



# Gemini Investments (Holdings) Limited

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

盛洋投资

2015  
Interim Report

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# Financial Highlights

(HKD'000)	<b>Six months ended 30 June 2015 (unaudited)</b>	Six months ended 30 June 2014 (unaudited)
Revenue	<b>12,418</b>	61,734
Loss before income tax	<b>(269,562)</b>	(18,035)
Loss for the period	<b>(269,562)</b>	(18,027)
Loss attributable to owners of the Company	<b>(269,562)</b>	(18,027)
Losses per share — basic (HK Cents)	<b>(60.1)</b>	(4.1)

(HKD'000)	<b>As at 30 June 2015 (unaudited)</b>	As at 31 December 2014 (audited)
Total assets	<b>5,765,569</b>	5,887,811
Equity attributable to owners of the Company	<b>4,077,402</b>	4,307,046
Cash and cash equivalents	<b>1,480,847</b>	2,157,863
Net gearing ratio (times)*	<b>0.01</b>	N/A

\* As at 31 December 2014, the Group had bank and cash balances of approximately HK\$2,157.9 million which was sufficient to pay off all the bank borrowings of the Group of approximately HK\$1,522.6 million. Therefore, the Group had not any gearing on a net debt basis as at 31 December 2014.

# Chairman's Statement

On behalf of the board of directors (the "**Board**") of Gemini Investments (Holdings) Limited (the "**Company**"), I have the pleasure to present the results of the Company and its subsidiaries (together referred to as "**our Group**" or "**We**"/"**we**") for the six months ended 30 June 2015 (the "**Interim Period**").

## INTERIM RESULTS FOR 2015

Our Group recorded a loss of approximately HK\$269.6 million during the Interim Period, which mainly arose from a non-cash share of loss of a joint venture of the Company, namely Sino Prosperity Real Estate Fund L.P. (the "**SPRE Fund**"), of approximately HK\$223.0 million. The loss to the joint venture arose mainly because market sentiment in third tier cities in the People's Republic of China ("**PRC**") remains sluggish, with depressed selling prices of real estate and increasing burden on construction costs, while our institutional means of upgrading and enhancing the quality of the property projects of the SPRE Fund, which was acquired by the SPRE Fund on 31 December 2014, may not reveal an immediate effect in the short term.

The Board does not recommend the payment of any interim dividend for the Interim Period and intends to reserve more cash resources for further expansion of our Group.

## STRATEGIC REVIEW

Our Group is principally engaged in fund management business, fund investment, property investment and securities investment. During the first half of 2015, our Group continued to devote further resources to fund investment and fund management business, which are considered as a prudent but proactive approach in exploring and identifying high potential investment opportunities with the aim to bring long term value to our shareholders.

With the anticipated completion in around August 2015 of our Group's investment, among others, in the general partnership interests of a United States ("**U.S.**") based real estate company, Rosemont Realty, LLC ("**Rosemont**"), which has a management team of many years of investment experience in the acquisition, management and disposition of commercial real properties in the U.S., we believe our Group will not only be able to leverage on the expertise, experience and relationship of the management team of Rosemont, but also diversify its fund management business and property investment portfolio to a large number of states in the U.S. and allow the Group standing on a vantage point due to its exposure and presence in the U.S. which are regions that are expected to benefit from growth in gross domestic product, declining unemployment rate and growth of the property market.

Further, along with our joint venture partner, we have been actively participating in the continuing management and the strategic movement of the jointly managed fund, the SPRE Fund, with the intention to upgrade and enhance the quality of its property projects in the PRC, aiming to harvest our investment and generate decent return in the medium to long term.

# Chairman's Statement

Moreover, we have increased capital resource into fund investment business, as we consider that such investment enables our Group to diversify its investment risk and further enhances the rate of return of our Group's core business through efficient access to a wider variety of investment channels to which our Group may not have direct access.

## MARKET OUTLOOK

In 2015, the global economic recovery was weaker than markets had expected and there were several changes in global economic growth patterns, with the pace of economic recovery in the developed economies accelerating, while growth in emerging market economies further slowed.

The U.S. economy is still on the path of healthy recovery, with stronger payrolls and retail sales and a pickup in housing. Chance of Fed tightening remains as a risk, with market expectation of the Fed to start hiking in the second half of 2015. Geopolitical risks, particularly those from Greece, could make the Fed delay its first rate increase. Besides, U.S. dollars ("**USD**") would also limit the extent of hikes given the strong performance of USD in the first half. The potential rate hike will likely have negative impact on emerging markets through the channel of capital outflow. One thing should help lessen the sting of Fed tightening on emerging markets: the European Central Bank and Bank of Japan are quantitatively easing.

In PRC, it is clear from import data and a variety of indicators that PRC started 2015 exceptionally weak and the pressure of an economic slowdown might further increase. The Chinese central government continued to innovate and launch with its fine-tuning ideas to stimulate the economy. Bank recapitalisation, reform of local-government debt and more planned urbanisation, in conjunction with the 'one belt, one road' programme, indicates another step up in the economy's reliance on infrastructure investment.

The Eurozone economy got off to a solid start in 2015, with GDP growing in the first quarter at its fastest pace in almost two years boosted by domestic demand. Market is confident on the rising of employment rate and the prospect of self-sustaining growth. The structural reforms implemented in many countries in response to the debt crisis have also started to pay off. However, as a result of a number of headwinds, such as persistently high debt, the outlook of Greece remains fragile, which impulse significant uncertainty on global economy and investment environment.

## DEVELOPMENT PROSPECTS

Looking ahead, while the U.S. have registered decent performance, economies in the Eurozone and emerging markets witnessed uncertain performance. Continued divergence in economic performance and monetary policy is likely to be one of the most important themes investors will have to grapple with.

Our Group will closely follow the changing market environment, persistently adhere to the discipline of value investing, and dance with cyclicity on the value floor. With a view to evolving into an intelligent entity, we will continue to reinforce our professional knowledge to take root in the property markets and grasp more sound investment opportunities, aiming to strengthen its core competencies to contribute sustainable growth and returns to maximise our shareholders' value in the medium to long term.



## Chairman's Statement

### APPRECIATION

On behalf of the Board, I would like to express our appreciation to all shareholders, business partners and bank enterprises for their great support and our employees for their hard work. With the continuous support from our controlling shareholder, Sino-Ocean Land Holdings Limited ("**Sino-Ocean Land**"), we will make our business continue to move forward and grow.

**LI Ming**

*Honorary Chairman*

Hong Kong, 31 July 2015

# Management Discussion & Analysis

## FINANCIAL REVIEW

### Revenue

During the Interim Period, our Group recorded total revenue of approximately HK\$12,418,000 (for the six months ended 30 June 2014: approximately HK\$61,734,000). The decrease in revenue was mainly as a result of the decrease in sales of gold bullions by approximately HK\$44,514,000.

The following table sets forth our Group's revenue breakdown for the six months ended 30 June 2014 and 2015:

	<b>For six months ended 30 June 2015</b>	For six months ended 30 June 2014
	<b>HKD'000</b>	HKD'000
	<b>(Unaudited)</b>	(Unaudited)
Rental revenue	<b>8,844</b>	5,039
Dividend income	<b>1,968</b>	108
Management fee income	<b>1,606</b>	12,073
Sales of gold bullions	<b>—</b>	44,514
	<b>12,418</b>	61,734

### Loss attributable to owners of the Company

During the Interim Period, our Group recorded a loss attributable to owners of the Company of approximately HK\$269,562,000 (for the six months ended 30 June 2014: approximately HK\$18,027,000). Such loss recorded was mainly because of (i) the non-recurring fees and expenses of approximately HK\$10.2 million incurred arising out of the acquisitions explored and/or implemented by the Group during the Interim Period; and (ii) a non-cash share of losses of approximately HK\$223.0 million in a joint venture of the Company, the SPRE Fund, which arose mainly because market sentiment in third tier cities in the PRC remains sluggish, with depressed selling prices of real estate and increasing burden on construction costs, while our institutional means of upgrading and enhancing the quality of the property projects of the SPRE Fund, which was acquired by the SPRE Fund on 31 December 2014, may not reveal an immediate effect in the short term. Consequently, our Group recorded basic losses per share of 60.1 HK cents for the Interim Period versus basic losses per share of 4.1 HK cents during the last corresponding period.

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

# Management Discussion & Analysis

## Financial Resources and Liquidity

Total assets and net asset value of our Group as at 30 June 2015 were approximately HK\$5,765.6 million (31 December 2014: approximately HK\$5,887.8 million) and approximately HK\$4,077.4 million (31 December 2014: approximately HK\$4,307.0 million), respectively.

Total borrowings of our Group as at 30 June 2015 amounted to approximately HK\$1,523.6 million (as at 31 December 2014: approximately HK\$1,522.6 million), which mainly consist of (i) an unsecured 10-year loan of HK\$1 billion from Grand Beauty Management Limited, an indirect wholly-owned subsidiary of Sino-Ocean Land, a controlling shareholder of our Company; (ii) unsecured 3-year bank borrowing of approximately HK\$496.8 million, of which HK\$48.0 million will be repayable within one year; and (iii) entrusted loan of approximately HK\$26.6 million in the PRC provided by Sino-Ocean Land Limited, a fellow subsidiary of our Group, which is unsecured, wholly repayable in 2019 and bore interest at fixed rate as at 30 June 2015.

Apart from the above, our Group did not have any other interest bearing debt as at 30 June 2015.

Total cash resources (including bank balances and cash and short-term bank deposits) amounted to approximately HK\$1,480.8 million as at 30 June 2015 (as at 31 December 2014: approximately HK\$2,157.9 million) and the current ratio was 8.0 times. We are confident that we have ample financial resources to support our business expansion when appropriate. The net gearing ratio of our Group, based on total borrowings less cash resources divided by total shareholders' equity, recorded as 0.01 as at 30 June 2015 (31 December 2014: Nil).

## Risk of Exposure to Exchange Rate Fluctuations and Related Hedging

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

## OPERATION REVIEW

Our Group stuck to the philosophy of value investment, actively optimizing its asset allocation and an analysis of our Group's turnover and contribution to operating result for the Interim Period by our principal activities is set out in Note 4 to the unaudited condensed consolidated financial statements of the Company as disclosed in this interim report below.

# Management Discussion & Analysis

## Fund Management

### *Fund Platform Investment*

Through fund platform investment, our Group is able to participate in the property projects in the PRC or in other countries where investment opportunities arise, as part of its corporate development strategy, through various structures of vehicles, which enable our Group to share potential gain from such investments.

#### *SPRE Fund*

The SPRE Fund, acting as a jointly controlled and managed investment platform of our Group to invest in real estate projects in the PRC, is treated as a convenient platform to tap into a larger pool of potential value-enhancing property acquisitions in the medium to long term.

As at 30 June 2015, our Group had a capital commitment outstanding to the SPRE Fund of approximately US\$14.6 million. Subsequent to the Interim Period, our Group further increased its capital commitment to the SPRE Fund by US\$90.0 million to recapitalise the SPRE Fund for its further expansion in order to capture investment opportunities when they arise. The details are set out in the Company's announcement dated 7 July 2015.

Non-cash share of losses from the SPRE Fund of approximately HK\$223.0 million was recognised during the Interim Period, which arose mainly because market sentiment in third tier cities in the PRC remains sluggish, with depressed selling prices of real estate and increasing burden on construction costs while our institutional means of upgrading and enhancing the quality of the property projects of the SPRE Fund, which was acquired by the SPRE Fund on 31 December 2014, may not reveal an immediate effect in the short term.

#### *Rosemont*

With the anticipated completion of the Group's investment, among others, in the general partnership interests of a U.S. based commercial real estate acquisition and asset management company, Rosemont, a well-established platform principally engaged in the ownership and/or management of portfolio consisting of approximately 16.2 million square feet in around 135 commercial properties in 22 states across the U.S., our Group will not only be able to leverage on the expertise, experience and relationship of the management team of Rosemont (more than 200 professionals), but also diversify its fund management business and property investment portfolio to a large number of states in the U.S. and allow the Group standing on a vantage point due to its exposure and presence in the U.S. which are regions that are expected to benefit from growth in gross domestic product, declining unemployment rate and growth of the property market. The transaction is expected to be completed in around August 2015.

### *Other fund management*

Return from other fund management decreased from approximately HK\$12.1 million to approximately HK\$1.6 million for the Interim Period, which was mainly as a result of the expiry of certain previous fund management contracts.

# Management Discussion & Analysis

## Fund Investments

Fund investments enable our Group to capture more sound investment opportunities and diversify its investment risk and further enhance its rate of return through efficient management and a wider assess to investment channels.

During the Interim Period, apart from other movements, increase in fair value of fund investments, of approximately HK\$32.7 million was recorded in other comprehensive income for the Interim Period (for the six months ended 30 June 2014: decrease in fair value of approximately HK\$30.7 million). No revenue or gain has yet been recognised from fund investments for the Interim Period.

In June 2015, our Group made further investment in Neutron Property Fund Limited ("**Neutron Property**"), with subscription monies of US\$55.0 million, on top of its existing investment in Neutron Property. Neutron Property is a private equity fund aiming to invest substantially in real estate and related investments primarily in the U.S. and certain other countries, which could enable our Group to diversify its investment risk and further enhances the rate of return of the Group's core business through efficient access to a wider variety of investment channels. The details of such investment are set out in the Company's announcement dated 29 June 2015.

## Property Investments

Investment properties provide a steady and reliable income and cash flow for our Group in addition to the possible capital gains from appreciation in value.

As at 30 June 2015, our investment properties comprised A-grade office premises in Hong Kong with gross floor area of approximately 16,000 square feet and residential units in New York with gross floor area of approximately 17,000 square feet, with full occupancy.

Rental income for the Interim Period amounted to approximately HK\$8,844,000 as compared to approximately HK\$5,039,000 for the six months ended 30 June 2014, representing an increase of approximately 75.5%. Such increase was mainly contributed by our Group's acquisition of 20 residential units in Manhattan, New York, during the second and third quarters of 2014.

## Securities and Other Investments

Total revenue from securities and other investments for the Interim Period decreased from approximately HK\$44,622,000 to approximately HK\$1,968,000 as a result of decrease in sales of gold bullions of approximately HK\$44,514,000. Moreover, our Group recorded a loss from changes in fair value of financial instruments held for trading of approximately HK\$6.1 million as a result of the volatile market condition in the second quarter of 2015 (for the six months ended 30 June 2014: a loss of approximately HK\$2.6 million).

As at 30 June 2015, our securities investment portfolio mainly consisted of investment in listed securities in Hong Kong and overseas, which formed part of our Group's cash management activities. The management of our Group is pleased to maintain a scalable investment portfolio with proper diversification to avoid the fluctuation of any single market.

# Management Discussion & Analysis

Activities relating to our Group's other investments are summarized as follows:

## *Investment in Alpha Advent Ventures Limited*

The sole principal business of Alpha Advent Ventures Limited ("**Alpha Advent**", a wholly-owned subsidiary of Neutron Property) is, through its wholly-owned subsidiary, property development of high end villas of gross floor area of approximately 36,000 square feet in Lantau Island in Hong Kong. In January 2015, our Group invested in Alpha Advent by providing a loan in the principal amount of HK\$180 million which carries interest at 6% per annum, repayable in three years and guaranteed by Neutron Property. Interest income of approximately HK\$4,941,000 was accrued during the Interim Period. The details of the investment are set out in the Company's announcement dated 15 January 2015.

## *Disposal of investment in Anhui Yangzi Floor Co., Ltd.*

In February 2015, our Group disposed of its equity investment in Anhui Yangzi Floor Co., Ltd., a total of 4,500,000 shares, at a price of RMB5.5 per share in a series of transactions on the open market of National Equities Exchange and Quotations, with a net profit of approximately HK\$5,084,000 recorded during the Interim Period. The details of the disposal are set out in the Company's announcement dated 13 February 2015.

## **Employees**

As at 30 June 2015, the total number of staff employed was 22 (31 December 2014: 21). During the Interim Period, taking into account the amortization of share options, the level of our overall staff cost increased from approximately HK\$8,627,000 to approximately HK\$14,546,000 as a result of the expansion of our Group.

With a view to encouraging and rewarding contribution made by our staff, our Group has adopted a share option scheme and believes that this will be an effective tool for achieving this purpose. Our Group recruits and promotes individuals based on their performance and development potentials in the positions offered. When formulating staff salary and benefit policies, our Group gives primary consideration to their individual performance and prevailing salary levels in the market.

## **Contingent Liabilities**

As at 30 June 2015, our Group had no significant contingent liabilities.

# Independent Review Report



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## To the Board of Directors of Gemini Investments (Holdings) Limited

盛洋投資(控股)有限公司

*(incorporated in Hong Kong with limited liability)*

## INTRODUCTION

We have reviewed the interim financial information set out on pages 13 to 39, which comprises the condensed consolidated statement of financial position of Gemini Investments (Holdings) Limited (the "Company") as of 30 June 2015 and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## SCOPE OF REVIEW

We conducted our review 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

BDO Limited  
香港立信德豪會計師事務所有限公司

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# Independent Review Report

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

**BDO Limited**

*Certified Public Accountants*

**Chow Tak Sing, Peter**

Practising Certificate Number P04659

Hong Kong, 31 July 2015

# Condensed Consolidated Income Statement

	Notes	Six months ended 30 June	
		2015	2014
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Sales proceeds from disposal of financial instruments held for trading	3	517,065	382,771
Turnover	4	12,418	61,734
Changes in inventories of gold bullions		—	(41,310)
Other income	5	5,945	756
Staff costs		(10,080)	(5,435)
Share-based compensation		(4,466)	(3,192)
Depreciation		(1,075)	(1,086)
Other expenses		(25,683)	(9,098)
Loss arising from changes in fair value of financial instruments held for trading	3	(6,104)	(2,643)
Gain on disposal of available-for-sale investment		5,084	—
Share of results of joint ventures	11	(223,915)	1,056
Finance costs	6	(21,686)	(18,817)
Loss before income tax		(269,562)	(18,035)
Income tax credit	7	—	8
<b>Loss for the period</b>		<b>(269,562)</b>	<b>(18,027)</b>
<b>Loss for the period attributable to:</b>			
Owners of the Company		<b>(269,562)</b>	<b>(18,027)</b>
<b>Losses per share for loss attributable to owners of the Company</b>	8	<b>HK cents</b>	<b>HK cents</b>
— Basic		<b>(60.1)</b>	(4.1)
— Diluted		<b>N/A</b>	N/A

## Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Loss for the period</b>	<b>(269,562)</b>	(18,027)
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Change in fair value of available-for-sale investments	<b>32,721</b>	(30,704)
Exchange differences on translation of foreign operations	<b>(108)</b>	(56)
<b>Other comprehensive income for the period</b>	<b>32,613</b>	(30,760)
<b>Total comprehensive income for the period</b>	<b>(236,949)</b>	(48,787)
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	<b>(236,949)</b>	(48,787)

# Condensed Consolidated Statement of Financial Position

		At 30 June 2015	At 31 December 2014
	Notes	HK\$'000	HK\$'000
		(Unaudited)	(Audited)
<b>Non-current assets</b>			
Investment properties	10	518,584	518,694
Property, plant and equipment		2,275	2,905
Interests in joint ventures	11	1,611,796	1,772,482
Available-for-sale investments	12	1,316,743	906,683
Prepayment for subscription of available-for-sale investment	12b(iv)	426,393	403,578
Other loan	13	180,000	—
		<b>4,055,791</b>	3,604,342
<b>Current assets</b>			
Deposits, prepayments and other receivables		29,828	7,985
Amount due from immediate holding company	14	—	2,910
Financial instruments held for trading	15	199,103	114,711
Short-term bank deposits		192,420	94,737
Bank balances and cash		1,288,427	2,063,126
		<b>1,709,778</b>	2,283,469
<b>Current liabilities</b>			
Other payables and accrued charges		32,622	57,938
Taxation payable		193	212
Amount due to a fellow subsidiary	14	131,752	—
Borrowings	16	48,045	44
		<b>212,612</b>	58,194
<b>Net current assets</b>		<b>1,497,166</b>	2,225,275
<b>Total assets less current liabilities</b>		<b>5,552,957</b>	5,829,617
<b>Capital and reserves</b>			
Share capital	17	184,881	180,658
Reserves		3,892,521	4,126,388
<b>Total equity</b>		<b>4,077,402</b>	4,307,046
<b>Non-current liabilities</b>			
Borrowings	16	1,475,555	1,522,571
<b>Total equity and non-current liabilities</b>		<b>5,552,957</b>	5,829,617

# Condensed Consolidated Statement of Changes In Equity

(Unaudited)	Share capital	Share premium	Convertible preference shares reserve	Capital contribution	Share option reserve	Available-for-sale financial assets reserve	Translation reserve	Retained profits/ (Accumulated losses)	Attributable to owners of the Company
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2014	22,275	153,728	—	—	19,521	9,868	13,931	325,282	544,605
Transitions to no-par value regime on 3 March 2014 (Note 17(a))	153,728	(153,728)	—	—	—	—	—	—	—
Other comprehensive income									
— Change in fair value of available-for-sale investments	—	—	—	—	—	(30,704)	—	—	(30,704)
— Exchange difference arising on translation of foreign operations	—	—	—	—	—	—	(56)	—	(56)
Loss for the period	—	—	—	—	—	—	—	(18,027)	(18,027)
Total comprehensive income for the period	—	—	—	—	—	(30,704)	(56)	(18,027)	(48,787)
Equity settled share-based transactions	—	—	—	—	3,192	—	—	—	3,192
Interest waiver granted by parent (Note 16(c))	—	—	—	9,338	—	—	—	—	9,338
Balance at 30 June 2014	176,003	—	—	9,338*	22,713*	(20,836)*	13,875*	307,255*	508,348
Balance at 1 January 2015	<b>180,658</b>	—	<b>3,898,698</b>	<b>22,300</b>	<b>23,172</b>	<b>(12,233)</b>	<b>14,007</b>	<b>180,444</b>	<b>4,307,046</b>
Other comprehensive income									
— Change in fair value of available-for-sale investments	—	—	—	—	—	32,721	—	—	32,721
— Exchange difference arising on translation of foreign operations	—	—	—	—	—	—	(108)	—	(108)
Loss for the period	—	—	—	—	—	—	—	(269,562)	(269,562)
Total comprehensive income for the period	—	—	—	—	—	32,721	(108)	(269,562)	(236,949)
Equity settled share-based transactions	—	—	—	—	4,466	—	—	—	4,466
Exercise of share options (Note 17(b))	4,223	—	—	—	(1,384)	—	—	—	2,839
Vested share options lapsed	—	—	—	—	(3,613)	—	—	3,613	—
Balance at 30 June 2015	<b>184,881</b>	—	<b>3,898,698*</b>	<b>22,300*</b>	<b>22,641*</b>	<b>20,488*</b>	<b>13,899*</b>	<b>(85,505)*</b>	<b>4,077,402</b>

\* The total of these balances represents reserves in the condensed consolidated statement of financial position.

# Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Net cash (used in)/generated from operating activities</b>	<b>(24,434)</b>	80,044
<b>Investing activities</b>		
Proceeds from disposal of available-for-sale investment	31,333	—
Prepayment for subscription of available-for-sale investments	(426,393)	—
Acquisition of available-for-sale investments	—	(56,332)
Purchase of property, plant and equipment	(445)	(1,182)
Consideration paid for acquiring investment properties	—	(106,903)
Interest received	999	756
Capital contribution to a joint venture	(63,229)	—
Advance to an investee	(180,000)	—
Advance to joint ventures	—	(749)
Redemption of available-for-sale investments	—	50,000
<b>Net cash used in investing activities</b>	<b>(637,735)</b>	(114,410)
<b>Financing activities</b>		
Advance from a fellow subsidiary	—	26,457
Repayment of borrowings	—	(50,394)
Repayment of obligation under finance lease	(24)	(30)
Interest paid	(17,663)	(10,197)
Loan arrangement fee paid	—	(6,000)
Proceeds from exercise of share options	2,839	—
<b>Net cash used in financing activities</b>	<b>(14,848)</b>	(40,164)
<b>Net decrease in cash and cash equivalents</b>	<b>(677,017)</b>	(74,530)
<b>Cash and cash equivalents at beginning of the period</b>	<b>2,157,863</b>	715,343
Effect of foreign exchange rate changes	1	(414)
<b>Cash and cash equivalents at end of the period</b>	<b>1,480,847</b>	640,399
<b>Analysis of the balances of cash and cash equivalents</b>		
Short-term bank deposits	192,420	137,241
Bank balances and cash	1,288,427	503,158
	<b>1,480,847</b>	640,399

# Notes to the Condensed Consolidated Financial Statements

## 1. BASIS OF PREPARATION

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 2015 (the “**Interim Financial Statements**”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Interim Financial Statements do not include all of the information required in annual financial statements in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which includes all applicable individual Hong Kong Financial Reporting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), and should be read in conjunction with the Company’s annual financial statements for the year ended 31 December 2014.

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

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

# Notes to the Condensed Consolidated Financial Statements

## 2. PRINCIPAL ACCOUNTING POLICIES

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

The accounting policies used in the Interim Financial Statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

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

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

HKFRSs (Amendments)	Annual Improvements 2012-2014 Cycle <sup>1</sup>
Amendments to HKAS 1	Disclosure Initiative <sup>1</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants <sup>1</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>1</sup>
HKFRS 9 (2014)	Financial Instruments <sup>3</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the Consolidation Exception <sup>1</sup>
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>1</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2018

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

# Notes to the Condensed Consolidated Financial Statements

## 3. SALES PROCEEDS FROM DISPOSAL OF FINANCIAL INSTRUMENTS HELD FOR TRADING

The sales proceeds of the financial instruments held for trading by the Group (Note 15) disposed of during the interim periods of 2015 and 2014 amounted to approximately HK\$517,065,000 and HK\$382,771,000 respectively.

The changes in fair value of financial instruments held for trading by the Group throughout the interim periods of 2015 and 2014, 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 in accordance with the Group's accounting policies which comply with Hong Kong Accounting Standard 39.

## 4. SEGMENT INFORMATION

Information reported to the 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.

The Group has identified the following reportable segments for its operating segments:

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

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

# Notes to the Condensed Consolidated Financial Statements

## 4. SEGMENT INFORMATION (Continued)

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

### Six months ended 30 June 2015

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

# Notes to the Condensed Consolidated Financial Statements

## 4. SEGMENT INFORMATION *(Continued)*

Six months ended 30 June 2014

	Property investments	Securities and other investments	Fund investments	Fund management	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Segment revenue	5,039	427,393	—	12,073	444,505
Less: Sales proceeds from disposal of financial instruments held for trading	—	(382,771)	—	—	(382,771)
Turnover as presented in the condensed consolidated income statement	5,039	44,622	—	12,073	61,734
Segment results	4,708	329	(49)	13,026	18,014
Interest income from bank deposits					756
Finance costs					(18,817)
Unallocated corporate expenses					(17,988)
Loss before income tax					(18,035)

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 are the same as those under HKFRS 8.

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

# Notes to the Condensed Consolidated Financial Statements

## 4. SEGMENT INFORMATION (Continued)

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

	30 June 2015	31 December 2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
<b>Assets</b>		
<b>Segment assets</b>		
— Property investments	524,972	522,747
— Securities and other investments	668,196	586,358
— Fund investments	1,872,024	1,232,910
— Fund management	1,611,811	1,772,497
— Unallocated assets	1,088,566	1,773,299
Consolidated total assets	<b>5,765,569</b>	5,887,811
<b>Liabilities</b>		
<b>Segment liabilities</b>		
— Property investments	3,303	3,885
— Securities and other investments	3,808	3,908
— Fund investments	—	40
— Unallocated liabilities	1,681,056	1,572,932
Consolidated total liabilities	<b>1,688,167</b>	1,580,765

Segment assets include all assets allocated to operating segments other than property, plant and equipment, amount due from immediate holding company, unallocated other receivables, short-term bank deposits, bank balances and cash.

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

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

# Notes to the Condensed Consolidated Financial Statements

## 4. SEGMENT INFORMATION (Continued)

Certain comparative figures in the segment information for the period ended 30 June 2014 has been reclassified. Previously, shares of results of joint ventures were not allocated to the operating segment. For the period ended 30 June 2015, share of results of joint ventures and interests in joint venture were reclassified and reported under "Fund management" as a result of the change in information reported internally for the purposes of resources allocation and assessment of business performance. Comparative figures have been reclassified accordingly.

## 5. OTHER INCOME

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	999	756
Other interest income	4,941	—
Other	5	—
	<b>5,945</b>	756

## 6. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on:		
Bank and other borrowings		
— wholly repayable within five years	7,373	9,479
— wholly repayable over five years	14,313	9,338
	<b>21,686</b>	18,817

# Notes to the Condensed Consolidated Financial Statements

## 7. INCOME TAX

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
The tax charge comprises:		
Over provision in prior years:		
Hong Kong Profits Tax	—	(8)
Income tax credit	—	(8)

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profit arising in or derived from Hong Kong during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

Overseas tax is calculated at the rates applicable in the respective jurisdictions in which the Group operates. The Group has no profit subject to the overseas tax during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

## 8. LOSSES PER SHARE

The calculation of the losses per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of HK\$269,562,000 (six months ended 30 June 2014: HK\$18,027,000) and on the weighted average number of 448,642,000 ordinary shares (six months ended 30 June 2014: 445,500,000 ordinary shares) in issue during the period.

No adjustment has been made to basis losses per share amount presented for the periods ended 30 June 2015 and 30 June 2014 in respect of a dilution as the impact of convertible preference shares and/or share options outstanding had an anti-dilutive on the basis losses per share amount presented.

## 9. INTERIM DIVIDEND

The directors do not recommend the payment of dividend during the current interim period (six months ended 30 June 2014: Nil).

# Notes to the Condensed Consolidated Financial Statements

## 10. INVESTMENT PROPERTIES

	<b>30 June 2015</b>	31 December 2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
At the beginning of the period/year	<b>518,694</b>	317,700
Additions	—	197,308
Net gain of fair value adjustment	—	3,576
Exchange realignment	<b>(110)</b>	110
At the end of the period/year	<b>518,584</b>	518,694

	<b>30 June 2015</b>	31 December 2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Properties in Hong Kong:		
Medium-term lease	<b>318,960</b>	318,960
Properties in the United States ("U.S.):		
Freehold	<b>199,624</b>	199,734
	<b>518,584</b>	518,694

100% (2014: 97%) of the investment properties of the Group are rented out under operating leases as at 30 June 2015.

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.

- (a) The fair values of the Group's investment properties located in Hong Kong as at 30 June 2015 were estimated by the directors of the Company. The valuation of the properties was arrived by reference to the market rentals of all lettable units of the properties. The fair values of those properties as at 31 December 2014 were arrived at on the basis of a valuation carried out on that dates by RHL Appraisals Limited, an independent qualified professional valuer not connected with the Group.

Due to the carrying amounts of the investment properties approximate to their fair value as at 30 June 2015, no gain or loss from changes in fair value during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil) was recognised directly in profit or loss accordingly.

# Notes to the Condensed Consolidated Financial Statements

## 10. INVESTMENT PROPERTIES (Continued)

- (b) The fair values of the Group's investment properties located in New York, U.S. as at 30 June 2015 were estimated by the directors of the Company. The valuation of the properties was arrived by reference to recent sales price of comparable properties on a price per square feet basis, adjusted for a premium or a discount specific to the quality of the Group's building compared to the recent sales. The fair values of those properties as at 31 December 2014 were arrived at on the basis of a valuation carried out on that dates by RHL Appraisals Limited, an independent qualified professional valuer not connected with the Group.

Due to the carrying amounts of the investment properties approximate to their fair value as at 30 June 2015, no gain or loss from changes in fair value during the six months ended 30 June 2015 (six months ended 30 June 2014: Nil) was recognised directly in profit or loss accordingly.

The fair value of investment properties is a level 3 recurring fair value measurement.

## 11. INTERESTS IN JOINT VENTURES

	30 June 2015	31 December 2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
At the beginning of the period/year	1,772,482	3,110
Share of post-acquisition results and other comprehensive income	(223,915)	(30,173)
Capital contribution (Note (a))	63,229	1,799,545
At the end of the period/year	1,611,796	1,772,482

# Notes to the Condensed Consolidated Financial Statements

## 11. INTERESTS IN JOINT VENTURES (*Continued*)

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

Name of joint venture	Form of business structure	Principal place of incorporation/ operation	Class of shares held	Proportion of issued share capital directly held by the Group	Principal activities
Sino Prosperity Real Estate Limited	Incorporated	Cayman Islands	Ordinary	50%	Investment holdings
Sino Prosperity Real Estate Advisor Limited	Incorporated	Cayman Islands	Ordinary	50%	Investment advisory

Name of principal subsidiary/ fund of joint venture	Form of business structure	Principal place of incorporation/ operation	Proportion of issued share capital directly held by the Group	Principal activities
Sino Prosperity Real Estate (GP) L.P. ("Fund GP")	Partnership	Cayman Islands	50%	Investment holdings
Sino Prosperity Real Estate Fund L.P. (the "Fund")	Partnership	Cayman Islands	50%	Investment holdings

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

Notes:

- (a) On 17 November 2014, the Group entered into an amendment agreement and a subscription agreement, agreed to increase its capital commitment into the Fund by United States dollars ("US\$") 250,000,000 and into the Fund GP from US\$1,050,000 to US\$5,000,000, increased by US\$3,950,000. The increase in capital commitment has been approved by the independent shareholders of the Company at the extraordinary general meeting held on 31 December 2014. Subsequent to the passing of this resolution by the Company shareholders, part of the capital commitment of approximately US\$232,000,000 (equivalent to HK\$1,799,545,000) was drawn down on 31 December 2014 for the Fund to complete the acquisition of the entire interest of a company which indirectly holds certain property projects and a business of providing upfitting and decoration services in the People's Republic of China ("the PRC"). Details of the transactions were set out in the Company's announcement and circular dated 17 November 2014 and 13 December 2014 respectively.

On 22 April 2015, the Group had made an additional capital contribution of US\$8,159,000 in total (equivalent to HK\$63,229,000), in which a contribution of US\$7,999,000 was paid to the Fund and the remaining balance of US\$160,000 was paid to the Fund GP.

# Notes to the Condensed Consolidated Financial Statements

## 11. INTERESTS IN JOINT VENTURES (Continued)

Notes: (Continued)

- (b) As at 30 June 2015, the Group has outstanding commitments to make capital contribution to Fund GP and the Fund of approximately US\$291,000 (31 December 2014: US\$451,000) and US\$14,550,000 (31 December 2014: US\$22,549,000) respectively.
- (c) On 7 July 2015, the Group further entered into an amendment agreement and a subscription agreement, agreed to increase its capital commitment into the Fund and the Fund GP by US\$90,000,000 and US\$1,800,000 respectively. The shareholding structure of the Fund and the Company's economic interest and rights in the Fund immediately following the execution of the amendment agreement and the subscription agreement will remain unchanged. The increase in capital commitment has been approved by Grand Beauty Management Limited ("Grand Beauty"), the parent of the Company through written resolution on the same date.

No capital was drawn down up to the approval of the Interim Financial Statements, the recapitalisation of the Fund is for its further expansion in order to capture investment opportunities should they arise. Details of the transactions were set out in the Company's announcement and circular dated 7 July 2015 and 24 July 2015 respectively.

## 12. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2015	31 December 2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Unlisted equity investments, at cost (Note (a))	66,654	92,893
Unlisted investments (Note (b))	1,250,419	814,120
Impairment loss on available-for-sale investments	(330)	(330)
	<b>1,316,743</b>	906,683

Notes:

- (a)(i) The unlisted equity investments included investments in unlisted equity securities issued by private entities incorporated outside Hong Kong amounted to HK\$15,212,000 (31 December 2014: HK\$41,452,000) after impairment provision, of which the Group holds less than 5% (31 December 2014: less than 5%) of the equity interest of these investees.

On 13 February 2015, the Company has disposed of a total of 4,500,000 shares of Anhui Yangzi Floor Co. Limited ("AnHui") at a price of Renminbi ("RMB") 5.5 per Anhui share in a series of transactions on the open market of National Equities Exchange and Quotations for the aggregate net sale proceeds of approximately HK\$31,333,000, resulting in gain on disposal of approximately HK\$5,084,000. The details of which were disclosed in the Company's announcement dated 13 February 2015.

- (a)(ii) At the end of reporting period, the Group held 5% unlisted equity interest in a PRC entity amounted to RMB1,500,000 (equivalent to approximately HK\$1,902,000) as at 30 June 2015 (31 December 2014: RMB1,500,000 (equivalent to approximately HK\$1,901,000)).

# Notes to the Condensed Consolidated Financial Statements

## 12. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes: (Continued)

- (a)(iii) On 24 January 2014, an indirect wholly-owned subsidiary of the Company entered into a subscription agreement with P'0006 A' Beckett Pty Ltd. (the "Trustee") and ICD Land Pty. Ltd. ("ICD Land") (the "Subscription Agreement"), pursuant to which the Group agreed to subscribe for 199 ordinary units and 14,285,316 of the class A units of A' Beckett Street Trust (the "Trust") and 199 trustee's ordinary shares in the capital of the Trustee for a total consideration of Australian dollar ("A\$") 14,285,714 (equivalent to approximately HK\$97,701,000). The objective of the Trust is to complete the proposed development of a residential complex on the parcel of land in Melbourne, Australia.

In conjunction with the Subscription Agreement, the Group, ICD Land and the Trustee also entered into an agreement on the same day to regulate the affairs of the Trust and the Trustee.

At the end of reporting period, the Group had paid approximately 50% of the total consideration of A\$7,143,256 (equivalent to approximately HK\$49,210,000) and holds 199 ordinary shares and 7,142,858 of class A units of the Trust, and 199 Trustee's ordinary shares as at 30 June 2015 and 31 December 2014. As the Group has no power to govern or participate in the financial and operating policies of the investee so as to obtain benefits from its activities, the directors of the Company designated the unlisted investment as available-for-sale investment.

At 30 June 2015, the Group has outstanding commitments to make capital contribution of approximately A\$7,142,458 (equivalent to approximately HK\$42,562,000) (31 December 2014: A\$7,142,458 (equivalent to approximately HK\$45,428,000)).

The above unlisted equity investments are measured at cost less impairment at the end of the reporting period because variability in the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably. The Group does not intend to dispose of them in the near future.

- (b) At the end of the reporting period, the analysis of the fund investments of the Group are as follows:

	<b>30 June 2015</b>	31 December 2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
At fair value (Notes (b)(i), (b)(ii) & (b)(iii))	<b>400,488</b>	367,767
At cost (Notes (b)(iv))	<b>849,931</b>	446,353
	<b>1,250,419</b>	814,120

- (b)(i) At the end of reporting period, the Group held approximately 418,000 (31 December 2014: 418,000) 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 as at 30 June 2015 was approximately HK\$161,214,000 (31 December 2014: approximately HK\$149,770,000).

# Notes to the Condensed Consolidated Financial Statements

## 12. AVAILABLE-FOR-SALE INVESTMENTS (Continued)

Notes: (Continued)

- (b)(ii) At the end of reporting period, the Group held approximately 101,000 (31 December 2014: 101,000) 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 as at 30 June 2015 was approximately HK\$117,573,000 (31 December 2014: approximately HK\$102,500,000).
- (b)(iii) At the end of reporting period, the Group also held approximately 110,000 (31 December 2014: 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 as at 30 June 2015 was approximately HK\$121,701,000 (31 December 2014: approximately HK\$115,497,000).
- (b)(iv) At the end of the reporting period, the Group held 637,000 (31 December 2014: 125,000) non-redeemable, non-voting participating shares of an investment entity incorporated in the Cayman Islands (the "Private Equity Fund") and 450,000 (31 December 2014: 450,000) non-redeemable, non-voting participating shares of another investment entity incorporated in the Cayman Islands (the "Property Fund"). The carrying values of the investments in the Private Equity Fund and the Property Fund as at 30 June 2015 were approximately HK\$500,506,000 (31 December 2014: approximately HK\$96,928,000) and approximately HK\$349,425,000 (31 December 2014: approximately HK\$349,425,000) respectively.

On 29 June 2015 and 29 December 2014, the Group further subscribed and made the payment for new non-redeemable, non-voting participating shares of Property Fund and Private Equity Fund with the subscription monies of US\$55,000,000 (equivalent to approximately HK\$426,393,000) and US\$52,000,000 (equivalent to approximately HK\$403,578,000) respectively. These shares shall rank pari passu with all existing Property Fund shares and Private Equity Fund shares in issue. The additional subscription shares were finally allotted and issued on 2 July 2015 and 2 January 2015. Thus, the payments were classified as prepayment for subscription of available-for-sale investment under non-current assets as at the end of reporting period.

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 U.S., Europe and/or Australia.

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 the U.S. and potentially to a lesser extent in Singapore and countries that are members of the Organisation for Economic Co-operation and Development.

As the equity investments in Private Equity Fund and in Property Fund do not have a quoted market price in an active market and whose fair value cannot be reliably measured, they are measured at cost less any identified impairment losses at the end of the reporting period.

Those investments as described in Notes (b)(i) to (iv) above are unlisted and the Group has no power to govern or participate the financial and operating policies of the investee so as to obtain benefits from its activities and does not intend to trade for short-term profit, the directors of the Company designated the unlisted investments as available-for-sale investments.

# Notes to the Condensed Consolidated Financial Statements

## 13. OTHER LOAN

On 15 January 2015, the Group entered into an agreement to provide loan in the principal amount of HK\$180,000,000 to an investee, which carries interest at 6% per annum, repayable in three years and is guaranteed by the Property Fund (Note 12(b) (iv)), the available-for-sale investment of the Group.

## 14. AMOUNTS DUE FROM/(TO) IMMEDIATE HOLDING COMPANY/FELLOW SUBSIDIARY

The amounts due are unsecured, interest-free and repayable on demand.

## 15. FINANCIAL INSTRUMENTS HELD FOR TRADING

	30 June 2015	31 December 2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Listed securities:		
— Equity securities listed in Hong Kong	61,926	9,507
— Equity securities listed in the PRC, U.S., Europe and Japan	132,123	95,176
Derivatives:		
— Forward exchange and future contracts	5,054	10,028
	<b>199,103</b>	114,711

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

The listed securities held by the Group are mainly listed in Hong Kong, U.S., Japan and Europe. The Group maintains a portfolio of diversified investments in terms of industry distribution such as fund investment, healthcare, automobile manufacturer, technology and natural resources. As such, the value of the Group's listed securities is significantly affected by: a rebound of the U.S. economy, stabilisation of the situation in U.S. and Europe, debt crisis in Greece, plunge in Chinese stocks and fluctuation of commodity price etc.

# Notes to the Condensed Consolidated Financial Statements

## 16. BORROWINGS

	30 June 2015	31 December 2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
<b>Current:</b>		
Obligation under finance lease	45	44
Bank loan		
— unsecured and repayable within 1 year (Note (a))	48,000	—
	<b>48,045</b>	44
<b>Non-current:</b>		
Obligation under finance lease	93	118
Bank loan and other loan		
— unsecured and repayable after 1 year but within 2 years (Note (a))	448,833	—
— unsecured and repayable after 2 years but within 5 years (Note (b))	26,629	522,453
— unsecured and repayable after 5 years (Note (c))	1,000,000	1,000,000
	<b>1,475,555</b>	1,522,571
	<b>1,523,600</b>	1,522,615

Notes:

The bank loan and other loan of the Group at the end of the reporting periods represented:

- (a) A bank borrowing of HK\$496,833,000 (31 December 2014: HK\$495,833,000), of which HK\$48,000,000 under current liabilities (31 December 2014: Nil) is repayable within 1 year. The remaining bank borrowing amounted to HK\$448,833,000 (31 December 2014: HK\$495,833,000) under non-current liabilities is wholly repayable after 1 year but within 2 years. This bank borrowing is unsecured and bearing interest at floating rate. The average interest rate as at 30 June 2015 is 2.12% (31 December 2014: 2.3%) per annum. The bank borrowing was guaranteed by Sino-Ocean Land Holdings Limited, the ultimate parent of the Group, which was released on 7 January 2015.
- (b) An entrusted loan of HK\$26,629,000 (31 December 2014: HK\$26,620,000) in the PRC under non-current liabilities provided by Sino-Ocean Land Limited, a fellow subsidiary of the Group, which is unsecured, wholly repayable in 2019 and bearing interest at fixed rate. The average interest rate for the entrusted loan is 7.34% (31 December 2014: 7.34%) per annum.

# Notes to the Condensed Consolidated Financial Statements

## 16. BORROWINGS (Continued)

Notes: (Continued)

- (c) At 30 June 2015 and 31 December 2014, the borrowing amounted to HK\$1,000 million under non-current liabilities represent a loan provided by Grand Beauty, an indirect wholly-owned subsidiary of Sino-Ocean Land Holdings Limited, the ultimate parent of the Company. The amount due is unsecured, wholly repayable in 2023 and interest bearing at the rate of three-month HIBOR plus 1.5% to 3.75% per annum.

On 21 May 2014, a waiver was granted for loan interest payable for the period from 1 January 2014 to 31 December 2014 as continued support to the Group for the implementation of its investment strategy. There is no interest being waived for the period ended 30 June 2015. For the period ended 30 June 2014, the total amount of interest being waived amounted to approximately HK\$9,338,000 was regarded as capital contribution and recorded in the condensed consolidated statement of changes in equity and the Company's statement of changes in equity.

## 17. SHARE CAPITAL

	30 June 2015	31 December 2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Issued and fully paid:		
448,100,000 (2014: 445,500,000) ordinary shares of HK\$0.05 each	180,658	22,275
Transfer from share premium account on 3 March 2014 (Note a)	—	153,728
Exercise of share options (Note b)	4,223	4,655
450,990,000 ordinary shares (2014: 448,100,000 ordinary shares)	<b>184,881</b>	180,658

Notes:

- (a) Under s.135 of the Hong Kong Companies Ordinance, Cap 32, by operation of transition provisions in Schedule 11 to the Hong Kong Companies Ordinance, Cap 622 (the "New Ordinance"), which came into effect on 3 March 2014, shares in a company do not have nominal value. Accordingly, the concept of authorised share capital is abolished. The no nominal value regime applies to the Company. Following the transitional provisions in the New Ordinance, share premium account at the beginning of 3 March 2014 became part of the Company's share capital.
- (b) Under the Company's share option scheme which was adopted pursuant to a resolution passed on 23 June 2011 for the primary purpose of providing incentives to directors and eligible, and will expire on 22 June 2021, the share options exercised during the period to 30 June 2015 resulted in 2,890,000 shares being issued (31 December 2014: 2,600,000 shares), with exercise proceeds of HK\$2,839,000 (31 December 2014: HK\$3,244,000). The related weighted average price at the time of exercise was HK\$1.86 (31 December 2014: HK\$1.69) per share.

# Notes to the Condensed Consolidated Financial Statements

## 18. CONVERTIBLE PREFERENCE SHARES RESERVE

The Company issued 1,300,000,000 non-voting convertible preference shares for proceeds of HK\$3 each (the "CPSs") to Grand Beauty on 23 December 2014. All the CPSs are non-redeemable by the Company and the CPSs holders shall have no right to request the Company to redeem any of the CPSs. Also, the CPSs holder is not permitted to attend or vote at meetings of the Company except for resolution proposed to vary the rights of holders of the CPSs or resolution proposed for the winding-up of the Company. The board of directors of the Company may, in its sole discretion, elect not to pay dividend on the CPSs in any year, and the dividend not paid shall be extinguished and not be carried forward. The CPSs shall not entitle the CPSs holders to any further or other right of participation in the profits of the Company.

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

As the conversion option that will be converted into a fixed number of the Company's ordinary shares (ie. settled by the exchange of fixed amount of equity), the directors consider that the CPSs are classified as equity instruments accordingly.

## 19. OPERATING LEASE COMMITMENTS

### The Group as lessee:

At the end of reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	<b>30 June 2015</b>	31 December 2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Within one year	<b>4,607</b>	3,122
In the second to fifth year inclusive	<b>5,265</b>	282
	<b>9,872</b>	3,404

Operating lease payments represent rentals payable by the Group for certain of its office premises. Leases are negotiated for terms ranging from one to three years and rentals are fixed over the lease terms.

# Notes to the Condensed Consolidated Financial Statements

## 19. OPERATING LEASE COMMITMENTS (Continued)

### The Group as lessor:

Property rental income earned during the period is disclosed in Note 4. The properties held by the Group have committed tenants for the lease term ranging from one to two years and rentals are fixed over the lease terms.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

	<b>30 June 2015</b>	31 December 2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Within one year	<b>10,975</b>	11,794
In the second to fifth year inclusive	<b>2,356</b>	2,322
	<b>13,331</b>	14,116

## 20. CAPITAL COMMITMENTS

Capital expenditures contracted for but not provide in the Interim Financial Statements in respect of:

	<b>30 June 2015</b>	31 December 2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Audited)
Capital contribution to a joint venture (Note 11(a))	<b>115,057</b>	178,403
Acquisition of certain membership interests in a new company, which to be incorporated in the State of Delaware	<b>921,973</b>	922,483
Capital contribution to an unlisted equity investment (Note 12(a)(iii))	<b>42,562</b>	45,428
	<b>1,079,592</b>	1,146,314

# Notes to the Condensed Consolidated Financial Statements

## 21. RELATED PARTY TRANSACTIONS

The compensation of key management personnel, representing remuneration of the Company's directors, for the six months ended 30 June 2015 is HK\$2,040,000 (six months ended 30 June 2014: HK\$2,040,000).

Other than the amounts due from immediate holding company, amount due to a fellow subsidiary and borrowings as disclosed in respective notes and transactions disclosed below, the Group did not entered into any other transactions with related parties.

In addition to those related party transactions disclosed elsewhere in the financial statements, during the six months ended 30 June 2015, the Group entered into the following transactions with its related parties. The transactions were carried out at estimated market prices determined by the Group's management.

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Transaction with ultimate holding company		
— Interest waived (Note 16(c))	—	(9,338)
— Interest paid	<b>14,313</b>	—
Transactions with fellow subsidiaries:		
— Rents paid	<b>279</b>	1,005
— Building management fee paid	<b>10</b>	108
	<b>289</b>	1,113

# Notes to the Condensed Consolidated Financial Statements

## 22. FAIR VALUE MEASUREMENT

The Group followed HKFRS 7 Financial Instruments: Disclosures which introduce a three-level hierarchy for fair value measurement disclosures and additional disclosures about the relative reliability of fair value measurements.

The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### **Fair value measurements recognised in the condensed consolidated statement of financial position**

Certain available-for-sale investments and the financial instruments held for trading are measured subsequent to initial recognition at fair value, grouped into Level 2 and Level 1 respectively based on the degree to which the fair value is observable. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The fair value of those available-for-sale investments (Notes 12(b)(i), (b)(ii) & (b)(iii)) in Level 2 is the share of the net assets value of the funds at the end of the reporting period, taking into account the quoted price of the listed equity securities held by the funds.

As at 30 June 2015, the fair values of available-for-sale investments and financial instruments held for trading are HK\$400,488,000 (31 December 2014: HK\$367,767,000) and HK\$199,103,000 (31 December 2014: HK\$114,711,000) respectively.

# Notes to the Condensed Consolidated Financial Statements

## 23. EVENT AFTER THE REPORTING PERIOD

### (a) Increase capital commitment into the Fund

On 7 July 2015, the Group agreed to increase its capital commitment into the Fund and the Fund GP by US\$90,000,000 and US\$1,800,000 respectively. Please refer to Note 11(c) to the Interim Financial Statements for the details.

### (b) Acquisition of unlisted investment in the U.S.

On 31 December 2014, the Group entered into a conditional agreement, pursuant to which the Group will acquire (i) 45% membership interests in a new company, which would be incorporated in the State of Delaware to acquire all the business, assets, and liabilities of Rosemont Realty, LLC ("Rosemont"), a limited company incorporated in the State of Delaware, and the limited partnership interests in the limited partnership; (ii) to acquire or subscribe for the interests in certain syndicated projects; (iii) to provide a working capital facility of US\$10,000,000 to the new company. The aggregate consideration of the acquisition is approximately US\$119,000,000 (equivalent to approximately HK\$922,000,000).

Rosemont is principally engaged in the ownership and management of commercial real properties with headquarters in Santa Fe, numerous offices in various cities of U.S.. The acquisition is expected to be completed in around August 2015. The details of the acquisition were disclosed in the Company's announcement and circular dated 31 December 2014 and 23 June 2015 respectively.

## Other Information

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

As at 30 June 2015, the interests and short positions of the directors (the “**Directors**”) and the chief executive of the Company in the shares or underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which he was deemed or taken to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), to be notified to the Company and the Stock Exchange were as follows:

#### Long position in the underlying shares of equity derivatives of the Company

Under the share option scheme of the Company (whose details are further described in the section headed “Share Option Scheme” below), share options were granted to the following Directors which entitled them to subscribe for ordinary shares of the Company (the “**Shares**”). Accordingly, they were regarded as interested in the underlying Shares. Details of the share options of the Company held by them as at 30 June 2015 were as follows:

Name of Directors	Capacity	Date of grant	Exercise period	Number of Shares over which options are exercisable as at 30 June 2015	Exercise price per Share HK\$	Approximate percentage of interest in the issued Shares as at 30 June 2015
LI Ming	Beneficial owner	9 August 2013	9 August 2013 — 22 June 2021	4,000,000 (L)	0.96	0.887%
SUM Pui Ying	Beneficial owner	26 August 2011	26 August 2011 — 22 June 2021	2,000,000 (L)	1.40	0.443%
		9 August 2013	9 August 2013 — 22 June 2021	16,000,000 (L) (Note 1)	0.96	3.548%
				Total: 18,000,000 (L)		3.991%

## Other Information

Name of Directors	Capacity	Date of grant	Exercise period	Number of Shares over which options are exercisable as at 30 June 2015	Exercise price per Share HK\$	Approximate percentage of interest in the issued Shares as at 30 June 2015
CUI Yueming	Beneficial owner	9 March 2015	9 March 2015 — 22 June 2021	790,000 (L)	1.27	0.175%
LAI Kwok Hung, Alex	Beneficial owner	9 August 2013	9 August 2013 — 22 June 2021	3,000,000 (L)	0.96	0.665%
		9 March 2015	9 March 2015 — 22 June 2021	500,000 (L)	1.27	0.111%
				Total: 3,500,000 (L)		0.776%
LI Hongbo	Beneficial owner	9 August 2013	9 August 2013 — 22 June 2021	1,000,000 (L)	0.96	0.222%
		9 March 2015	9 March 2015 — 22 June 2021	500,000 (L)	1.27	0.111%
				Total: 1,500,000 (L)		0.333%

### Notes:

- These share options were granted to Mr. SUM Pui Ying pursuant to the terms of a service contract entered into between Mr. SUM Pui Ying and the Company on 9 August 2013. Share options granted to Mr. SUM Pui Ying to subscribe for a total of 4,000,000 Shares had already been vested following the approval of the service contract by shareholders of the Company on 16 September 2013. The share options to subscribe for the remaining 12,000,000 Shares (the "**Remaining Options**") shall be vested on the basis that one third of the Remaining Options will be vested on the first, second and third anniversaries of 9 August 2013 (being the date of commencement of the term of the service contract), such that the Remaining Options will be fully vested on 9 August 2016, provided however that all those Remaining Options, to the extent not yet vested in accordance with the above schedule, shall become vested immediately if (i) the service contract is terminated by the Company without cause by payment of termination compensation to Mr. SUM Pui Ying or (ii) the employment of Mr. SUM Pui Ying under the service contract lapses automatically by reason of his not being re-elected as a Director at any general meeting of the Company. As the first anniversary of 9 August 2013 has already passed, a further 4,000,000 share options have been vested. Therefore, as at 30 June 2015, a total 8,000,000 share options were vested in Mr. SUM Pui Ying pursuant to the terms of the service contract.
- The letter "**L**" denotes a long position in the Shares.

## Other Information

### Long position in the shares of associated corporation(s) of the Company

As at 30 June 2015, the interests of the Directors in the shares of Sino-Ocean Land Holdings Limited (“**Sino-Ocean Land**”, together with its subsidiaries, the “**Sino-Ocean Land Group**”) (being the associated corporation of the Company) were as follows:

Name of Directors	Capacity	Number of shares in Sino-Ocean Land	Approximate percentage of interest in the issued share capital of Sino-Ocean Land as at 30 June 2015
LI Ming	Beneficial owner	3,127,000 (L)	0.042%
	Founder of discretionary trust	127,951,178 (L) (Note 1)	1.700%
	Beneficiary of trust	5,863,775 (L) (Note 2)	0.078%
		<hr/> Total: 136,941,953 (L)	1.819%
SUM Pui Ying	Beneficial owner	2,313,175 (L)	0.031%
CUI Yueming	Beneficial owner	56,474 (L)	0.001%
LI Hongbo	Beneficial owner	60 (L)	less than 0.001%

Notes:

- The 127,951,178 shares in Sino-Ocean Land are held by a discretionary trust of which Mr. LI Ming is a founder.
- The 5,863,775 shares in Sino-Ocean Land are held by a discretionary trust of which Mr. LI Ming, his spouse and his son are the beneficiaries.
- The letter “L” denotes a long position in the shares in Sino-Ocean Land.

### Long position in the underlying shares of equity derivatives of associated corporation(s) of the Company

Sino-Ocean Land has adopted two schemes for the benefits of eligible directors and employees of Sino-Ocean Land Group in order to provide an incentive for directors and employees of the Sino-Ocean Land Group.

One of the schemes is the restricted share award scheme adopted by Sino-Ocean Land on 22 March 2010 (the “**Adoption Date**”) as an incentive to retain and encourage the employees of the Sino-Ocean Land Group for the continual operation and development of the Sino-Ocean Land Group. Pursuant to the restricted share award scheme, shares up to 3% of the issued share capital of Sino-Ocean Land as at the Adoption Date shall be purchased by the trustee from the market out of cash contributed by the Sino-Ocean Land Group and be held in trust for the relevant selected employees until such shares are vested with the relevant selected employees in accordance with the provisions of the restricted share award scheme.

The other scheme is the share option scheme of Sino-Ocean Land, which is valid and effective for a period of 10 years until 27 September 2017, unless it is terminated early in accordance with the provisions of such share option scheme. This scheme was adopted for the purpose of providing an incentive for employees of the Sino-Ocean Land Group to work with commitment towards enhancing the value of Sino-Ocean Land and to compensate employees of the Sino-Ocean Land Group for their contribution based on their individual performance. Under the share option scheme of Sino-Ocean Land, share options may be granted to eligible directors and employees of the Sino-Ocean Land Group to subscribe for new shares in Sino-Ocean Land.

In respect of the restricted share award scheme of Sino-Ocean Land, the following Directors were granted certain share awards under the restricted share award scheme and were accordingly regarded as having an interest in the shares of Sino-Ocean Land (being the associated corporation of the Company) pursuant to the provisions of the SFO. Details of share awards held by them as at 30 June 2015 were as follows:

Name of Directors	Capacity	Date of grant	Number of shares in Sino-Ocean Land awarded but not yet vested as at 30 June 2015	Approximate percentage of interest in the issued share capital of Sino-Ocean Land as at 30 June 2015
LI Ming	Beneficial owner	18 March 2013	578,700 (L)	0.008%
		18 March 2014	1,632,225 (L)	0.022%
		18 March 2015	2,688,300 (L)	0.036%
		Total: 4,899,225 (L)	0.065%	
SUM Pui Ying	Beneficial owner	18 March 2013	194,850 (L)	0.003%
		18 March 2014	549,675 (L)	0.007%
		18 March 2015	967,800 (L)	0.013%
		Total: 1,712,325 (L)	0.023%	

## Other Information

Name of Directors	Capacity	Date of grant	Number of shares in Sino-Ocean Land awarded but not yet vested as at 30 June 2015	Approximate percentage of interest in the issued share capital of Sino-Ocean Land as at 30 June 2015
CUI Yueming	Beneficial owner	18 March 2013	34,200 (L)	less than 0.001%
		18 March 2014	94,500 (L)	0.001%
		18 March 2015	107,500 (L)	0.001%
		Total: 236,200 (L)	0.003%	
LI Hongbo	Beneficial owner	18 March 2013	70,650 (L)	0.001%
		18 March 2014	77,175 (L)	0.001%
		18 March 2015	107,500 (L)	0.001%
		Total: 255,325 (L)	0.003%	

Note: The letter "L" denotes a long position in the shares in Sino-Ocean Land.

Regarding the share option scheme adopted by Sino-Ocean Land, the following Directors had been granted share options to subscribe for shares in Sino-Ocean Land and were accordingly regarded as interested in the underlying shares of Sino-Ocean Land (being the associated corporation of the Company) pursuant to the provisions of the SFO. Details of the share options of Sino-Ocean Land held by them as at 30 June 2015 were as follows:-

Name of Directors	Capacity	Date of grant of share options	Exercise period (Note 2)	Number of shares in Sino-Ocean Land over which options are exercisable as at 30 June 2015	Exercise price per share HK\$	Approximate percentage of interest of such share options held as at 30 June 2015 relative to the issued share capital of Sino-Ocean Land as at 30 June 2015
LI Ming	Beneficial owner	12 January 2012	(Note 1)	6,280,000 (L)	3.57	0.083%
SUM Pui Ying	Beneficial owner	12 January 2012	(Note 1)	2,330,000 (L)	3.57	0.031%
CUI Yueming	Beneficial owner	12 January 2012	(Note 1)	540,000 (L)	3.57	0.007%

Notes:

1. Exercisable from 12 January 2013 to 11 January 2017.
2. All the above share options of Sino-Ocean Land granted are exercisable within a five-year period in which 40% of the options become exercisable 1 year from the grant date; 70% of the options become exercisable 2 years from the grant date; and all options become exercisable 3 years from the grant date.
3. The letter "L" denotes a long position in the shares in Sino-Ocean Land.

As at 30 June 2015, save as disclosed above, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

## SHARE OPTION SCHEME

At an extraordinary general meeting of the Company held on 23 June 2011, a share option scheme (the "Share Option Scheme") of the Company was adopted by the shareholders of the Company.

Details of share option movements under the Share Option Scheme during the six months ended 30 June 2015 (the "Interim Period") were summarized as follows:

Date of grant	Exercise price per Share HK\$	Number of Shares over which options are exercisable					Balance as at 30 June 2015	Exercise period
		Balance as at 1 January 2015	Granted during the Interim Period (Note 3)	Exercised during the Interim Period	Lapsed during the Interim Period	Cancelled during the Interim Period		
<b>Directors</b>								
LI Ming	0.96	4,000,000 (L)	—	—	—	—	4,000,000 (L)	9 August 2013 – 22 June 2021
SUM Pui Ying	1.40	2,000,000 (L)	—	—	—	—	2,000,000 (L)	26 August 2011 – 22 June 2021
	0.96	16,000,000 (L) (Note 1)	—	—	—	—	16,000,000 (L) (Note 1)	9 August 2013 – 22 June 2021
LI Zhenyu (resigned on 25 April 2015)	1.40	4,000,000 (L)	—	—	4,000,000 (L)	—	—	26 August 2011 – 22 June 2021
	0.96	3,000,000 (L)	—	1,000,000 (L)	2,000,000 (L)	—	—	9 August 2013 – 22 June 2021

## Other Information

	Date of grant	Exercise price per Share HK\$	Number of Shares over which options are exercisable					Balance as at 30 June 2015	Exercise period
			Balance as at 1 January 2015	Granted during the Interim Period (Note 3)	Exercised during the Interim Period	Lapsed during the Interim Period	Cancelled during the Interim Period		
<b>Directors</b>									
CUI Yueming (appointed on 25 April 2015)	9 March 2015	1.27	—	1,000,000 (L)	210,000	—	—	790,000 (L)	9 March 2015 – 22 June 2021
LI Hongbo	9 August 2013	0.96	2,000,000 (L)	—	1,000,000 (L)	—	—	1,000,000 (L)	9 August 2013 – 22 June 2021
	9 March 2015	1.27	—	500,000 (L)	—	—	—	500,000 (L)	9 March 2015 – 22 June 2021
LAI Kwok Hung, Alex	9 August 2013	0.96	3,000,000 (L)	—	—	—	—	3,000,000 (L)	9 August 2013 – 22 June 2021
	9 March 2015	1.27	—	500,000 (L)	—	—	—	500,000 (L)	9 March 2015 – 22 June 2021
<b>Employees of the Group</b>									
	26 August 2011	1.40	1,900,000 (L)	—	—	600,000 (L)	—	1,300,000	26 August 2011 – 22 June 2021
	9 August 2013	0.96	6,500,000 (L)	—	680,000 (L)	—	—	5,820,000 (L)	9 August 2013 – 22 June 2021
	9 March 2015	1.27	—	3,000,000 (L)	—	—	—	3,000,000	9 March 2015 – 22 June 2021
Total			42,400,000 (L)	5,000,000 (L)	2,890,000 (L)	6,600,000 (L)	—	37,910,000 (L)	(Note 2)

### Notes:

- These share options were granted to Mr. SUM Pui Ying pursuant to the terms of a service contract entered into between Mr. SUM Pui Ying and the Company on 9 August 2013. Share options granted to Mr. SUM Pui Ying to subscribe for a total of 4,000,000 Shares had already been vested following the approval of the service contract by shareholders of the Company on 16 September 2013. The share options to subscribe for the remaining 12,000,000 Shares (the “**Remaining Options**”) shall be vested on the basis that one third of the Remaining Options will be vested on the first, second and third anniversaries of 9 August 2013 (being the date of commencement of the term of the service contract), such that the Remaining Options will be fully vested on 9 August 2016, provided however that all those Remaining Options, to the extent not yet vested in accordance with the above schedule, shall become vested immediately if (i) the service contract is terminated by the Company without cause by payment of termination compensation to Mr. SUM Pui Ying or (ii) the employment of Mr. SUM Pui Ying under the service contract lapses automatically by reason of his not being re-elected as a Director at any general meeting of the Company. As the first anniversary of 9 August 2013 has already passed, a further 4,000,000 share options have been vested. Therefore, as at 30 June 2015, a total 8,000,000 share options were vested in Mr. SUM Pui Ying pursuant to the terms of the service contract.
- The weighted average closing price of the Shares immediately before the dates on which the above options were exercised is HK\$1.86.
- All these share options were granted on 9 March 2015 (Monday). The closing price of the Shares on 6 March 2015 (Friday) is HK\$1.19 per Share.

#### 4. Value of Share Options

The fair value of the share options granted during the six months ended 30 June 2015 is estimated at HK\$0.6 per share using the Binomial model. The inputs into the model were as follows:

Closing share price at grant date	HK\$1.27
Exercise price	HK\$1.27
Expected volatility	68.17%
Expected life	6.29 years
Risk-free rate	1.45%
Expected dividend yield	2.33%

The underlying expected volatility was determined by reference to historical data, calculated based on the expected life of share options. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability and behavioural considerations.

The Binomial model requires input of subjective assumptions such as the expected stock price volatility. Change in the subjective input may materially affect the fair value estimates.

The weighted average fair value of the share options granted during the six months period ended 30 June 2015 was HK\$3,001,800.

5. The letter "L" denotes a long position in the Shares.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS" and the section headed "SHARE OPTION SCHEME" above:

- (a) at no time during the Interim Period was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and
- (b) none of the Directors, or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company or had exercised any such right during the Interim Period.

## Other Information

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SECURITIES OF THE COMPANY

As at 30 June 2015, so far as is known to any Director or chief executive of the Company, other than the interests and short positions of the Directors or chief executive of the Company as disclosed above, the following persons had interests or short positions in the Shares or underlying Shares in respect of equity derivatives of the Company as recorded in the register of substantial shareholders required to be kept under Section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name	Nature of Interest/capacity	Number of Shares/ underlying Share	Approximate percentage of interest in the issued Share as at 30 June 2015
Sino-Ocean Land	Interest of controlled corporations (Note 2)	1,612,504,625 (L)	357.55%
Shine Wind Development Limited	Interest of controlled corporations (Note 2)	1,612,504,625 (L)	357.55%
Faith Ocean International Limited	Interest of controlled corporations (Note 2)	1,612,504,625 (L)	357.55%
Sino-Ocean Land (Hong Kong) Limited ("SOL HK")	Interest of controlled corporations (Note 2)	1,612,504,625 (L)	357.55%
Grand Beauty Management Limited ("Grand Beauty")	Beneficial owner	312,504,625 (L)	69.29%
	Beneficial owner	1,300,000,000 (L) (Note 1)	288.25%
Total:		1,612,504,625 (L)	357.55%

#### Notes:

- These shares represent the 1.3 billion underlying Shares which may be allotted and issued to Grand Beauty, a wholly-owned subsidiary of Sino-Ocean Land, upon exercise in full the conversion rights attaching to the 1.3 billion non-voting convertible preference shares issued by the Company on 23 December 2014.
- Grand Beauty was wholly-owned by SOL HK. SOL HK was wholly-owned by Faith Ocean International Limited which was in turn wholly-owned by Shine Wind Development Limited. Shine Wind Development Limited was wholly-owned by Sino-Ocean Land. In view of their respective direct or indirect 100% shareholding interest in Grand Beauty, each of SOL HK, Faith Ocean International Limited, Shine Wind Development Limited and Sino-Ocean Land was deemed under the SFO to be interested in the 1,612,504,625 Shares in which Grand Beauty was interested.
- The letter "L" denotes a long position in the Shares.

Save as disclosed herein, as at 30 June 2015, the Company had not been notified by any persons who had interests or short positions in the Shares or underlying Shares in respect of equity derivatives of the Company which had been recorded in the register of substantial shareholders required to be kept under Section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the issued Shares.

### **CORPORATE GOVERNANCE**

During the Interim Period, the Company has complied with the applicable code provisions (the “**Code Provisions**”) of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules as and when they were/are in force, except for the following Code Provisions:

- (a) Code Provision A.6.7 requires that independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other pre-arranged business commitments which had to be attended by Mr. LI Ming, the Honorary Chairman of the Board and a non-executive Director, he was not present at the annual general meeting of the Company held on 24 April 2015; and
- (b) Code Provision E.1.2 requires that the Chairman of the Board should attend the annual general meeting of the Company. Due to other pre-arranged business commitments which had to be attended by Mr. LI Ming, the Honorary Chairman of the Board, he was not present at the annual general meeting of the Company held on 24 April 2015.

### **REVIEW BY AUDITOR AND AUDIT COMMITTEE**

At the request of the audit committee of the Company (the “**Audit Committee**”), the auditor of the Company has carried out a review of the unaudited interim financial information of the Group for the six months ended 30 June 2015 in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited interim financial information of the Group for the six months ended 30 June 2015.

## Other Information

### **CODES FOR SECURITIES TRANSACTION BY DIRECTORS AND RELEVANT EMPLOYEES**

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors. All Directors, following specific enquiries made by the Company, have confirmed that they have complied with the required standard as set out in the Model Code during the Interim Period.

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

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

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

### **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company had maintained a sufficient amount of public float for its shares as required under the Listing Rules throughout the Interim Period.

### **CONTINUING DISCLOSURE REQUIREMENTS UNDER RULE 13.21 OF CHAPTER 13 OF THE LISTING RULES**

A facility agreement dated 23 January 2014 (the "**Facility Agreement**") was entered into between the Company (as borrower), Sino-Ocean Land (a controlling shareholder of the Company, as guarantor) and DBS Bank Ltd., Hong Kong Branch (as lender) in respect of a renewed term loan facility in the principal amount of HK\$500.0 million granted to the Company for a term of 36 months after the date of the Facility Agreement.



## Other Information

Pursuant to the Facility Agreement, each of the Company and Sino-Ocean Land shall ensure that Sino-Ocean Land shall at all times remain the single largest shareholder (direct or indirect) of not less than 30% shareholdings in the Company and maintain control over the Company, and a failure to do so will be deemed an event of default under the Facility Agreement.

On behalf of the Board

**LAI Kwok Hung, Alex**  
*Executive Director*

31 July 2015

# Corporate Information

## BOARD OF DIRECTORS

### Honorary Chairman

LI Ming

### Executive Directors

SUM Pui Ying (Chief Executive Officer)  
CUI Yueming  
LAI Kwok Hung, Alex

### Non-executive Directors

LI Ming (Honorary Chairman)  
LI Hongbo

### Independent Non-executive Directors

LAW Tze Lun  
LO Woon Bor, Henry  
ZHENG Yun

## AUDIT COMMITTEE

LAW Tze Lun (Chairman)  
LO Woon Bor, Henry  
ZHENG Yun

## REMUNERATION COMMITTEE

LAW Tze Lun (Chairman)  
LO Woon Bor, Henry  
ZHENG Yun

## NOMINATION COMMITTEE

LI Ming (Chairman)  
SUM Pui Ying  
LAW Tze Lun  
LO Woon Bor, Henry  
ZHENG Yun

## INVESTMENT COMMITTEE

SUM Pui Ying (Chairman)  
LAI Kwok Hung, Alex  
LAW Tze Lun

## COMPANY SECRETARY

YUE Pui Kwan

## AUTHORISED REPRESENTATIVES

LAI Kwok Hung, Alex  
YUE Pui Kwan

## AUDITOR

BDO Limited  
Certified Public Accountants

## LEGAL ADVISOR

Sit Fung Kwong & Shum

## PRINCIPAL BANKERS

DBS Bank Limited  
China Construction Bank Corporation  
The Hongkong and Shanghai Banking Corporation Limited

## SHARE REGISTRAR

Tricor Standard Limited  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong

## REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 3902, 39th Floor  
Tower One, Lippo Centre  
No. 89 Queensway  
Hong Kong

## LISTING INFORMATION

The Stock Exchange of Hong Kong Limited  
Stock Code: 174

## COMPANY WEBSITE

[www.geminiinvestments.com.hk](http://www.geminiinvestments.com.hk)