivalent to approximately HK$686.6 million and representing about 9.6% of our Group's total assets as at 30 June 2020) (as at 31 December 2019: approximately US$98.3 million (equivalent to approximately HK$765.3 million)).

The Property Fund is managed by BRIC Neutron Asset Management Limited (the "**BNAM**"), a company incorporated under the laws of Hong Kong. The investment strategy of the Property Fund is to achieve capital appreciation through investing substantially all of its assets available for investment in real estate and related investments primarily in the U.S., Hong Kong and potentially to a lesser extent in Singapore and countries that are members of the Organisation for Economic Co-operation and Development. As at 30 June 2020, the principal assets of the Property Fund included diversified real estate portfolios in the U.S. and Hong Kong. Certain of such investments in the U.S. recorded significant decrease in value as a result of the global market turbulence during the 2020 Interim Period, resulting in a fair value loss of approximately HK$78.7 million on the investment in the Property Fund. There was no dividend income received/receivable from the Property Fund during the 2020 Interim Period.

- ***Neutron Private Equity Fund Limited (the "Private Equity Fund")***

As at 30 June 2020, the Group held 637,000 (as at 31 December 2019: 637,000) non-redeemable, non-voting participating shares of the Private Equity Fund incorporated in the Cayman Islands. The investment cost was US$64.5 million. Such shares held by the Group represented 100% of the same class of shares issued by the Private Equity Fund as at 30 June 2020. The fair value of our investments in the Private Equity Fund as at 30 June 2020 was approximately US$71.6 million (equivalent to approximately HK$554.8 million and representing about 7.8% of our Group's total assets as at 30 June 2020) (as at 31 December 2019: approximately US$71.3 million (equivalent to approximately HK$555.3 million)).

The Private Equity Fund is managed by BNAM. The investment strategy of the Private Equity Fund is to achieve capital appreciation through investing in one or more collective investment schemes that invest predominantly in real estate and related investments in the U.S., Europe, Japan and/or Australia. As at 30 June 2020, the principal assets of the Private Equity Fund mainly included various debts instruments with underlying assets of real estate projects and low risk securities. Fair value loss of approximately HK$0.5 million was recorded for the investment in the Private Equity Fund during the 2020 Interim Period. There was no dividend income received/receivable from the Private Equity Fund during the 2020 Interim Period.

- ***Prosperity Risk Balanced Fund LP (the "PRB Fund")***

The Group had capital commitments for a total amount of US$60.0 million as limited partner to the PRB Fund (an exempted limited partnership registered in the Cayman Islands), representing 23.08% of the total capital commitments of US$260.0 million of all the investors of the PRB Fund. As at 30 June 2020, the Group had already invested US$59.7 million in the PRB Fund, and such investment had a fair value of approximately US$64.9 million (equivalent to approximately HK$503.0 million and representing about 7.0% of our Group's total assets as at 30 June 2020) (as at 31 December 2019: approximately US$60.9 million (equivalent to approximately HK$474.0 million)).

The PRB Fund is managed by Prosperity Risk Balanced GP Limited, a company incorporated under the laws of Cayman Islands. The investment strategy of the PRB Fund is to invest in debt instruments issued by special purpose vehicles with investments in real estates in the PRC with an expected return of not less than 6% per annum; and to invest in other investment funds. As at 30 June 2020, the assets of the PRB Fund mainly included fund investments with underlying assets of listed equities and debt securities focusing on the technology media telecom sector, property and property-related value chain and new economy industries. As a result of the good performance of certain funds it invested, a fair value gain of approximately HK$29.0 million was recorded for the investment in the PRB Fund during the 2020 Interim Period. There was no dividend income received/receivable from the PRB Fund during the 2020 Interim Period.

Securities Investments

During the 2020 Interim Period, our Group recorded loss from securities investment (classified as financial instruments held for trading) of approximately HK$50.0 million (2019 Interim Period: loss of approximately HK$4.5 million) amid the volatile global capital market caused by the fast-spreading of the COVID-19 pandemic, and recorded dividend income of approximately HK$1.4 million (2019 Interim Period: approximately HK$0.7 million).

As at 30 June 2020, our securities investment portfolio mainly consisted of investment in listed securities in Hong Kong and overseas of approximately HK$465.3 million (as at 31 December 2019: approximately HK$286.3 million).

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Six months ended 30 June 2020 HK$'000 (Unaudited)	2019 HK$'000 (Unaudited)
Sales proceeds from disposal of financial instruments held for trading	4	**638,820**	359,874
Revenue	5	**56,603**	60,448
Other income		**16,555**	17,274
Employee costs		**(10,926)**	(12,360)
Depreciation		**(3,092)**	(967)
Other expenses		**(41,933)**	(47,656)
Loss arising from changes in fair value of financial instruments held for trading		**(49,986)**	(4,458)
Loss arising from changes in fair value of financial assets at fair value through profit or loss		**(30,819)**	(70,355)
(Loss)/Gain arising from changes in fair value of investment properties	9	**(1,304)**	16,319
Share of results of joint ventures	10	**(64,436)**	(46,183)
Reversal of/(Provision for) impairment loss on financial assets		**34,861**	(54,501)
Finance costs		**(8,803)**	(14,950)
Loss before income tax		**(103,280)**	(157,389)
Income tax	6	**(297)**	(5,062)
Loss for the period		**(103,577)**	(162,451)
Loss for the period attributable to:			
Owners of the Company		**(126,623)**	(181,747)
Non-controlling interests		**23,046**	19,296
		(103,577)	(162,451)
Loss per share for loss attributable to owners of the Company	7		
— Basic (HK dollar)		**(0.25)**	(0.40)
— Diluted (HK dollar)		**(0.25)**	(0.40)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss for the period	**(103,577)**	(162,451)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	**(5,021)**	(3,635)
Share of other comprehensive income of joint ventures	**—**	(30,705)
Item that will not be reclassified to profit or loss		
Gain on revaluation of properties upon transfer of property, plant and equipment to investment properties	**—**	20,256
Other comprehensive income for the period	**(5,021)**	(14,084)
Total comprehensive income for the period	**(108,598)**	(176,535)
Total comprehensive income attributable to:		
Owners of the Company	**(131,644)**	(195,831)
Non-controlling interests	**23,046**	19,296
	(108,598)	(176,535)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2020 HK$'000 (Unaudited)	At 31 December 2019 HK$'000 (Audited)
Non-current assets			
Investment properties	*9*	**1,516,356**	1,522,774
Property, plant and equipment		**8,634**	11,423
Interests in joint ventures	*10*	**798,091**	861,678
Financial assets at fair value through profit or loss	*11*	**2,190,535**	2,221,354
Loan receivables		**—**	37,674
Restricted bank deposits		**1,112**	1,486
Deferred tax assets		**9,675**	9,722
		4,524,403	4,666,111
Current assets			
Deposits, prepayments and other receivables		**50,072**	46,618
Properties under development		**772,803**	685,918
Loan receivables		**406,180**	335,735
Financial instruments held for trading		**465,325**	286,286
Restricted bank deposits		**15,793**	7,070
Bank balances and cash		**922,082**	975,181
		2,632,255	2,336,808
Current liabilities			
Other payables and accrued charges		**58,512**	61,386
Financial instruments held for trading		**1,158**	—
Amount due to an intermediate holding company		**491,465**	491,758
Taxation payable		**1,634**	2,005
Borrowings	*12*	**345,736**	246,486
		898,505	801,635
Net current assets		**1,733,750**	1,535,173
Total assets less current liabilities		**6,258,153**	6,201,284

	Notes	At **30 June** **2020** ***HK$'000*** **(Unaudited)**	At 31 December 2019 *HK$'000* (Audited)
Capital and reserves			
Share capital	*13*	**366,009**	185,453
Reserves		**5,128,760**	5,260,630
Equity attributable to owners of the Company		**5,494,769**	5,446,083
Non-controlling interests		**313,295**	300,764
Total equity		**5,808,064**	5,746,847
Non-current Liabilities			
Borrowings	*12*	**421,758**	426,094
Deferred tax liabilities		**28,331**	28,343
		450,089	454,437
Total equity and non-current liabilities		**6,258,153**	6,201,284

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 2020 (the "Interim Financial Statements") have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountant ("HKICPA") and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 December 2019 that is included in these unaudited condensed consolidated financial statements for the six months ended 30 June 2020 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 2019 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).

These condensed consolidated interim financial statements were approved and authorised for issue on 30 July 2020.

2. BASIS OF PREPARATION

For better understanding of the financial performance achieved by the Group, the directors of the Company disclosed the sales proceeds from disposal 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 preparation of these condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended 31 December 2019.

These condensed consolidated interim financial statements are presented in Hong Kong Dollars ("HK$"), unless otherwise stated. These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2019 annual financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") and should be read in conjunction with the 2019 consolidated financial statements.

These condensed consolidated interim financial statements are unaudited, but has 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 the investment properties and certain financial instruments of the Group, which are measured at fair values, as appropriate.

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2019 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2020.

In the current period, the Group has applied for the first time the following new or revised HKFRSs that are relevant to and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2020.

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material

The adoption of the above new or revised HKFRSs in the current period has no material effect on the amounts reported and/or disclosures set out in these unaudited condensed consolidated financial statements.

The following new/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]
Amendment to HKFRS 16	COVID-19 Related Rent Concessions[2]

[1] 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 of the amendments continue to be permitted.

[2] Effective for annual periods beginning on or after 1 June 2020.

4. SALES PROCEEDS FROM DISPOSAL OF FINANCIAL INSTRUMENTS HELD FOR TRADING

The sales proceeds of the financial instruments held for trading by the Group disposed of during the interim periods of 2020 and 2019 amounted to approximately HK$638,820,000 and HK$359,874,000 respectively.

The changes in fair value of financial instruments held for trading by the Group throughout the interim periods of 2020 and 2019, including gain or loss arising from disposal of those financial instruments and unrealised gain or loss from changes in fair value of those financial instruments, are presented as "Loss arising from changes in fair value of financial instruments held for trading" in the condensed consolidated income statement.

5. 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 *Operating Segments* ("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 as well as property development in the United States (the "US") and property development for sale of quality residential properties in Hong Kong through investment in fund.

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 income 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 2020

	Investment in fund platform	Property investment and development	Fund investments	Securities and other investments	Elimination	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue (external)	37,089	18,068	—	640,266	—	695,423
Less: Sales proceeds from disposal of financial instruments held for trading	—	—	—	(638,820)	—	(638,820)
Inter-segment sales	—	—	—	2,598	(2,598)	—
Revenue as presented in the condensed consolidated income statement	37,089	18,068	—	4,044	(2,598)	56,603
Segment results	17,451	(2,372)	(30,751)	(50,186)		(65,858)
Interest income from bank deposits						2,324
Depreciation of property, plant and equipment (excluding right-of-use assets)						(388)
Depreciation of right-of-use assets						(2,704)
Finance costs						(8,803)
Rental payments in respect of properties under short-term leases						(337)
Unallocated corporate expenses						(27,514)
Loss before income tax						(103,280)

Six months ended 30 June 2019

	Investment in fund platform *HK$'000* (Unaudited)	Property investment and development *HK$'000* (Unaudited)	Fund investments *HK$'000* (Unaudited)	Securities and other investments *HK$'000* (Unaudited)	Elimination *HK$'000* (Unaudited)	Consolidated *HK$'000* (Unaudited)
Segment revenue (external)	42,201	17,536	—	360,585	—	420,322
Less: Sales proceeds from disposal of financial instruments held for trading	—	—	—	(359,874)	—	(359,874)
Inter-segment sales	—	—	—	2,082	(2,082)	—
Revenue as presented in the condensed consolidated income statement	42,201	17,536	—	2,793	(2,082)	60,448
Segment results	(55,511)	20,504	(70,290)	(6,036)		(111,333)
Interest income from bank deposits						4,152
Depreciation of property, plant and equipment (excluding right-of-use assets)						(496)
Depreciation of right-of-use assets						(471)
Finance costs						(14,950)
Rental payments in respect of properties under short-term leases						(2,725)
Unallocated corporate expenses						(31,566)
Loss before income tax						(157,389)

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, depreciation of property, plant and equipment (excluding right-of-use assets), depreciation of right-of-use assets, finance costs, rental payments in respect of properties under short-term leases and unallocated corporate expenses (including central administration costs and directors' remuneration). 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 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Assets		
Segment assets		
— Investment in fund platform	**2,097,665**	2,103,398
— Property investment and development	**1,673,501**	1,583,259
— Fund investments	**2,184,622**	2,215,674
— Securities and other investments	**764,006**	811,217
Unallocated assets	**436,864**	289,371
Consolidated total assets	**7,156,658**	7,002,919
Liabilities		
Segment liabilities		
— Investment in fund platform	**440,557**	455,638
— Property investment and development	**6,259**	6,396
— Fund investments	**268**	268
— Securities and other investments	**1,348**	190
Unallocated liabilities	**900,162**	793,580
Consolidated total liabilities	**1,348,594**	1,256,072

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

Segment liabilities included all liabilities are allocated to operating segments other than taxation payable, certain borrowings, amount due to an intermediate holding company 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.

6. INCOME TAX

The taxation attributable to the Group's operation comprises:

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong Profits Tax		
— Over provision in prior period	**(40)**	—
Overseas taxation		
— Provision for the period	**337**	1,474
	297	1,474
Deferred taxation	**—**	3,588
	297	5,062

No Hong Kong profits tax was provided for six months ended 30 June 2020 as the Group has no estimated assessable profit (six months ended 30 June 2019: Nil).

All of the Group's PRC subsidiaries are subject to PRC Enterprise Income Tax ("EIT") rate at 25% (six months ended 30 June 2019: 25%). No PRC EIT was provided for the six months ended 30 June 2020 and 2019 as there was no assessable income for the period.

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

7. 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 period attributable to owners of the Company of HK$126,849,000 (six months ended 30 June 2019: HK$181,747,000) and on the weighted average number of 504,962,000 ordinary shares (six months ended 30 June 2019: 451,390,000 ordinary shares) in issue during the period.

	Six months ended 30 June	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company	**(126,623)**	(181,747)
Less: Distribution paid to the holder of perpetual bond during the period	**(226)**	—
Loss attributable to owners of the Company, adjusted	**(126,849)**	(181,747)

(b) Diluted loss per share

No adjustment has been made to basic loss per share amount presented for the six months ended 30 June 2020 and 2019 in respect of a dilution as the impact of share option and convertible preference shares outstanding had an anti-dilutive effect on the basic loss per share amount presented.

8. INTERIM DIVIDEND

The directors do not recommend the payment of dividend during the current interim period (six months ended 30 June 2019: Nil).

9. INVESTMENT PROPERTIES

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Properties in Hong Kong	**441,690**	460,200
Properties in the United States	**1,074,666**	1,062,574
	1,516,356	1,522,774

Notes:

(a) All of the Group's property interests held under operating leases 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 fair values of the Group's investment properties, including office, premises, residential properties and carparking space, which located in Hong Kong and the US as at 30 June 2020 and 31 December 2019 have been arrived at on the basis of valuation carried out on that dates by BMI Appraisals Limited ("BMI Appraisals"), 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 revaluation of investment properties during the current period gave rise to a net loss arising from changes in fair value of HK$1,304,000 (six months ended 30 June 2019: net gain of HK$16,319,000) which has been recognised in profit or loss. 90% (31 December 2019: 88%) of the investment properties of the Group are rented out under operating leases as at 30 June 2020. As at 30 June 2020, investment properties in the US of HK$723,110,000 (31 December 2019: HK$717,261,000) were pledged as collateral for a bank borrowing of HK$420,844,000 (31 December 2019: HK$422,880,000).

10. INTERESTS IN JOINT VENTURES

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Share of net assets other than goodwill	**762,844**	826,260
Goodwill	**35,247**	35,418
At the end of the period/year	**798,091**	861,678

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
At the beginning of the period/year	**861,678**	858,618
Share of post-acquisition losses, net of tax and other comprehensive income	**(64,436)**	(1,150)
Income tax paid	**515**	3,958
Exchange realignment	**334**	252
At the end of the period/year	**798,091**	861,678

As at 30 June 2020 and 31 December 2019, the Group has interests in the following 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		Principal activities
					30 June 2020	31 December 2019	
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

Notes:

(a) Under HKFRS 11 *Joint Arrangements*, 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.

(b) On 31 December 2014, the Group entered into the purchase, sale and contribution agreement (the "Agreement") with Neutron Property Fund Limited (the "Property Fund"), Gemini-Rosemont JV Member LLC, Garfield Group Partners LLC and Rosemont Realty, LLC ("Rosemont") to subscribe for 45%, 30%, 18.423%, 5.577% and 1% membership interests respectively in Gemini-Rosemont Realty LLC ("Gemini-Rosemont"), a limited liability company incorporated in the State of Delaware. Gemini-Rosemont acquired the businesses, assets and liabilities of Rosemont (excluding certain equity interests owned directly by Rosemont which are not transferred to Gemini-Rosemont) and the limited partnership interests in the limited partnerships of Rosemont (together with a promissory note evidencing a loan advance from Lone Rock Holdings, LLC ("Lone Rock"), one of the controlling shareholders of Rosemont, to Rosemont Dallas NCX LP, a wholly-owned subsidiary of Rosemont) owned by Lone Rock. The consideration is US$69,152,000 (equivalent to approximately HK$536,234,000) in which US$9,598,000 (equivalent to approximately HK$74,416,000) represented directly attributable costs related to the transaction.

Apart from the subscription of the 45% membership interests in Gemini-Rosemont, the Group acquired 100% membership interest and 37.19% limited partnership interests in Rosemont WTC Denver GPM LLC ("Denver GPM LLC") and Rosemont Diversified Portfolio II LP ("Portfolio II LP") at considerations of US$15,000,000 (equivalent to approximately HK$116,319,000) and US$34,388,000 (equivalent to approximately HK$266,661,000) respectively. Denver GPM LLC and Portfolio II LP represented the syndicated projects under the portfolio of Rosemont (the "Syndicated Projects").

In addition, the Group provided a working capital facility of US$10,000,000 to Gemini-Rosemont.

The details as described above represented the transactions contemplated under the Agreement (the “Transactions”).

As mentioned above, the Group acquired direct interests in the Syndicated Projects which are controlled by Gemini-Rosemont upon completion of the Transactions. Accordingly, the Syndicated Projects interests are accounted for as part of the Group’s interest in Gemini-Rosemont.

Gemini-Rosemont was formed under the laws of state of Delaware, domiciled in the US on 22 April 2015. It has no operations until it acquired the businesses, assets and liabilities of Rosemont as explained above. Gemini-Rosemont is primarily engaged in the ownership and the management of commercial office properties after the acquisition.

The Group and the Property Fund hold 45% and 30% of class A membership interests of Gemini-Rosemont respectively. Both have collective control over Gemini-Rosemont and decisions on the relevant activities of Gemini-Rosemont which require the unanimous consent of the class A members. Therefore, Gemini-Rosemont is a joint arrangement. As Gemini-Rosemont is a limited liability company, the joint arrangement is classified as a joint venture accordingly.

Denver GPM LLC, a Delaware limited liability company domiciled in the US, was formed on 16 April 2013 to act as the limited partner of Rosemont WTC Denver GP Member LP (“Member LP”). Member LP, a Delaware partnership domiciled in the US, was formed on 27 March 2013 to invest in companies which acquire, hold, operate, develop, improve, sell and manage investment properties.

Portfolio II LP, a Delaware limited partnership domiciled in the US, was formed on 12 December 2012 to acquire, hold, operate, develop, improve, sell, and otherwise manage investment properties in the US.

On 21 August 2015, the Group acquired the entire membership interest of Denver GPM LLC from Rosemont at a consideration of US$5,500,000 together with additional contribution of US$9,500,000. On the same date, the Group also subscribed approximately 37.19% limited partnership interest in Portfolio II LP at a consideration of US$34,388,000 (equivalent to approximately HK$266,661,000). The Transactions were completed on 22 August 2015 and the Group has no outstanding commitment at the end of the reporting period.

On 31 March 2017, the Property Fund further acquired 18.423% class B membership interest of Gemini-Rosemont from Gemini-Rosemont JV Member LLC. As a result, the Property Fund held 30% and 18.423% of class A and class B membership interests respectively in Gemini-Rosemont at the end of the reporting period.

For the six months ended 30 June 2020, the Group shared the post-acquisition loss of Gemini-Rosemont, Denver GPM LLC and Portfolio II LP amounted to US$5,170,000, US$2,002,000 and US$1,120,000 respectively (equivalent to approximately HK$40,174,000, HK$15,558,000 and HK$8,704,000) (six months ended 30 June 2019: US$3,242,000, US$1,918,000 and US$744,000 respectively (equivalent to approximately HK$25,362,000, HK$15,004,000 and HK$5,817,000 respectively)).

There was no dividend distribution received/receivable during the six months ended 30 June 2020 and 2019.

For the six months ended 30 June 2020, the Group paid income tax of approximately US$66,000 (equivalent to approximately HK$515,000) in respect of its direct tax obligation in Gemini-Rosemont.

For the six months ended 30 June 2019, the Group paid income tax of approximately US$4,100 and US$500,000 respectively (equivalent to approximately HK$32,000 and HK$3,925,000 respectively) in respect of its direct tax obligation in Gemini-Rosemont and Portfolio II LP respectively.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Unlisted equity investments *(Note (a))*	**109**	109
Club debentures *(Note (b))*	**6,060**	5,800
Unlisted fund investments *(Note (c))*	**2,184,366**	2,215,445
	2,190,535	2,221,354

Notes:

(a) As at 30 June 2020, the fair value of the Group's investment in unlisted equity securities issued by a private equity incorporated outside Hong Kong was approximately RMB97,000 (equivalent to approximately HK$109,000) (31 December 2019: RMB98,000 (equivalent to approximately HK$109,000).

(b) At the end of the reporting period, the fair value of the club debentures held by the Group was approximately HK$6,060,000 (31 December 2019: HK$5,800,000).

As at 30 June 2020 and 31 December 2019, the fair value measurement of the financial assets at fair value through profit or loss (i.e. unlisted equity investments and club debentures) as mentioned above was categorised within level 3 of the fair value hierarchy.

(c)(i) At the end of the reporting period, the Group held approximately 341,000 (31 December 2019: 341,000) participating redeemable preference shares ("Participating Shares") in an investment entity incorporated outside Hong Kong for diversifying the Group's securities investment risk and further enhance the rate of return of the Group's core business of securities investment. The fair value of the Participating Shares held by the Group as at 30 June 2020 was approximately HK$132,813,000 (31 December 2019: HK$130,812,000).

(c)(ii) At the end of the reporting period, the Group held approximately 141,000 (31 December 2019: 141,000) participating redeemable preference shares in a sub-fund of an investment entity incorporated in the Cayman Islands (the "Sub-Fund A"). The Sub-Fund A is focus on, but not limited to, Asia (excluding Japan) equity to generate positive returns in all market conditions. The fair value of participating redeemable preference shares of the Sub-Fund A held by the Group as at 30 June 2020 was approximately HK$164,287,000 (31 December 2019: HK$155,812,000).

(c)(iii) At the end of the reporting period, the Group also held approximately 110,000 (31 December 2019: 110,000) participating redeemable preference shares in another sub-fund of the above mentioned investment entity (the "Sub-Fund B"). The Sub-Fund B invested the collected funds to generate positive returns in all market conditions by employing multi-strategy investment approach, to invest on, but not limited to, Asia Pacific equity by employing bottom-up approach and to invest in both long and short term of different asset classes. The fair value of participating redeemable preference shares of the Sub-Fund B held by the Group as at 30 June 2020 was approximately HK$142,841,000 (31 December 2019: HK$134,259,000).

As at 30 June 2020 and 31 December 2019, the fair value measurement of the financial assets at fair value through profit or loss as mentioned in Notes (c)(i) to (c)(iii) above was categorised within level 2 of the fair value hierarchy.

(c)(iv) At the end of the reporting period, the Group held approximately 1,012,000 (31 December 2019: 1,012,000) non-redeemable, non-voting participating shares of the Property Fund, which incorporated in Cayman Islands and approximately 637,000 (31 December 2019: 637,000) non-redeemable, non-voting participating shares of an investment entity incorporated in the Cayman Islands (the "Private Equity Fund"). The fair value of the investments in the Property Fund and the Private Equity Fund as at 30 June 2020 are approximately HK$686,619,000 (31 December 2019: HK$765,281,000) and approximately HK$554,784,000 (31 December 2019: HK$555,287,000) respectively.

The investment objective of the Property Fund is to achieve medium to long term capital appreciation through investing substantially all of its assets available for investment in residential, industrial, retail and commercial real estate and related investments primarily in Hong Kong, the US and potentially to a lesser extent in Singapore and countries that are members of the Organisation for Economic Co-operation and Development.

The investment objective of the Private Equity Fund is to achieve medium to long term capital appreciation through investing in one or more collective investment schemes that invest predominantly in real estate and related investments in the US, Europe and/or Australia.

(c)(v) On 3 November 2015, an indirect wholly-owned subsidiary of the Company entered into a subscription agreement with Prosperity Risk Balanced Fund LP ("PRB Fund"), pursuant to which the Group agreed to contribute commitments for a total amount of approximately US$60,000,000 (equivalent to approximately HK$465,000,000) as a limited partner to PRB Fund. The amount of the Group's commitments represents 23.08% of the total commitments of US$260,000,000 (equivalent to approximately HK$2,025,000,000). As at 30 June 2020, the fair value of the investments in PRB Fund is approximately HK$503,022,000 (31 December 2019: HK$473,994,000).

The investment objective of the PRB Fund is to invest in debt instruments of special purpose vehicles which in turn hold shares in PRC companies established for the purpose of developing real estates in the PRC with an expected return of not less than 6% per annum on the debt instruments.

As at 30 June 2020 and 31 December 2019, the fair value measurement of the financial assets at fair value through profit or loss as mentioned in Notes (c)(iv) and (c)(v) above was categorised within level 3 of the fair value hierarchy.

12. BORROWINGS

The maturity profile of the borrowings is as follows:

	30 June 2020	31 December 2019
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current:		
Bank loans		
— guaranteed and repayable within 1 year *(Note (a))*	**341,016**	241,424
Lease liabilities	**4,720**	5,062
	345,736	246,486
Non-current:		
Bank loans		
— secured and repayable after 5 years *(Note (b))*	**420,844**	422,880
Lease liabilities	**914**	3,214
	421,758	426,094
	767,494	672,580

Notes:

(a) As at 30 June 2020, a bank borrowing amounted to US$44,000,000 (equivalent to approximately HK$341,016,000) (31 December 2019: US$31,000,000 (equivalent to approximately HK$241,424,000) will be wholly repayable on 18 October 2020. The bank borrowing is interest-bearing at adjusted LIBOR plus 2.7% per annum. A corporate guarantee is provided by Sino-Ocean Group for the bank borrowing.

(b) As at 30 June 2020, a bank borrowing amounted to US$54,300,000 (equivalent to approximately HK$420,844,000) (31 December 2019: US$54,300,000 (equivalent to approximately HK$422,880,000)) will be wholly repayable on 1 January 2028 and interest bearing at fixed rate of 3.72% per annum. The borrowing is secured by the Group's investment properties in the US at fair value of approximately HK$723,110,000 (31 December 2019: approximately HK$717,261,000) (Note 9) and restricted bank deposits amounted to approximately HK$5,222,000 (31 December 2019: approximately HK$8,556,000). A corporate guarantee was provided by Gemini-Rosemont for the bank borrowing.

13. SHARE CAPITAL

	30 June 2020	**30 June 2020**	31 December 2019	31 December 2019
	Number	***HK$'000***	*Number*	*HK$'000*
		(Unaudited)		(Audited)
Ordinary shares				
At beginning of the year	**451,390,000**	**185,453**	451,390,000	185,453
Allotment and issue of shares	**180,556,000**	**180,556**	—	—
	631,946,000	**366,009**	451,390,000	185,453

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

During the six months ended 30 June 2020, the Company completed the allotment and issue of 90,278,000 ordinary shares of HK$1 each under general mandate and 90,278,000 ordinary shares of HK$1 each under specific mandate. These ordinary shares rank pari passu in all respects among themselves and with other existing ordinary shares. Details of the allotment and issue of these shares are set out in the announcements of the Company dated 3 April 2020, 17 April 2020 and 27 May 2020 and the Company's circular dated 28 April 2020.

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 2020 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 as and when they were/are in force, except for Code Provision E.1.2 which requires chairman of the Board to attend the annual general meeting of the Company.

Due to other pre-arranged business commitments which had to be attended, Mr. LI Ming (the then honorary chairman of the Board and non-executive Director) was unable to attend the annual general meeting of the Company held on 29 April 2020.

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 2020 Interim Period 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 2020 Interim Period.

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 2020 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 2020 Interim Period.

CHANGES IN DIRECTORSHIP AND BOARD COMMITTEE COMPOSITION

The Board would like to inform shareholders of the Company the following changes in the Board and the nomination committee of the Board with effect from 30 July 2020:

(i) Mr. LI Ming has resigned as a non-executive Director, the honorary chairman of the Board as well as the chairman of the nomination committee of the Company, in order to devote more time to his other commitments with Sino-Ocean Group (which, through its wholly-owned subsidiary, held about 49.5% of the issued ordinary shares of the Company as of the date of this announcement) and its subsidiaries; and

(ii) Mr. SUM Pui Ying, currently an executive Director, chief executive officer, the chairman of investment committee and a member of the nomination committee of the Company, has been appointed as the Chairman of the Board and the chairman of the nomination committee of the Company.

Mr. LI Ming has confirmed that he has no disagreement with the Board and there is no other matter in respect of his resignation that needs to be brought to the attention of the shareholders of the Company and/or the Stock Exchange.

The Board would like to take this opportunity to express its sincere gratitude to Mr. LI Ming for his valuable contribution to the Company during his tenure of office as non-executive Director and the honorary chairman of the Board.

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

Hong Kong, 30 July 2020

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

Executive Directors:	*Non-executive Directors:*	*Independent non-executive Directors:*
Mr. SUM Pui Ying	Mr. LI Ming	Mr. LAW Tze Lun
Mr. LAI Kwok Hung, Alex	Mr. TANG Runjiang	Mr. LO Woon Bor, Henry
Ms. LAM Yee Lan	Mr. WANG Xiao	Ms. CHEN Yingshun