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盛洋投資

Gemini Investments (Holdings) Limited

盛洋投資（控股）有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 174)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board of directors (the “**Director(s)**” or the “**Board**”) of Gemini Investments (Holdings) Limited (the “**Company**”) is pleased to announce 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 2024 (the “**2024 Interim Period**”). The unaudited interim results of the Company have been reviewed by the Company’s audit committee.

During the 2024 Interim Period, the Group recorded a revenue of HK\$596 million (for the six months ended 30 June 2023 (the “**2023 Interim Period**”): HK\$512 million), and a loss attributable to owners of the Company of HK\$30 million (2023 Interim Period: a loss attributable to owners of the Company of HK\$379 million). Due to the relatively stable global economy in the first half of 2024, the fluctuations in property values have relatively decreased, and our Group’s revenue and loss situation have therefore improved.

The Board does not recommend the payment of any interim dividend on the ordinary shares of the Company for the 2024 Interim Period.

BUSINESS REVIEW AND PROSPECTS

The Group continues to focus on property investment and property development businesses in the United States (the “U.S.”), which is managed through Gemini-Rosemont Realty LLC (“**GR Realty**”), our U.S.-based property fund management platform. During the 2024 Interim Period, the Group’s property projects were mainly located in areas such as New York, Silicon Valley and Seattle in the U.S.. On the one hand, the Group strived to consolidate the operations of its office buildings, and to improve occupancy rates and tenant satisfaction, thereby bringing stable rental income. On the other hand, the sales progress of residential development projects of the Group has met expectations, bringing the Group sales revenue and profit.

Looking ahead to the second half of 2024, despite that the U.S. will still face with inflation pressure, it is generally expected that the U.S. Federal Reserve will initiate interest rate cuts. However, the upcoming U.S. presidential election will bring greater uncertainty to the U.S. overall economic policy and international politics, which might have a significant short-term and long-term impact on asset prices. Under the above circumstances, the Company will continue to leverage our professional and experienced management team to adjust our operating strategies in response to market changes and enhance our competitiveness, so as to realise better investment returns for our shareholders.

OPERATION REVIEW

Overview

The Group mainly engages in property investments in the U.S. and Hong Kong, property developments in the U.S. and other operations. As at 30 June 2024, investment properties in the U.S. and in Hong Kong accounted for 66% and 4% of our total assets respectively, and properties held for sale in the U.S. accounted for 9% of our total assets.

All our properties in the U.S. are managed by GR Realty, which is an integrated real estate platform investing in properties and managing property funds as general partners. We receive steady income and cash flow, as well as possible capital gains and fee income from appreciation in value of these properties.

Property Investments in the U.S.

As at 30 June 2024, our U.S. investment property portfolio comprised 10 commercial properties, and several units in 4 residential buildings in the U.S. During the 2024 Interim Period, there was no acquisition or disposal of investment properties, while certain units of our completed property developments were rented out.

As at 30 June 2024, our investment properties in the U.S. had an aggregate carrying value of HK\$6,870 million (as at 31 December 2023: HK\$6,721 million), with those located in West Coast, Central and East Coast of the U.S. representing 66%, 20% and 14% respectively.

During the 2024 Interim Period, our investment properties in the U.S. generated a total revenue of HK\$377 million (2023 Interim Period: HK\$444 million). The average occupancy rate for the 2024 Interim Period is 72%.

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

Property Developments in the U.S.

The Group's property development projects comprise 3 residential redevelopments located at Manhattan and Brooklyn of New York City, with a total carrying value of HK\$970 million (as at 31 December 2023: HK\$1,350 million). Some of the developed units were sold and some were rented out during the 2024 Interim Period.

Revenue from sales of properties of HK\$215 million was recorded during the 2024 Interim Period (2023 Interim Period: HK\$53 million), all contributed from one project located at Brooklyn of New York City which was completed in the second half of 2023, while the sales revenue for the 2023 Interim Period all came from one project located at Manhattan of New York City. We will closely monitor the sales progress of our property development projects.

Investment Properties in Hong Kong

Investment properties in Hong Kong mainly comprise A-grade offices units in two buildings in Hong Kong Island, with a total carrying value of HK\$362 million (as at 31 December 2023: HK\$396 million), representing 4% of our total assets as at 30 June 2024. During the 2024 Interim Period, rental revenue from investment properties in Hong Kong was HK\$4 million (2023 Interim Period: HK\$4 million), and average occupancy rate was 100%.

Other Operations

Other operations mainly include fund investments and securities investments. As at 30 June 2024, our security investment portfolio (classified as "financial instruments held for trading") amounted to HK\$122 million, mainly comprising investments in listed securities in the U.S. (as at 31 December 2023: nil). The Group recorded gain from securities investment of HK\$15 million (2023 Interim Period: gain of HK\$12 million), as a result of the improving U.S. capital market with a prudence investment strategy.

As at 30 June 2024, the carrying amount of our fund investment portfolio (classified as "**financial assets at fair value through profit or loss**") was HK\$459 million (as at 31 December 2023: HK\$470 million), with a fair value loss of HK\$12 million recognized (2023 Interim Period: gain of HK\$4 million).

FINANCIAL REVIEW

Revenue

The components of our revenue are analyzed as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Rental income	288,228	350,662
Ancillary service income to property leasing and management service income	93,236	107,420
Sales of properties	214,637	53,276
Others	211	259
	<u>596,312</u>	<u>511,617</u>

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

Increase in sales of properties was due to the contribution of one development project located in Brooklyn of New York City. The project was completed in the second half of 2023 and recorded sales of residential units of HK\$215 million during the 2024 Interim Period.

Operating expenses

The components of our operating expenses are analysed as follows:

	Six months ended 30 June	
	2024	2023
	HKD'000	HKD'000
Repairs, maintenance and utilities	74,833	83,724
Property insurance and management expense	24,683	26,644
Real estate taxes	44,529	70,865
Cost of inventories	136,343	48,489
Selling costs	13,544	1,720
Write down of properties held for sale to net realisable value	–	133,730
Others	1,746	3,277
	<u>295,678</u>	<u>368,449</u>

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

Increase in cost of inventories and selling costs were in line with the increase in revenue arising from sales of residential units in a development project located in Brooklyn of New York City and completed in the second half of 2023.

During the 2023 Interim Period, one redevelopment project was written down to its net realizable value by HK\$134 million upon being reclassified to properties held for sale, as the Group planned for a sale of the whole project afterwards.

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

Losses arising from changes in fair value of investment properties and assets classified as held for sale, totalling HK\$167 million, were recorded during the 2024 Interim Period (2023 Interim Period: losses of HK\$387 million). The fair value of our investment properties recorded an overall decrease in value by 2%. Properties located in Central and East Coast of the U.S., recorded decrease in value by 3% (about HK\$67 million), whilst our other properties in the West Coast of the U.S recorded decrease in value by 1% (about HK\$66 million). Investment properties located in Hong Kong recorded decrease in value by 9% (about HK\$34 million).

Other income, gains/losses

Other income, gains/losses, during the 2024 Interim Period mainly included interest income of HK\$6 million (2023 Interim Period: HK\$4 million). No gain or loss on disposal of investment properties was recognised during the 2024 Interim Period (2023 Interim Period: gain of HK\$4 million).

Administrative and other expenses

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
Employee costs	43,177	47,986
Legal and professional fee	23,815	26,220
Depreciation	6,617	8,857
Insurance expenses	3,368	4,210
Informative service fee	3,879	5,412
Auditors' remuneration	3,393	3,497
Exchange difference	1,234	(15,232)
Others	10,749	13,868
	<u>96,232</u>	<u>94,818</u>

Other than the movement on exchange difference of HK\$16 million, administrative and other expenses decreased by HK\$15 million as a whole, as a result of less business and disposal activities during the 2024 Interim Period.

Finance costs

Finance costs (net of interest capitalisation) on our borrowings decreased by HK\$36 million to HK\$167 million, as a result of settlement of certain borrowings in the second half of 2023.

Loss attributable to limited partners

Loss attributable to limited partners relates to certain limited partner interests associated with those limited partnerships of the property funds managed and controlled by GR Realty. According to the terms of investments, these interests are classified as assets/liabilities under the statutory accounting principles, with related financial results attributable to limited partners recorded in the consolidated income statement of the Group. The loss attributable to limited partners of HK\$85 million mainly arose from the fair value decrease of investment properties mainly located in the Central region of the U.S.. The Group mainly acts as general partner, with certain limited partner interest in the parent funds of those investment properties.

Financial Resources and Liquidity

As at 30 June 2024, the Group had cash resources totaling HK\$384 million (as at 31 December 2023: HK\$456 million) and committed undrawn borrowing facilities of HK\$273 million. The Group's sources of funding comprise mainly internal funds generated from the Group's business operations and loan facilities provided by banks.

As at 30 June 2024, the borrowings (excluding lease liabilities) of the Group amounted to HK\$3,903 million (as at 31 December 2023: HK\$3,943 million). The Group's borrowings included bank loans and revolving loans, notes payables and loan from third party. The maturities of the Group's borrowings are set out as follows. All of the short-term borrowings are of a non-recourse nature.

	30 June 2024 <i>(HK\$ million)</i>	As percentage of borrowings	31 December 2023 <i>(HK\$ million)</i>	As percentage of borrowings
Within 1 year	2,265	58%	378	9%
1-2years	1,214	31%	1,806	46%
2-5 years	424	11%	1,576	40%
Over 5 years	–	–	183	5%
	<u>3,903</u>	<u>100%</u>	<u>3,943</u>	<u>100%</u>

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

The Group's net gearing ratio (i.e. borrowings less total cash resources divided by total equity) was 65% at 30 June 2024 (31 December 2023: 64%). Our management will continue to monitor the Group's capital and debt structure from time to time aiming to control short term debt ratio and mitigate its exposure to the risk of gearing.

Financial Guarantees

As at 30 June 2024, our Group did not have any financial guarantees given for the benefit of third parties.

Pledged Assets

As at 30 June 2024, our Group had pledged bank deposits amounting to HK\$82 million (as at 31 December 2023: HK\$53 million) and investment properties of HK\$5,229 million (as at 31 December 2023: HK\$5,679 million), together with the interests of certain subsidiaries of the Group as securities to secure borrowings of our Group of HK\$3,828 million (as at 31 December 2023: HK\$3,943 million).

Significant Investments

As at 30 June 2024, the Group did not hold any significant investment with a value of 5% or more of the Group's total assets as at 30 June 2024.

Contingent Liabilities

As at 30 June 2024, our Group had no significant contingent liabilities.

Capital Commitments

As at 30 June 2024, our Group had no capital commitments (as at 31 December 2023: nil).

Use of Proceeds from Placing Exercises

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

The Company's utilisation plan of the net proceeds from the Placing Exercises remained unchanged as at 30 June 2024 as compared to that disclosed in the Company's announcements and circular for the Placing Exercises. The Company intended to use around US\$10 million to US\$12 million (equivalent to HK\$77.5 million to HK\$93.0 million), representing 43% to 52% of the aggregate net proceeds from the Placing Exercises, for the investment in a real estate related project in the Metropolitan Area of the State of New York, and the remaining balance of the net proceeds was intended to be used as general working capital of our Group.

As at 30 June 2024, HK\$96 million was utilized for the general working capital in the Group's property development projects in the U.S.. In view of uncertainties in global economy and business outlook currently, the remaining proceeds of HK\$83 million (46% of the aggregate net proceeds from the Placing Exercises) intended for investment in real estate related projects remains not utilized. Our Group has been looking for good investment opportunities under prudence approach. However, amid the current uncertainties of the global economy and business environment, the Company has been very cautious in identifying suitable investment target which is safe, in line with the Company's strategy and in the interests of the Company and its shareholders as a whole. As such, no suitable investment has yet been made. The Company estimates that the expected timeline for utilizing the net proceeds for the above mentioned real estate investment remains on or before the fourth quarter of 2025 as previously estimated and disclosed in the Company's 2023 annual report. This expected timeline may be subject to further change based on the future development of the market conditions.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

In July 2024, a subsidiary of the Company entered into an amended and reinstated purchase and sale agreement with an independent third party to sell a multi-tenant office building located at Texas, the U.S. for an aggregate consideration of US\$9,300,000. Closing of this transaction is still subject to satisfaction of certain conditions precedent, and may or may not proceed. Subject to closing, the gain arising from this disposal will be recognised in 2024. Details of this disposal which constituted a disclosable transaction of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited are set out in the announcement of the Company dated 10 July 2024.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Revenue	4, 5	596,312	511,617
Direct costs and operating expenses	6	<u>(295,678)</u>	<u>(368,449)</u>
		300,634	143,168
Other income, gains/losses	7	6,548	7,865
Administrative and other expenses		(96,232)	(94,818)
Changes in fair value of financial instruments held for trading		14,804	12,143
Changes in fair value of financial assets at fair value through profit or loss		(11,790)	3,681
Changes in fair value of investment properties		(167,284)	(347,564)
Changes in fair value of assets classified as held for sale		–	(39,027)
Reversal of/(provision for) impairment loss on financial assets		2,640	(629)
Share of results of associates		(5,967)	–
Finance costs	8	(166,589)	(202,862)
Loss attributable to limited partners		<u>85,468</u>	<u>122,620</u>
Loss before income tax		(37,768)	(395,423)
Income tax	9	<u>(15,378)</u>	<u>(16,064)</u>
Loss for the period		<u>(53,146)</u>	<u>(411,487)</u>
Loss for the period attributable to:			
Owners of the Company		(30,310)	(379,245)
Non-controlling interests		<u>(22,836)</u>	<u>(32,242)</u>
		<u>(53,146)</u>	<u>(411,487)</u>
Loss per share for loss attributable to owners of the Company	10		
– Basic (HK dollar)		(0.05)	(0.60)
– Diluted (HK dollar)		<u>(0.05)</u>	<u>(0.60)</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period	<u>(53,146)</u>	<u>(411,487)</u>
Other comprehensive income:		
<i>Item that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of foreign operations	<u>(3,549)</u>	<u>17,822</u>
Other comprehensive income for the period	<u>(3,549)</u>	<u>17,822</u>
Total comprehensive income for the period	<u>(56,695)</u>	<u>(393,665)</u>
Total comprehensive income attributable to:		
Owners of the Company	(33,859)	(361,423)
Non-controlling interests	<u>(22,836)</u>	<u>(32,242)</u>
	<u>(56,695)</u>	<u>(393,665)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

		At 30 June 2024	At 31 December 2023
	<i>Notes</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Non-current assets			
Investment properties	12	7,232,046	7,117,114
Property, plant and equipment		232,321	224,467
Investments in joint ventures		6,298	6,288
Investments in associates		–	5,968
Financial assets at fair value through profit or loss	13	466,655	478,641
Deposits, prepayments and other receivables		52,260	58,991
Other financial assets		476,144	399,275
Restricted bank deposits		565	348
Deferred tax assets		161,662	162,251
		<u>8,627,951</u>	<u>8,453,343</u>
Current assets			
Properties held for sale		970,191	1,349,749
Deposits, prepayments and other receivables		128,448	127,233
Financial instruments held for trading		122,283	–
Tax recoverables		18,568	25,816
Restricted bank deposits		155,787	122,043
Cash and bank balances		383,512	455,995
		<u>1,778,789</u>	<u>2,080,836</u>
Total assets		<u>10,406,740</u>	<u>10,534,179</u>

		At 30 June 2024	At 31 December 2023
	<i>Notes</i>	HK\$'000 (Unaudited)	HK\$'000 (Audited)
Current liabilities			
Other payables and accrued charges		415,320	402,129
Amount due to a shareholder		10,842	46,428
Tax payables		4,703	4,014
Borrowings	14	2,272,687	385,088
		<u>2,703,552</u>	<u>837,659</u>
Net current (liabilities)/assets		<u>(924,763)</u>	<u>1,243,177</u>
Total assets less current liabilities		<u>7,703,188</u>	<u>9,696,520</u>
Capital and reserves			
Share capital		371,191	371,191
Reserves		4,053,227	4,087,312
Equity attributable to owners of the Company		4,424,418	4,458,503
Non-controlling interests		972,535	1,004,651
Total equity		<u>5,396,953</u>	<u>5,463,154</u>
Non-current liabilities			
Other payables and accrued charges		12,515	12,820
Amount due to a shareholder		417,641	417,814
Borrowings	14	1,662,526	3,593,897
Other financial liabilities		91,463	92,401
Deferred tax liabilities		122,090	116,434
		<u>2,306,235</u>	<u>4,233,366</u>
Total equity and non-current liabilities		<u>7,703,188</u>	<u>9,696,520</u>

NOTES

1. GENERAL INFORMATION

The unaudited condensed consolidated financial statements of Gemini Investments (Holdings) Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2024 (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 Accountants (“**the HKICPA**”) 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 2023 that is included in these Interim Financial Statements 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 2023 to the Registrar of Companies 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).

The Interim Financial Statements were approved and authorised for issue on 9 August 2024.

2. BASIS OF PREPARATION

The preparation of the 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 2023.

The Interim Financial Statements are presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated. The 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 2023 annual financial statements. The Interim Financial Statements do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) and should be read in conjunction with the 2023 consolidated financial statements.

The 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.

The Interim Financial Statements have been prepared with the same accounting policies adopted in the 2023 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 2024.

In the current period, the Group has applied for the first time the following new amendments to HKFRSs that are effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2024.

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

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21	Lack of Exchangeability ²
HKFRS 18	Presentation and Disclosure in Financial Statement ³

¹ No mandatory effective date yet determined but available for adoption.

² Effective for annual periods beginning on or after 1 January 2025.

³ Effective for annual periods beginning on or after 1 January 2027.

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 *Operating Segments* are as follows:

- Property investment in the United States of America (the “U.S.”)

Rental income, ancillary service income from leasing of office property and residential condominium and management service income which are managed by Gemini-Rosemont Realty LLC (“GR Realty”).
- Property development in the U.S.

Income from sale of quality commercial and residential properties in the U.S. which are managed by GR Realty.
- Property investment in Hong Kong

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

Investing in various investment funds and generating investment income.
- Securities and other investments

Investing in various securities and generating investment income.

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

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

For the six months ended 30 June 2024

	Managed by GR Realty					Consolidated <i>HK\$'000</i> (Unaudited)
	Property investment in the U.S. <i>HK\$'000</i> (Unaudited)	Property development in the U.S. <i>HK\$'000</i> (Unaudited)	Property investment in Hong Kong <i>HK\$'000</i> (Unaudited)	Fund investments <i>HK\$'000</i> (Unaudited)	Securities and other investments <i>HK\$'000</i> (Unaudited)	
Segment revenue	377,289	214,637	4,175	-	1,881	597,982
Less: Inter-segment sales	-	-	-	-	(1,670)	(1,670)
Revenue as presented in condensed consolidated income statement	<u>377,289</u>	<u>214,637</u>	<u>4,175</u>	<u>-</u>	<u>211</u>	<u>596,312</u>
Segment results	<u>192,694</u>	<u>42,710</u>	<u>(30,322)</u>	<u>(11,615)</u>	<u>14,962</u>	208,429
Interest income from bank deposits						6,466
Depreciation						(6,617)
Reversal of impairment loss on financial assets						2,640
Finance costs						(166,589)
Unallocated corporate expenses						<u>(82,097)</u>
Loss before income tax						<u>(37,768)</u>

For the six months ended 30 June 2023

	Managed by GR Realty					
	Property investment in the U.S. <i>HK\$'000</i> (Unaudited)	Property development in the U.S. <i>HK\$'000</i> (Unaudited)	Property investment in Hong Kong <i>HK\$'000</i> (Unaudited)	Fund investments <i>HK\$'000</i> (Unaudited)	Securities and other investments <i>HK\$'000</i> (Unaudited)	Consolidated <i>HK\$'000</i> (Unaudited)
Segment revenue	454,542	53,276	3,540	–	1,686	513,044
Less: Inter-segment sales	–	–	–	–	(1,427)	(1,427)
Revenue as presented in condensed consolidated income statement	<u>454,542</u>	<u>53,276</u>	<u>3,540</u>	<u>–</u>	<u>259</u>	<u>511,617</u>
Segment results	<u>(21,300)</u>	<u>(108,197)</u>	<u>4,911</u>	<u>8,100</u>	<u>13,318</u>	<u>(103,168)</u>
Interest income from bank deposits						3,806
Depreciation						(8,857)
Provision for impairment loss on financial assets						(629)
Finance costs						(202,862)
Unallocated corporate expenses						<u>(83,713)</u>
Loss before income tax						<u>(395,423)</u>

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

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

	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Assets		
Segment assets		
– Property investment in the U.S.	8,134,812	7,897,599
– Property development in the U.S.	1,253,768	1,664,570
– Property investment in Hong Kong	362,890	396,839
– Fund investments	458,796	470,501
– Securities and other investments	137,052	8,652
Unallocated assets	59,422	96,018
	<hr/>	<hr/>
Consolidated total assets	10,406,740	10,534,179
	<hr/> <hr/>	<hr/> <hr/>
Liabilities		
Segment liabilities		
– Property investment in the U.S.	4,507,443	4,358,322
– Property development in the U.S.	316,675	473,979
– Property investment in Hong Kong	4,010	4,011
– Fund investments	268	268
– Securities and other investments	190	190
Unallocated liabilities	181,201	234,255
	<hr/>	<hr/>
Consolidated total liabilities	5,009,787	5,071,025
	<hr/> <hr/>	<hr/> <hr/>

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

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

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

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Rental income	288,228	350,662
Dividend income	211	259
Revenue from contracts with customers recognised at a point in time		
– Sale of properties	214,637	53,276
Revenue from contracts with customers recognised overtime		
– Ancillary service income to property leasing and management service income	93,236	107,420
	<u>596,312</u>	<u>511,617</u>

6. DIRECT COSTS AND OPERATING EXPENSES

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Repairs, maintenance and utilities	74,833	83,724
Property insurance costs	8,082	9,329
Property management expenses	16,601	17,315
Real estate taxes	44,529	70,865
Costs of properties sold	136,343	48,489
Write down of properties held for sale to net realisable value	–	133,730
Selling costs	13,544	1,720
Others	1,746	3,277
	<u>295,678</u>	<u>368,449</u>

7. OTHER INCOME, GAINS/LOSSES

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest income	6,466	3,806
Gain on disposal of investment properties	–	3,564
Others	82	495
	<u>6,548</u>	<u>7,865</u>

8. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Interest on bank and other borrowings	161,479	194,997
Interest expenses on lease liabilities	<u>1,375</u>	<u>428</u>
Total interest expenses for financial liabilities that are not measured at fair value through profit or loss	162,854	195,425
Amortisation of arrangement fee	<u>3,735</u>	<u>7,437</u>
	<u>166,589</u>	<u>202,862</u>

9. INCOME TAX

The taxation attributable to the Group's operation comprises:

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax – Hong Kong Profits Tax		
– Over provision in respect of prior years	–	(97)
Current tax – Overseas tax		
– Provision for the period	9,541	12,164
– (Over)/under provision in respect of prior years	(161)	997
	<u>9,380</u>	<u>13,161</u>
Total current tax	9,380	13,064
Deferred tax expenses	<u>5,998</u>	<u>3,000</u>
Income tax	<u><u>15,378</u></u>	<u><u>16,064</u></u>

No Hong Kong Profits Tax was provided for the six months ended 30 June 2024 and 2023 as the Group has no estimated assessable profit for the period.

Current taxes for subsidiaries outside Hong Kong are charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

10. 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 approximately HK\$30,536,000 (six months ended 30 June 2023: approximately HK\$379,471,000) and on the weighted average number of ordinary shares of 635,570,000 (six months ended 30 June 2023: 635,570,000) in issue during the period.

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company	(30,310)	(379,245)
Less: Distributions paid to the holders of perpetual bond during the period	(226)	(226)
Adjusted loss attributable to owners of the Company	<u>(30,536)</u>	<u>(379,471)</u>

(b) Diluted loss per share

No adjustment was made to basic loss per share amount presented for the six months ended 30 June 2024 and 2023 in respect of a dilution as the impact of convertible preference shares outstanding had an anti-dilutive effect on the basic loss per share amount presented.

11. INTERIM DIVIDEND

The board of directors do not recommend the payment of dividend during the current interim period (six months ended 30 June 2023: Nil).

12. INVESTMENT PROPERTIES

The Group's investment properties comprise:

	30 June	31 December
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Properties in Hong Kong	362,200	396,330
Properties in the U.S.	6,869,846	6,720,784
	<u>7,232,046</u>	<u>7,117,114</u>

Note:

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

The revaluation of investment properties during the current period gave rise to a net loss arising from changes in fair value of approximately HK\$167,284,000 (six months ended 30 June 2023: HK\$347,564,000) which has been recognised in profit or loss. Approximately 74% (31 December 2023: approximately 70%) of the investment properties of the Group were rented out under operating leases as at 30 June 2024.

As at 30 June 2024, investment properties of approximately HK\$5,229,339,000 (31 December 2023: approximately HK\$5,679,485,000) were pledged as collateral for bank borrowings of approximately HK\$3,455,033,000 (31 December 2023: approximately HK\$3,565,408,000).

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Other assets (Note (a))	7,930	8,210
Unlisted fund investments (Note (b))	<u>458,725</u>	<u>470,431</u>
	<u>466,655</u>	<u>478,641</u>

The fair value of these investments as at 30 June 2024 and 31 December 2023, were estimated by BMI Appraisals Limited.

Notes:

- (a) Other assets represented the club debentures.
- (b) On 27 April 2023, Prosperity Risk Balanced Fund LP's directors have resolved to make a partial distribution to its limited partner. After distribution, the Group indirectly held limited partner interest of an entity (the "Fund") and the investment objective of the Fund is to invest in real estates. The fair value of the investment in the Fund as at 30 June 2024 was approximately HK\$458,725,000 (31 December 2023: approximately HK\$470,431,000).

As at 30 June 2024 and 31 December 2023, the fair value measurement of the above financial assets was categorised within level 3 of the fair value hierarchy.

14. BORROWINGS

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Lease liabilities		
Within 1 year	7,578	7,347
After 1 year but within 2 years	6,626	7,527
After 2 years but within 5 years	<u>18,336</u>	<u>21,230</u>
	<u>32,540</u>	<u>36,104</u>
Bank loans and revolving loans (<i>Note (a)</i>)		
Within 1 year	2,026,868	135,543
After 1 year but within 2 years	1,004,247	1,806,021
After 2 years but within 5 years	423,918	1,440,398
Over 5 years	<u>–</u>	<u>183,446</u>
	<u>3,455,033</u>	<u>3,565,408</u>
Notes payable (<i>Note (b)</i>)		
Within 1 year	238,241	242,198
After 1 year but within 2 years	135,218	–
After 2 years but within 5 years	<u>–</u>	<u>135,275</u>
	<u>373,459</u>	<u>377,473</u>
Loan from third party (<i>Note (c)</i>)		
After 1 year but within 2 years	<u>74,181</u>	<u>–</u>
Total borrowings	3,935,213	3,978,985
Amount due within 1 year included under current liabilities	<u>(2,272,687)</u>	<u>(385,088)</u>
	<u>1,662,526</u>	<u>3,593,897</u>

Notes:

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

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Secured		
HK\$	–	103,200
U.S. dollars	<u>3,445,033</u>	<u>3,462,208</u>
	<u>3,455,033</u>	<u>3,565,408</u>

As at 30 June 2024, the bank loans and revolving loans were mortgage loans approximately HK\$3,455,033,000 (31 December 2023: HK\$3,462,208,000) borrowed by certain subsidiaries of the Group. These mortgage loans were non-recourse and secured by way of legal charges over certain of the Group's investment properties of HK\$5,229,339,000 (31 December 2023: HK\$5,315,185,000) and pledged bank deposits. Mortgage loans of HK\$2,026,868,000 were subject to repayment or renewal in the next twelve months after the end of the reporting period. The Group commenced communication with banks for the renewal of mortgage loans and the Group considered it has complied with the terms of the loan agreements during the six months ended 30 June 2024.

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

- (b) All the notes payable are denominated in U.S. dollars and were secured by way of legal charges over the interests of certain U.S. subsidiaries of the Group.
- (c) The loan from third party as at 30 June 2024 carried interest rate at 6% per annum. The aggregate line of credit amounted to US\$32,000,000 and unsecured. The loan is matured on 1 January 2026 and classified as non-current liabilities according to its repayment terms.

CORPORATE GOVERNANCE

During the 2024 Interim Period, the Company has complied with the applicable code provisions as set out in Part 2 of Appendix C1 (Corporate Governance Code) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as and when they were/are in force.

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 2024 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 2024 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**”) contained in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by the Directors. All Directors, following specific enquiries made by the Company, have confirmed that they have complied with the required standard as set out in the Model Code during the 2024 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 2024 Interim Period.

PUBLICATION OF INTERIM REPORT

The 2024 interim report of the Company containing all applicable information required by the Listing Rules will be despatched to the shareholders of the Company and available on the Company’s website at www.geminiinvestments.com and HKExnews website at www.hkexnews.com in due course.

APPRECIATION

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

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

Hong Kong, 9 August 2024

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

Executive Directors:

Mr. SUM Pui Ying
Mr. LAI Kwok Hung, Alex
Ms. LAM Yee Lan

Non-executive Director:

Mr. TANG Runjiang

Independent non-executive Directors:

Mr. LO Woon Bor, Henry
Mr. LEE Sai Kai, David
Mr. LEUNG Wai Hung