DINGYI GROUP INVESTMENT LIMITED
鼎億集團投資有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of DINGYI GROUP INVESTMENT LIMITED (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2017, together with the comparative figures in 2016, summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 MARCH 2017

	NOTES	**2017** **HK$'000**	2016 *HK$'000*
Revenue	*3*	**54,119**	40,703
Cost of sales		**(1,167)**	(4,248)
Gross profit		**52,952**	36,455
Other income	*5*	**13,731**	1,108
Gain on disposal of held for trading investments		**26,019**	36,774
Loss arising from changes in fair value of held for trading investments		**(39,751)**	(171,296)
Gain (loss) arising from changes in fair value of derivative financial assets, net		**4,811**	(1,017)
Realised gain on settlement of derivative financial assets		**907**	30,726
Loss arising from changes in fair value of derivative financial liabilities		**(279,448)**	(213,321)
Impairment loss on available-for-sale financial assets		**(8,161)**	(17,375)
Selling and distribution costs		**(3,049)**	(3,995)
General and administrative expenses		**(209,059)**	(169,353)
Finance costs	*6*	**(17,048)**	(35,136)

	NOTES	2017 HK$'000	2016 HK$'000
Loss before tax	7	**(458,096)**	(506,430)
Income tax expense	8	**(12,185)**	(632)
Loss for the year		**(470,281)**	(507,062)
(Loss) profit for the year attributable to:			
The owners of the Company		**(470,269)**	(510,919)
Non-controlling interests		**(12)**	3,857
		(470,281)	(507,062)
Loss per share	10		
Basic and diluted loss per share *(HK cents per share)*		**(9.06)**	(11.54)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2017

	2017	2016
	HK$'000	*HK$'000*
Loss for the year	**(470,281)**	(507,062)
Other comprehensive expense for the year		
Items that may be reclassified subsequently to profit or loss:		
Reclassification adjustment upon impairment of available-for-sale financial assets	**–**	(1,183)
Exchange difference arising on translation of overseas operations	**(7,339)**	(5,050)
	(7,339)	(6,233)
Total comprehensive expense for the year	**(477,620)**	(513,295)
Total comprehensive (expense) income for the year attributable to:		
The owners of the Company	**(477,608)**	(517,152)
Non-controlling interests	**(12)**	3,857
	(477,620)	(513,295)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	NOTES	**2017** **HK$'000**	2016 HK$'000
Non-current assets			
Plant and equipment		**6,074**	6,263
Finance lease receivable		**–**	6,579
Available-for-sale financial assets		**66,861**	75,466
Non-current deposits and prepayments	*11*	**3,172**	2,582
		76,107	90,890
Current assets			
Inventories		**7,493**	7,607
Deposits and prepayments	*11*	**8,297**	10,781
Loan and interest receivables	*12*	**479,304**	229,056
Finance lease receivable		**94,470**	94,723
Held for trading investments		**352,543**	629,910
Derivative financial instruments		**32,988**	711
Cash and cash equivalents		**76,902**	18,312
		1,051,997	991,100
Current liabilities			
Margin loans payable		**178,285**	376,861
Creditors, deposits and accruals	*13*	**35,992**	65,721
Amounts due to related companies		**33,566**	2,215
Amount due to a director		**–**	9
Derivative financial instruments		**252,021**	–
Current income tax liabilities		**15,638**	3,375
Obligation under a finance lease		**–**	1,374
		515,502	449,555

	2017	2016
	HK$'000	*HK$'000*
Net current assets	**536,495**	541,545
Total assets less current liabilities	**612,602**	632,435
Capital and reserves		
Share capital	**53,182**	49,358
Reserves	**335,365**	467,663
Equity attributable to the owners of the Company	**388,547**	517,021
Non-controlling interests	**(12)**	–
Total equity	**388,535**	517,021
Non-current liabilities		
Convertible bonds	**224,067**	115,414
	612,602	632,435

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1. GENERAL INFORMATION

The Company is a listed company incorporated in Bermuda with limited liability. The addresses of the registered office and the principal place of business of the Company are Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda and Unit 2708, 27/F., Convention Plaza-Office Tower, 1 Harbour Road, Wanchai, Hong Kong respectively. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The directors of the Company regard Wincon Capital Investment Limited, a private limited liability company incorporated in the British Virgin Islands, as the immediate and ultimate holding company of the Company.

The principal activity of the Company is investment holding and carrying out loan financing business.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and revised HKFRSs issued but not yet effective

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

HKFRS 9 (2014)	Financial Instruments[2]
HKFRS 15	Revenue from Contracts with Customers[2]
HKFRS 16	Leases[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle[3]
Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Amendments to HKAS 40	Transfers of Investment Property[2]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[2]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[2]

[1] *Effective for annual periods beginning on or after 1 January 2017.*

[2] *Effective for annual periods beginning on or after 1 January 2018.*

[3] *Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.*

[4] *Effective for annual periods beginning on or after 1 January 2019.*

[5] *Effective date not yet been determined.*

3. REVENUE

Revenue represents revenue arising on sales of food and beverages, financial leasing income, interest income from provision of loan financing and dividend income from held for trading investments during the year. The following is an analysis of the Group's revenue:

	2017	2016
	HK$'000	*HK$'000*
Revenue represents amounts received and receivable from:		
Sales of food and beverages	**4,146**	8,298
Financial leasing income	**2,188**	4,175
Dividend income	**19,548**	3,404
Interest income from provision of loan financing	**28,237**	24,826
	54,119	40,703

An analysis of the Group's revenue by segments is set out in note 4.

4. SEGMENT INFORMATION

Reportable segments are identified and reported in the manner consistent with internal reports to the Group that are regularly reviewed by the chief operating decision-marker (executive directors) in order to assess performance and allocate resources. The chief operating decision-maker assesses the performance of the reportable segments based on the revenue and profit/loss presented. No operating segments identified by the chief operating decision-maker have been aggregated in arriving at the reportable segments of the Group.

The Group has five reportable and operating segments (i) securities trading business; (ii) trading of wine business; (iii) food and beverages – restaurant business; (iv) loan financing business; and (v) financial leasing business. Segment revenue is measured in a manner consistent with that in the consolidated statement of profit or loss.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

Year ended 31 March 2017

	Securities trading business HK$'000	Trading of wine business HK$'000	Food and beverages-restaurant business HK$'000	Loan Financing business HK$'000	Financial leasing business HK$'000	Total HK$'000
Revenue						
External revenue	19,548	–	4,146	28,237	2,188	54,119
Gain on disposal of held for trading investments	26,019	–	–	–	–	26,019
Segment profit (loss)	5,623	–	(1,175)	27,037	2,099	33,584
Interest income						234
Finance costs						(17,048)
Loss arising from changes in fair value of derivative financial liabilities						(279,448)
Gain arising from changes in fair value of derivative financial assets						4,811
Realised gain on settlement of derivative financial assets						907
Impairment loss on available-for-sale financial assets						(8,161)
Unallocated corporate income						13,497
Unallocated corporate expenses						(206,472)
Loss before tax						(458,096)

Year ended 31 March 2016

	Securities trading business *HK$'000*	Trading of wine business *HK$'000*	Food and beverages – restaurant business *HK$'000*	Loan Financing business *HK$'000*	Financial leasing business *HK$'000*	Total *HK$'000*
Revenue						
External revenue	3,404	–	8,298	24,826	4,175	40,703
Gain on the disposal of held for trading investments	36,774	–	–	–	–	36,774
Segment (loss) profit	(131,165)	–	(1,393)	24,397	3,720	(104,441)
Interest income						397
Finance costs						(35,136)
Loss arising from changes in fair value of derivative financial liabilities						(213,321)
Loss arising from changes in fair value of derivative financial assets, net						(1,017)
Realised gain on settlement of derivative financial assets						30,726
Impairment loss on available-for-sale financial assets						(17,375)
Unallocated corporate income						597
Unallocated corporate expenses						(166,860)
Loss before tax						(506,430)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/loss represents the profit earned by/loss from each segment without allocation of central administration costs, exchange loss and depreciation of certain plant and equipment. This is the measure reported to the chief operating decision-maker for the purposes of resources allocation and performance assessment.

Segment assets and liabilities

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

	2017	2016
	HK$'000	*HK$'000*
Segment assets		
Securities trading business	**352,543**	629,910
Trading of wine business	**7,250**	7,250
Food and beverages – restaurant business	**1,032**	1,869
Loan financing business	**479,304**	229,056
Financial leasing business	**94,470**	101,302
Total segment assets	**934,599**	969,387
Unallocated corporate assets	**193,505**	112,603
Total consolidated assets	**1,128,104**	1,081,990
Segment liabilities		
Securities trading business	**178,285**	376,861
Trading of wine business	**–**	–
Food and beverages – restaurant business	**5,821**	5,433
Loan financing business	**–**	4
Financial leasing business	**16**	429
Total segment liabilities	**184,122**	382,727
Unallocated corporate liabilities	**555,447**	182,242
Total consolidated liabilities	**739,569**	564,969

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain plant and equipment, available-for-sale financial assets, certain deposits, prepayment and other debtors, derivative financial instruments and cash and cash equivalents; and

- all liabilities are allocated to operating segments other than certain deposit, accruals, and other payables, amounts due to related companies, amount due to a director, current income tax liabilities, derivative financial instruments, obligation under a finance lease and convertible bonds.

Other segment information

For the year ended 31 March 2017

	Securities trading business HK$'000	Trading of wine business HK$'000	Food and beverages-restaurants business HK$'000	Loan financing business HK$'000	Financial leasing business HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets (other than available-for-sale financial assets and finance lease receivable)	–	–	12	–	–	3,442	3,454
Depreciation of plant and equipment	–	–	654	131	–	2,760	3,545
Loss arising from changes in fair value of held for trading investments	39,751	–	–	–	–	–	39,751
Amounts regularly provided to the chief operating decision-maker but not included in the measure of segment profit or loss or segment assets:							
Interest income	–	–	–	–	–	(234)	(234)
Finance costs	–	–	–	–	–	17,048	17,048
Income tax expense	–	–	–	2,324	(787)	10,648	12,185

For the year ended 31 March 2016

	Securities trading business HK$'000	Trading of wine business HK$'000	Food and beverages – restaurants business HK$'000	Loan financing business HK$'000	Financial leasing business HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets (other than available-for-sale financial assets and finance lease receivable)	–	–	10	–	–	815	825
Depreciation of plant and equipment	–	–	743	–	–	2,802	3,545
Loss arising from changes in fair value of held for trading investments	171,296	–	–	–	–	–	171,296
Written off of other payable	–	–	(114)	–	–	–	(114)
Amounts regularly provided to the chief operating decision-maker but not included in the measure of segment profit or loss or segment assets:							
Interest income	–	–	–	–	–	(397)	(397)
Finance costs	–	–	–	–	–	35,136	35,136
Income tax (credit) expense	–	–	(251)	–	883	–	632

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China (the "**PRC**") and United States of America (the "**USA**").

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets (excluding available-for-sale financial assets and finance lease receivable) is presented based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2017	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**47,784**	27,376	**4,070**	4,714
PRC	**6,335**	13,327	**1,973**	1,527
USA	**–**	–	**31**	22
	54,119	40,703	**6,074**	6,263

The Group had no inter-segment sales for the years ended 31 March 2017 and 2016.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2017	2016
	HK$'000	*HK$'000*
Customer A[1]	**5,760**	4,509
Customer B[1]	**5,520**	N/A[2]

1 Revenue from loan financing business

2 The corresponding revenue did not contribute over 10% of the total revenue of the Group

5. OTHER INCOME

	2017	2016
	HK$'000	*HK$'000*
Bank interest income	**234**	397
Net gain from a settlement of claim	**9,207**	–
Written off of other payable	**–**	114
Others	**4,290**	597
	13,731	1,108

6. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest on margin loans payable	**8,164**	7,724
Effective interest expense on convertible bonds	**8,858**	27,327
Interest expenses on a finance lease	**26**	85
	17,048	35,136

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2017	2016
	HK$'000	*HK$'000*
Directors' and chief executive's emoluments	**6,436**	7,431
Other staff costs (excluding directors' and chief executive's emoluments)	**7,197**	7,519
Share-based payments expenses (excluding directors' and chief executive's emoluments)	**16,129**	–
Retirement benefit scheme contribution (excluding directors' and chief executive's emoluments)	**141**	168
Total staff costs	**29,903**	15,118
Amount of inventories recognised as an expense	**1,167**	4,248
Auditors' remuneration	**1,400**	1,350
Depreciation of plant and equipment	**3,545**	3,545
Operating lease payments in respect of leasing of premises under minimum lease payments	**11,001**	9,666
Exchange (gain) loss, net	**(4,162)**	4,788
Share-based payments expenses granted to consultants *(note)*	**146,621**	108,995

Note: It represents share options granted to external consultants in exchange for services rendered to the Group.

8. INCOME TAX EXPENSE

	2017	2016
	HK$'000	*HK$'000*
Current income tax		
Hong Kong	**22**	–
The PRC	**2,398**	883
	2,420	883
Under-provision (Over-provision) in prior years		
Hong Kong	**10,648**	–
The PRC	**(883)**	(251)
Income tax expenses	**12,185**	632

Hong Kong profits tax was calculated at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits. For the year ended 31 March 2017, Hong Kong profits tax has been made after offsetting tax losses brought forward from previous year of each individual company.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Overseas profits tax, the USA taxation which was calculated based on the rates applicable in the relevant jurisdiction on the estimated assessable profits. No provision of overseas profits tax has been made as the Group did not have any assessable profits subject to overseas profits tax for both years.

Pursuant to the laws and regulations of the British Virgin Islands (the "**BVI**") and Bermuda, the Group is not subject to any income tax in the BVI and Bermuda.

9. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2017, nor has any dividend been proposed since the end of the reporting period (2016: nil).

10. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss	**2017** ***HK$'000***	2016 *HK$'000*
Loss for the year attributable to the owners of the Company	**(470,269)**	(510,919)

Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**5,189,184**	4,429,187

The computation of diluted loss per share does not assume the conversion or exercise of the Company's outstanding convertible bonds, share options and call option from issuance of convertible bonds since they would result in decrease in loss per share for both years.

11. DEPOSITS AND PREPAYMENTS

	2017 ***HK$'000***	2016 *HK$'000*
Deposit placed in financial institution	**–**	773
Deposits and prepayment	**11,469**	12,590
	11,469	13,363
Analysed for reporting purposes:		
Non-current assets	**3,172**	2,582
Current assets	**8,297**	10,781
	11,469	13,363

12. LOAN AND INTEREST RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Loan receivables	**410,468**	184,018
Interest receivables	**68,836**	45,038
	479,304	229,056

The loan and interest receivables are due from independent third parties, which are unsecured and their relevant due dates started from June 2015 to December 2017 (2016: started from December 2014 to October 2016). The interest rates on the loan and interest receivables are fixed ranging from 5% to 48% per annum (2016: 10% to 48% per annum). No impairment loss was recognise for the year ended 31 March 2017 (2016: nil).

The following is an ageing analysis of loan and interest receivables net of impairment loss with loans presented based on the loan drawn down date and interests accrued.

	2017	2016
	HK$'000	*HK$'000*
Within 90 days	**239,366**	–
91 days to 180 days	**85,928**	5,542
181 days to 365 days	**121,258**	187,403
Over 365 days	**32,752**	36,111
	479,304	229,056

The Group's loan financing customers included in the loan and interest receivables are due for settlement at the date specified in the respective loan agreements. The Group did not hold any collateral over these balances.

13. CREDITORS, DEPOSITS AND ACCRUALS

	2017	2016
	HK$'000	*HK$'000*
Trade creditors	**473**	374
Other creditors, deposits and accruals *(note)*	**35,519**	65,347
	35,992	65,721

Note: Included in other creditors, deposits and accruals was an amount of approximately HK$6,240,000 (2016: HK$51,296,000) which represented the consideration payable to the non-controlling interests in respect of the acquisition of remaining 37.5% of issued share capital of a subsidiary on 11 January 2016. The amount is unsecured, interest-free and repayable on demand.

The following is an aged analysis of trade creditors presented based on the invoice date at the end of reporting period.

	2017	2016
	HK$'000	*HK$'000*
Within 60 days	**355**	154
61 – 90 days	**118**	220
	473	374

The average credit term on trade creditors is 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

DIVIDEND

The Board has resolved not to recommend any final dividend for the year ended 31 March 2017 (2016: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's revenue from its continuing operations during the year under review amounted to HK$54 million or HK$13 million more than that during the previous year. There was a loss for the year attributable to the Company's owners of HK$470 million (2016: HK$511 million) which included a fair value loss on financial liabilities amounted to HK$279 million (2016: HK$213 million), loss arising from changes in fair value of held for trading investments amounted to HK$40 million (2016: HK$171 million) and the share-based payment expenses of HK$163 million (2016: HK$111 million).

The basic and diluted loss per share was HK9.06 cents, as compared with loss per share of HK11.54 cents last year.

Securities Trading

During the year, the Group has actively involved in the securities and futures contracts trading business. The majority of the Group's held for trading investments are those shares under Hang Seng Index or China Enterprises Index or H shares. Most of these shares are of China large corporations ("**Entities**") with high trading volumes and large market capitalization. The Group had achieved realised gain on the disposal of these shares held for trading investments amounting to HK$26 million (2016: HK$37 million) during the year under review. The loss of HK$40 million (2016: HK$171 million) arising from changes in the fair value of the shares still held for trading investments was greatly reduced as compared with that of last year. As a result, the Group reported a segment gain of HK$6 million (2016: segment loss of HK$131 million) during the year under review. Given the realised gain and segment gain during the year, the Group had shown a good performance in the trading investments. The Group considers that the prospects in respect of the shares still held for trading investments are healthy. The unrealised loss as recorded at the year end was due to market fluctuation rather than any problem with the Entities' fundamentals. The Board understands that the performance of the investments may be affected by the degree of volatility in the Hong Kong stock market and subject to other external factors that may affect their values. Accordingly, the Group will continue to maintain a diversified portfolio of investment of different segments of markets to minimize the possible financial risks. Also, the Board will monitor the performance progress of the investment portfolio closely from time to time.

As at 31 March 2017 and 2016, the Group's held for trading investments were represented as follows:

Company Name/Stock Code	**% of shareholding as at 31 March 2017**	**Fair value gain (loss) for the year ended 31 March 2017**	**Fair value as at 31 March 2017**	**% of total assets of the Group as at 31 March 2017**	% of shareholding as at 31 March 2016	Fair value as at 31 March 2016	% of total assets of the Group as at 31 March 2016
Securities listed in Hong Kong							
China Reinsurance (Group) Corporation (1508) *(note (a))*	**1.145%**	**(22,171)**	**136,845**	**12.13%**	1.145%	159,015	14.70%
COFCO Meat Holdings Ltd. (1610) *(note (b))*	**0.897%**	**(4,905)**	**65,800**	**5.83%**	–	–	–
CITIC Securities Company Limited (6030) *(note (c))*	**0.087%**	**(4,325)**	**31,745**	**2.82%**	0.190%	78,602	7.26%
China Galaxy Securities Co., Ltd. (6881) *(note (d))*	**0.098%**	**(1,371)**	**25,862**	**2.29%**	0.235%	65,466	6.05%
China Eastern Airlines Corporation Limited (670) *(note (e))*	**0.113%**	**1,315**	**24,196**	**2.14%**	0.218%	44,240	4.09%
Superb Summit International Group Limited (1228) *(note (f))*	**1.270%**	**(8,250)**	**18,629**	**1.65%**	1.270%	26,879	2.48%
China Southern Airlines Company Limited (1055) *(note (g))*	**0.079%**	**1,078**	**11,836**	**1.05%**	–	–	–
Quam Limited (952) *(note (h))*	**0.501%**	**1,363**	**8,706**	**0.77%**	0.818%	11,989	1.11%
China Construction Bank Corporation (939) *(note (i))*	**0.001%**	**96**	**462**	**0.04%**	0.014%	166,191	15.36%
Industrial and Commercial Bank of China Limited (1398)	**–**	**–**	**–**	**–**	0.007%	26,040	2.41%
Bank of China Ltd (3988)	**–**	**–**	**–**	**–**	0.005%	12,880	1.19%
Others *(note (j))*		**(2,581)**	**28,462**	**2.53%**		38,608	3.57%
		(39,751)	**352,543**	**31.25%**		629,910	58.22%

Notes:

(a) The company and its subsidiaries are mainly engaged in property and casualty reinsurance, life and health reinsurance, primary property and casualty insurance, asset management and other businesses. As disclosed in the annual report of the company for the year ended 31 December 2016, it recorded an audited net profit attributable to equity shareholders of the parent of RMB5.2 billion for the year ended 31 December 2016. With regards to the future prospects of the company, the Directors noted that the company and its subsidiaries will speed up its development and expand its scale on the basis of strict risk control and stable business profitability and will adhere to the "One-Three-Five" strategy, accelerate optimization of business layout, actively nurture new growth opportunities, continue to expand the scopes of serving economic and social development and social securities.

(b) The principal activities of the company and its subsidiaries are investment holding, hog production, livestock slaughtering, poultry husbandry, sales of fresh and frozen meats, manufacture and sales of meat products, and import of meat products. As disclosed in the annual report of the company for the year ended 31 December 2016, it recorded an audited net profit attributable to its owners from continuing and discontinued operations of RMB952 million for the year ended 31 December 2016. With regards to the future prospects of the company, the Directors noted that the board of directors of the company is confident to continue to create impressive performance, establish a national renowned brand and become a role model in China's meat industry.

(c) The company and its subsidiaries were involved in securities and futures brokerage; securities investment fund distribution and introducing brokerage business for futures companies; agency sale of financial products; securities underwriting and sponsorship; investment advisory and consultancy services; proprietary securities activities; asset management and fund management; margin financing and securities lending; and stock option market-making. As disclosed in the annual report of the company for the year ended 31 December 2016, it recorded an audited net profit attributable to its owners of the parent of RMB10.4 billion for the year ended 31 December 2016. With regards to the future prospects of the company, the Directors noted that the company will strengthen the development of its communist party committee, enlarge its client market, reinforce and enhance its market position, enhance its trading and investment capabilities, raise capabilities in integrated services, further promote domestic and foreign integration and interaction as well as firmly improve management.

(d) The company and its subsidiaries are principally engaged in securities and futures brokerage, institutional sales and investment research, proprietary trading and other securities trading services, margin financing and securities lending, asset management and wealth management, equity investment management. As disclosed in the annual report of the company for the year ended 31 December 2016, it recorded an audited net profit attributable to its owners of RMB5.2 billion for the year ended 31 December 2016. With regards to the future prospects of the company, the Directors noted that the company will grasp the currently rare opportunities in the securities industry and actively respond to the fierce competition to adapt to the new normal in economic growth and the new trend in the development of the securities market. It will promote the coordinated development of big brokerage, big investment banking, big asset management, big investment, Internet and overseas M&As businesses based on the listing of A Shares with the reform of the internal mechanisms as the guarantee to improve the capacities of the company in serving national strategies and real economies.

(e) The company and its subsidiaries are principally engaged in the operation of civil aviation, including the provision of passenger, cargo, mail delivery, tour operations and other extended transportation services. As disclosed in the annual report of the company for the year ended 31 December 2016, it recorded an audited net profit attributable to its equity holders of RMB4,498 million for the year ended 31 December 2016. With regards to the future prospects of the company, the Directors noted that the company and its subsidiaries will seize the opportunities arising from the steady implementation of national strategies such as "One Belt One Road" and supply-side structural reforms, the rising tourism and consumption demand, the market-oriented pricing in civil aviation and the advantages of Shanghai as a hub, and focus on the seven areas in order to achieve better operating results.

(f) The company and its subsidiaries are principally engaged in the exploitation and management of timber resources and sales of coal products and other bulk commodities in the PRC. As disclosed in the unaudited interim report of the company for the six months ended 30 June 2015, it recorded an unaudited net loss attributable to its owners of HK$56.8 million for the six months ended 30 June 2015. With regards to the future prospects of the company, the Directors noted that the management of the company will continue to focus on the implementation of development plans for energy resource products and business. Trading of shares of the company has been suspended since 9:00 a.m. on 15 December 2015.

(g) The company and its subsidiaries are principally engaged in the operation of civil aviation, including the provision of passenger, cargo, mail delivery and other extended transportation services. As disclosed in the annual report of the company for the year ended 31 December 2016, it recorded an audited net profit attributable to its equity shareholders of RMB5,044 million for the year ended 31 December 2016. With regards to the business plan of the company, the Directors noted that the company will focus on (i) continuously improve the level of safety management; (ii) continuously optimize the fleet structure based on the market environment; (iii) create a first-class international service brand with sincere service; (iv) accelerate adaptation to new changes and further raise the capability in operation assurance; (v) vigorously strengthen the hub construction and continuously expand the effectiveness of transition; (vi) expedite the construction of the "China Southern e-Travel" and consolidate the competitive advantages; and (vii) fully utilize the important functions of financial management, and focus on cost control.

(h) The company and its subsidiaries are principally engaged in discretionary and non-discretionary dealing services for securities, futures and options, securities placing and underwriting services, margin financing and money lending services, insurance broking and wealth management services; corporate finance advisory and general advisory services; fund management, discretionary portfolio management and portfolio management advisory services; investor relation, online advertising and financial information services; and investment holding and securities trading. As disclosed in the annual results announcement of the company for the year ended 31 March 2017, it recorded an audited net loss attributable to owners of the company of HK$57.9 million for the year ended 31 March 2017. With regards to the future prospects of the company, the Directors noted that the company intended to expand its reach into structured financing covering both general offers, block trades and in house products while seeding new funds. The company expects to develop closer relationships with Oceanwide Holdings Co., Ltd. and its subsidiaries and its client base by offering assistance in Hong Kong and the international market involving mergers and acquisitions.

(i) The principal activities of the bank and its subsidiaries are the provision of corporate and personal banking services, conducting treasury business, the provision of asset management, trustee, finance leasing, investment banking, insurance and other financial services. As disclosed in the annual report of the bank for the year ended 31 December 2016, it recorded an audited net profit attributable to its equity shareholders of RMB231.5 billion for the year ended 31 December 2016. With regards to the future prospects of the bank, the Directors noted that the bank will focus on the real economy service and supply-side structural reform with right insight on the macro trend, constantly consolidate the foundation for further development and deliver transformation bonus so as to bring good returns to its shareholders and customers.

(j) None of these investments represented more than 1% of the total assets of the Group as at 31 March 2017.

Loan Financing

During the year, the Group recorded a revenue of HK$28 million (2016: HK$25 million) and the segment profit was HK$27 million (2016: HK$24 million). The Group will further develop in this segment in order to earn a higher interest income.

Financial Leasing

During the year, the Group has recorded HK$2 million (2016: HK$4 million) of interest income and HK$2 million (2016: HK$4 million) of segment profit from financial leasing business.

Food and Beverages

The food and beverages segment generated a revenue of HK$4 million during the year under review (2016: HK$8 million). The segment reported a loss of HK$1 million (2016: HK$1 million) for the current year due to the decrease in turnover and the increase in gross margin. The profit and loss were contributed by the restaurant in Beijing, PRC which was acquired on 1 January 2014.

Trading of Wine

The Group has kept certain quantities of fine wines. The stocks will be offered to sell when the market prices are favorable such that the Group can obtain a good return on the trading. At present, the stocks are kept in the wine cellar situated in Hong Kong.

Investment in Shares in Kore

Kore Potash Limited ("**Kore**") (formerly known as "Elemental Minerals Limited") is a mineral exploration and development company listed on the Australian Stock Exchange. It is currently developing the Sintoukola potash project located in the Republic of Congo.

As at the date of this announcement, the Group holds an aggregate of 75,141,924 shares of Kore, representing approximately 9.82% of the entire issued share capital of Kore.

Capital Structure

As at 31 March 2017, the total number of issued shares of the Company was 5,397,638,952 (31 March 2016: 4,977,281,528) of HK$0.01 each (the "**Shares**") and its issued share capital was HK$53,976,390 (31 March 2016: HK$49,772,815). During the year, the details of changes of the capital structure of the Company were set out below:

(i) On 19 May 2016, a total of 8,430,000 share options were exercised at an exercise price of HK$0.375 per Share and these 8,430,000 Shares were allotted and issued on 20 May 2016;

(ii) On 16 May 2016, a total of 10,000,000 share options were exercised at an exercise price of HK$0.375 per Share and these 10,000,000 Shares were allotted and issued on 23 May 2016;

(iii) On 8 June 2016, a total of 72,100,000 repurchased Shares were cancelled;

(iv) On 6 July 2016, Wincon Capital Investment Limited exercised the rights attaching to the convertible bonds to subscribe 424,242,424 Shares at conversion price of HK$0.33 per conversion share and these 424,242,424 Shares were allotted and issued on the same date;

(v) On 8 July 2016, a total of 1,660,000 share options were exercised at an exercise price of HK$0.375 per Share and these 1,660,000 Shares were allotted and issued on 11 July 2016;

(vi) On 26 July 2016, a total of 1,875,000 share options were exercised at an exercise price of HK$0.375 per Share and these 1,875,000 Shares were allotted and issued on 29 July 2016;

(vii) On 12 January 2017, a total of 2,375,000 share options were exercised at an exercise price of HK$0.375 per Share and these 2,375,000 Shares were allotted and issued on 18 January 2017;

(viii) On 15 January 2017, a total of 2,375,000 share options were exercised at an exercise price of HK$0.375 per Share and these 2,375,000 Shares were allotted and issued on 18 January 2017;

(ix) On 15 March 2017, a total of 1,200,000 share options were exercised at an exercise price of HK$0.375 per Share and these 1,200,000 Shares were allotted and issued on 21 March 2017;

(x) On 30 March 2017, a total of 41,500,000 share options were exercised at an exercise price of HK$0.477 per Share and these 41,500,000 Shares were allotted and issued on 31 March 2017; and

(xi) On 31 March 2017, a total of 1,200,000 repurchased Shares were cancelled.

Save as disclosed above, there was no change in the capital structure of the Company during the year under review.

Major Transaction – Participation in Cooperation Agreement

On 25 September 2015, 鼎億金匯(深圳)投資諮詢有限公司 ("**Dingyi Jinhui**"), an indirect wholly-owned subsidiary of the Company, entered into a cooperation agreement (the "**Cooperation Agreement**") committing to provide 38% funding for the acquisition (the "**Xibu Yungu's Acquisition**") by a joint venture company, 深圳市西部雲谷投資有限責任公司 ("**Xibu Yungu**"), and the acquisition (the "**Xumao Ventures' Further Acquisition**") by Xumao Ventures Limited ("**Xumao Ventures**"), as a nominee of Xibu Yungu. Xibu Yungu then entered into an acquisition agreement (the "**Acquisition Agreement**") to acquire 80% equity interest in 金時代投資顧問(深圳)有限公司 ("**Jinshidai**") and related shareholders' loans (the "**Acquisition**") from the vendors of Jinshidai (the "**Jinshidai Vendors**"), whereas Xumao Ventures entered into a sale and purchase agreement (the "**Sales and Purchase Agreement**") to acquire 100% equity interest in Think Right Developments Limited. The Cooperation Agreement was entered into to provide cash funding for the total acquisition consideration of RMB1,060,800,000 for Xibu Yungu's Acquisition and Xumao Ventures' Further Acquisition. The Group will provide its portion (i.e. Dingyi Jinhui's 38%) of the funding by its internal resources and/or through other financing methods. The Cooperation Agreement has provided that the maximum commitment by Dingyi Jinhui towards the acquisitions is capped at RMB403,104,000.

The Company has been informed by Xibu Yungu that, despite of repeated reminders by Xibu Yungu to the Jinshidai Vendors, the Jinshidai Vendors have not performed in accordance with the terms of the Acquisition Agreement. On 29 January 2016, Xibu Yungu submitted an application for arbitration to the Shenzhen Arbitration Commission（深圳仲裁委員會）(the "**Commission**") seeking specific performance of the Acquisition Agreement and damages against the Jinshidai Vendors. The application has been accepted by the Commission on the same date.

The Company had been informed by Xibu Yungu that on 11 April 2016, Jinshidai Vendors, Parkwill Group Limited, Xibu Yungu and Xumao Ventures entered into a settlement agreement (the "**Settlement Agreement**") to settle the arbitration claim by Xibu Yungu to the commission seeking specific performance of the Acquisition Agreement and damages against the Jinshidai Vendors (the "**Arbitration**").

Under the Settlement Agreement, the Jinshidai Vendors agreed to make a payment of RMB38,000,000 to settle the Arbitration and related proceedings. Xibu Yungu had received the payment during the year.

The Group had only provided the funding of RMB38,000,000 to Xibu Yungu as capital injection and such funding has been refunded to the Group in view of the cessation of the Acquisition.

After deducting the costs and expenses in relation to the Acquisition Agreement, the Sale and Purchase Agreement and the Settlement Agreement from the settlement of RMB38,000,000 by the Jinshidai Vendors, the Group received a share of 38% of the remaining balance, approximately HK$9 million, as other income.

Details of the transaction were disclosed in the announcements of the Company dated 25 September 2015, 29 September 2015, 2 October 2015, 9 October 2015, 30 November 2015, 9 December 2015, 29 January 2016, 12 April 2016 and 27 April 2016.

Letter of Intent for Establishment of Joint Venture Company

On 17 June 2016, the Company entered into a non-legally binding letter of intent with D&R Asset Management Group Co., Ltd. ("**D&R**") to establish a joint venture company. The total commitment of capital contribution to be made to the joint venture company is estimated to be RMB200 million, of which RMB98 million is proposed to be contributed by the Company and RMB102 million is proposed to be contributed by D&R. As at the date of this announcement, the parties to the letter of intent are still negotiating for the possible cooperation. Further announcement in relation to the letter of intent will be made by the Company as and when appropriate. Details of the transaction were disclosed in the announcement of the Company dated 17 June 2016.

Grant of Share Options

The share option scheme was adopted by the Company on 21 September 2012 (the "**Share Option Scheme**").

On 19 December 2016, the Board granted and the grants were accepted by the eligible participants as defined in the Share Option Scheme in respect of 535,000,000 share options at an exercise price of HK$0.738 per Share.

Details of the above grant of share options were disclosed in the announcement of the Company dated 19 December 2016.

Issue and Completion of Convertible Bonds under General Mandate

On 23 December 2016 (after trading hours), the Company entered into the subscription agreements (the "**Subscription Agreements**") with each of Toplist Investments Limited ("**Toplist**"), CFC Group Limited ("**CFC Group**"), Safe Arena Limited ("**Safe Arena**"), Ms. Song Ning ("**Ms. Song**") and Ms. Mei Yuanyuan ("**Ms. Mei**") in relation to the issue of convertible bonds (the "**Convertible Bonds**") in an aggregate principal amount of HK$850 million. The Convertible Bonds will mature in the third anniversary of the issue of the Convertible Bonds. The initial conversion price of the Convertible Bonds is HK$0.85 per conversion share. The gross proceeds from the issue of the Convertible Bonds will be HK$850 million. The net proceeds from the issue of the Convertible Bonds of approximately HK$849.5 million are intended to be used to fund the Group's business development including, in particular, the setup of the Group's medical management company utilising advanced medical technologies and equipment to focus on the field of oncology treatment and operation management and to replenish the working capital of the Group. The net price per conversion share to be issued is approximately HK$0.8495. The conversion shares will be issued by the Company pursuant to the general mandate (the "**General Mandate**") granted to the Directors at the annual general meeting held on 2 September 2016. Under the General Mandate, the Company is authorised to issue up to 1,070,277,790 Shares until the revocation, variation or expiration of the General Mandate. The Company has not exercised the power to allot and issue any new Shares pursuant to the General Mandate prior to the date of the Subscription Agreements.

On 17 February 2017, all conditions precedent under the CFC Group Subscription Agreement had been fulfilled. Completion of the CFC Group Subscription Agreement took place and the CFC Group Convertible Bonds in the principal amount of HK$220 million were issued to CFC Group on 17 February 2017.

On 3 March 2017 (after trading hours), the Company entered into an extension letter with each of Safe Arena, Ms. Song and Ms. Mei (the "**Remaining Subscribers**") to extend the completion date from the 45th business day to the 105th business day following the date of the Remaining Subscription Agreements, or such other date as the Company and the Remaining Subscribers may agree in writing. Save and except for the extension of the completion date, all other terms and provisions of the Remaining Subscription Agreements shall remain the same and unchanged and the Remaining Subscription Agreements shall remain in full force and effect.

On 3 March 2017 (after trading hours), the Company and Toplist had mutually agreed to enter, and had entered, into the deed of termination to terminate the Toplist Subscription Agreement and hence the issue of Convertible Bonds in the principal amount of HK$400 million to Toplist shall not proceed.

On 3 March 2017 (after trading hours), the Company and Gala Blossom Limited ("**Gala Blossom**") had mutually agreed to enter, and had entered, into the Gala Blossom Subscription Agreement in relation to the issue of the Gala Blossom Convertible Bonds under General Mandate in the principal amount of HK$400 million. The Gala Blossom Convertible Bonds will mature in the third anniversary of the issue of the Gala Blossom Convertible Bonds. The initial conversion price of the Gala Blossom Convertible Bonds is HK$0.85 per conversion share. The gross proceeds from the issue of the Gala Blossom Convertible Bonds amounted to HK$400 million. The net proceeds from the issue of the Gala Blossom Convertible Bonds of approximately HK$399.9 million are intended to be used to set up medical management company in the PRC, which includes some small scale acquisitions of medical companies and hospitals. The net price per Gala Blossom Conversion Share is approximately HK$0.8498.

On 20 March 2017, the Company decided to change the use of not exceeding HK$250 million out of the net proceeds of approximately HK$849.5 million raised from the issue of Convertible Bonds under the General Mandate would temporarily be used for short-term loan financing business, rather than for the intended medical business, of the outstanding subscription agreements.

On 28 April 2017, all conditions precedent under the Safe Arena Subscription Agreement and Ms. Mei Subscription Agreement have been fulfilled. Partial completion of the Safe Arena Subscription Agreement and completion of Ms. Mei Subscription Agreement took place and the Safe Arena Issued Convertible Bonds in the principal amount of HK$68.5 million and Ms. Mei Convertible Bonds in the principal amount of HK$20 million were issued on 28 April 2017.

On 11 May 2017 (after trading hours), the Company entered into an extension letter with Gala Blossom to extend the completion date from the 45th business day to the 80th business day following the date of the Gala Blossom Subscription Agreement, or such other date as the Company and Gala Blossom may agree in writing. Save and except for the aforesaid extension of the completion date, all other terms and provisions of the Gala Blossom Subscription Agreement shall remain the same and unchanged and the Gala Blossom Subscription Agreement shall remain in full force and effect.

On 5 June 2017, all conditions precedent under the Safe Arena Subscription Agreement and Ms. Song Subscription Agreement have been fulfilled. Completion of the Safe Arena Subscription Agreement and completion of Ms. Song Subscription Agreement took place and the Safe Arena Issued Convertible Bonds in the principal amount of HK$91.5 million and Ms. Song Convertible Bonds in the principal amount of HK$50 million were issued on 5 June 2017.

Details of the above transactions were disclosed in the announcements of the Company dated 23 December 2016, 20 February 2017, 3 March 2017, 20 March 2017, 28 April 2017, 11 May 2017 and 5 June 2017 respectively.

As at the date of this announcement, the Company received the net proceeds from the Subscription Agreements of approximately HK$449.6 million, of which (i) HK$250 million was used for short-term loans financing business; (ii) HK$101.6 million was used for setup the joint venture company in the PRC for the investment advisory services, wholesale and retails of pharmaceutical; and (iii) HK$98 million has not yet been utilized and remained in the bank.

Further Issue and Completion of Convertible Bonds under General Mandate

On 21 February 2017 (after trading hours), the Company entered into the subscription agreement (the "**CFC Group Subscription Agreement 2**") with CFC Group in relation to the issue of the convertible bonds (the "**CFC Group Convertible Bonds 2**") in the principal amount of HK$59.5 million. The gross proceeds from the issue of the CFC Group Convertible Bonds 2 will be HK$59.5 million. The CFC Group Convertible Bonds 2 will mature in the third anniversary of the issue of the CFC Group Convertible Bonds 2. The initial conversion price of the Convertible Bonds is HK$0.85 per conversion share. The net proceeds from the issue of the CFC Group Convertible Bonds 2 of approximately HK$59.4 million are intended to be used as general working capital of the Group. The net price per conversion share to be issued is approximately HK$0.849. The conversion shares will be issued by the Company pursuant to the General Mandate.

On 3 March 2017 (after trading hours), the Company and CFC Group had mutually agreed to enter, and had entered, into a supplemental agreement to clarify the rights of CFC Group if the Company is to conduct any consolidation or subdivision of the Shares before the maturity date of the convertible bonds which may be issued to CFC Group under the CFC Group Subscription Agreement 2 dated 21 February 2017.

On 14 March 2017, all conditions precedent under the CFC Group Subscription Agreement 2 had been fulfilled. Completion of the CFC Group Subscription Agreement 2 took place and the CFC Group Convertible Bonds 2 in the principal amount of HK$59.5 million were issued to CFC Group on 14 March 2017.

Details of the above transactions were disclosed in the announcements of the Company dated 21 February 2017, 3 March 2017 and 15 March 2017 respectively.

As at the date of this announcement, the Company received the net proceeds from the CFC Group Subscription Agreement 2 of approximately HK$59.4 million has not yet been utilized and remained in the bank.

Events after reporting period

Exercise of Share Options

On 3 April 2017, the Company received the exercise notice from the grantee to exercise an aggregate of 350,000 share options at an exercise price of HK$0.375 per Share and 350,000 Shares were issued on 3 April 2017.

On 11 April 2017, the Company received the exercise notice from the grantee to exercise an aggregate of 10,000,000 share options at an exercise price of HK$0.477 per Share and 10,000,000 Shares were issued on 12 April 2017.

On 23 April 2017, the Company received the exercise notice from the grantee to exercise an aggregate of 2,375,000 share options at an exercise price of HK$0.375 per Share and 2,375,000 Shares were issued on 10 May 2017.

On 25 April 2017, the Company received the exercise notices from the grantees to exercise an aggregate of 1,165,000 share options at an exercise price of HK$0.375 per Share and 1,165,000 Shares were issued on 10 May 2017.

On 26 April 2017, the Company received the exercise notice from the grantee to exercise an aggregate of 715,000 share options at an exercise price of HK$0.375 per Share and 715,000 Shares were issued on 10 May 2017.

On 25 April 2017, the Company received the exercise notice from the grantee to exercise an aggregate of 600,000 share options at an exercise price of HK$0.375 per Share and 600,000 Shares were issued on 18 May 2017.

On 26 April 2017, the Company received the exercise notice from the grantee to exercise an aggregate of 715,000 share options at an exercise price of HK$0.375 per Share and 715,000 Shares were issued on 18 May 2017.

On 12 May 2017, the Company received the exercise notice from the grantee to exercise an aggregate of 10,000,000 share options at an exercise price of HK$0.738 per Share and 10,000,000 Shares were issued on 18 May 2017.

On 26 May 2017, the Company received the exercise notices from the grantees to exercise an aggregate of 12,715,000 share options at an exercise price of HK$0.375 per Share and 12,715,000 Shares were issued on 29 May 2017.

On 14 June 2017, the Company received the exercise notice from the grantee to exercise an aggregate of 2,000,000 share options at an exercise price of HK$0.738 per Share and 2,000,000 Shares were issued on 15 June 2017.

Cancellation of Repurchased Shares

On 8 May 2017, a total of 79,825,000 repurchased Shares were cancelled.

Discloseable Transaction – Formation of Joint Ventures

On 12 May 2017, 和佳醫療投資管理（浙江）有限公司(Hoping Medical Investment Limited (Zhejiang)*) ("**Hoping Medical**"), an indirectly wholly-owned subsidiary of the Company, entered into the joint venture agreement with an independent third party, 中核新能投資有限公司(China CNNE Investment Limited*) ("**CCIL**"), and the joint venture company (the "**Joint Venture Company**") to form a joint venture for the investment advisory services, wholesale and retails of pharmaceutical, the development, transfer, advices and services on the field on pharmaceutical technologies (the "**Transaction**"). Before the Transaction, the entire issued share capital of the Joint Venture Company is held by CCIL. Upon completion of the Transaction, the Joint Venture Company will be owned as to 70% by CCIL and 30% by Hoping Medical. The parties expect that they will invest up to an aggregate of RMB250,000,000 (equivalent to approximately HK$282,250,000) into the Joint Venture Company, of which RMB90,000,000 (equivalent to approximately HK$101,610,000) will be contributed by the Company.

Details of the Transaction were disclosed in the announcement of the Company dated 12 May 2017.

On 14 June 2017, Hoping Medical entered into the joint venture agreement with CCIL and the joint venture company (the "**Joint Venture 2 Company**") to form a joint venture for the investment in hospitals and medical projects especially in proton medical center projects; medical technology research and development including proton accelerator and supporting scientific laboratory equipment; medical network technology development; medical robot research and development; hospital management; medical equipment technology development, advice and services (the "**Second Transaction**"). Upon completion of the Second Transaction, the Joint Venture 2 Company will be owned as to 76.92% by CCIL and 23.08% by Hoping Medical. The parties expect that they will invest up to an aggregate of RMB650,000,000 (equivalent to approximately HK$746,200,000) into the Joint Venture 2 Company, of which RMB150,000,000 (equivalent to approximately HK$172,200,000) will be contributed by the Company.

Details of the Second Transaction were disclosed in the announcement of the Company dated 14 June 2017.

Very Substantial Acquisition and Connected Transaction

On 21 June 2017 (after trading hours), the Company as the purchaser and Mr. Li Kwong Yuk, being a controlling shareholder, an Executive Director and the Chairman of the Company, as the vendor ("**Mr. Li**" or the "**Vendor**") entered into the acquisition agreement (the "**Acquisition Agreement**") pursuant to which the Company has conditionally agreed to acquire for and the Vendor has conditionally agreed to dispose of the entire equity interest in United Faith Investments Limited (the "**Target Company**"), which is wholly-owned by the Vendor, for the consideration of HK$1,000 million. Pursuant to the Acquisition Agreement, the consideration of HK$1,000 million shall be satisfied by the issuance of the convertible bonds ("**Mr. Li Convertible Bonds**") in the aggregate principal amount of HK$1,000 million to be issued by the Company to the Vendor under the specific mandate to be sought from the independent shareholders (the "**Independent Shareholders**") (other than Mr. Li, Mr. Su Xiaonong, an Executive Director and the Chief Executive Officer of the Company, and their respective associates who are required to abstain from voting at the special general meeting) at the special general meeting of the Company to be convened to allot and issue the new Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to Mr. Li Convertible Bonds. The initial conversion price of Mr. Li Convertible Bonds is HK$0.8 per conversion share.

The Target Company and its subsidiaries are undergoing the reorganization. Upon completion of the reorganization, the Target Company will indirectly hold 100% equity interest in 湛江鑫泰投資有限公司 (Xintai Investment Company Limited*) ("**Xintai**"). Xintai is principally engaged in the development, operation and investment of property. Xintai also holds 公園一號 (One Parkview*), a complex land use development which is located at No. 218, Ti Yu Nan Road, Chikan District, Zhanjiang, Guangdong Province, the PRC (the "**Properties**"). Xintai holds the Existing Land Use Right Certificates (with a total site area of approximately 106,140 square meters) in respect of the Properties. The Properties comprises of three phases, (i) phase I comprises of two blocks of residential buildings with a number of retail shops, car parks and facilities; (ii) phase II comprises of four blocks of residential buildings with a number of car parks and facilities; and (iii) phase III is a vacant land.

This transaction has not yet been completed up to the date of this announcement.

Details of the transaction were disclosed in the announcement of the Company dated 21 June 2017.

Completion of Gala Blossom Convertible Bonds under General Mandate

On 28 June 2017, all conditions precedent under the Gala Blossom Subscription Agreement of the Gala Blossom Convertible Bonds had been fulfilled. Partial completion of the Gala Blossom Convertible Bonds took place and the Gala Blossom Convertible Bonds in the principal amount of HK$170 million were issued to Gala Blossom on 28 June 2017.

On 30 June 2017, all conditions precedent under the Gala Blossom Subscription Agreement of the Gala Blossom Convertible Bonds had been fulfilled. Completion of the Gala Blossom Convertible Bonds has taken place and the Gala Blossom Convertible Bonds in the principal amount of HK$230 million were issued to Gala Blossom on 30 June 2017.

Details of the above transactions were disclosed in the announcements of the Company dated 28 June 2017 and 30 June 2017.

As at the date of this announcement, the Company received proceeds from the Gala Blossom Subscription Agreement of HK$400 million, of which HK$170 million was fully used for setup the Joint Venture 2 Company in the PRC for the investment in hospitals and medical projects especially in proton medical center projects, medical technology research and development including proton accelerate and the remaining HK$230 million has not yet been utilized and remained in the bank.

Proposed Refreshment of General Mandate of Issue Shares at the SGM

The Board proposed to refresh the existing general mandate which approved by the shareholders (the "**Shareholders**") at the annual general meeting of the Company on 2 September 2016. The granting of the refreshed general mandate is subject to the Independent Shareholders' approval at the special general meeting of the Company (the "**SGM**") to be held on 18 July 2017.

Details of the above transaction were disclosed in the circular of the Company dated 30 June 2017.

Strategy and Outlook

The Company would be included by Morgan Stanley Capital International ("**MSCI**") as a constituent of the MSCI Hong Kong Small Cap Index with effect from the close of 31 May 2017.

Apart from the existing businesses of securities trading, food and beverages, wine trading, loan financing, metal trading and finance leasing, the Group will continue to explore other potential investment opportunities with reasonable returns that meet the Company's criteria. This will not only strengthen our core business but also increase the shareholders' values. The Group has been exploring some investment opportunities in mining projects, resources projects, properties development projects, infrastructure development projects, investment and asset management. In particular, the Group will setup medical management company utilising advanced medical technologies and equipment to focus on the field of proton medical treatment in the PRC.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from HK$41 million in 2016 to HK$54 million in 2017, mainly due to the increase in the interest income from provision of loan financing and dividend income.

Gross Profit

Gross profit margin of the Group maintained at 98% (2016: 90%) this year.

Other Income

Other income increased to HK$14 million (2016: HK$1 million) this year.

Selling and distribution costs and administrative expenses

Selling and distribution costs was decreased to HK$3 million this year as compared to HK$4 million in last year due to the decrease in turnover of the Beijing Restaurant. The administrative expenses increased to HK$209 million (2016: HK$169 million) which was mainly due to the share-based payment expenses of HK$163 million (2016: HK$111 million).

Plant and equipment

Plant and equipment maintained at HK$6 million in this year (2016: HK$6 million). The slightly decrease was mainly due to the depreciation charge for the year.

Held for trading investments

Held for trading investments was significantly decreased from HK$630 million to HK$353 million this year because of the decrease in the portfolio of the listed investments in the securities trading business.

Cash and bank balances

Cash and bank balances increased from HK$18 million in last year to HK$77 million this year mainly due to the proceeds received from issuance of convertible bonds during the year.

Shareholders' Funds and Financial Ratios

As at 31 March 2017, the Group's net assets attributable to the owners of the Company amounted to HK$389 million (2016: HK$517 million), a decrease of HK$128 million when compared with that of 2016. Such net decrease was mainly due to the loss for the year set off with the issue of convertible bonds during the year.

As at 31 March 2017, total debt to equity ratio was 0.58 (2016: 0.23) and net debt to equity ratio was 0.38 (2016: 0.19), which were expressed as a percentage of total convertible bonds and finance lease obligations and net convertible bonds and finance lease obligations respectively, over the total equity of HK$389 million (2016: HK$517 million).

Borrowings

As at 31 March 2017, the Group's finance lease obligations amounted to nil (2016: HK$1 million). The finance lease obligations in previous year were denominated in Hong Kong dollars and subject to fixed interest rate.

Charge on Assets

As at 31 March 2017, the Group had pledged its assets with net book value of nil (2016: HK$3 million) to secure finance lease obligations.

Foreign Exchange Exposure

Most of the Group's assets are denominated in Hong Kong dollars ("**HKD**"), Renminbi ("**RMB**"), United States dollars ("**USD**")_and Australian dollars ("**AUD**"). Considering the exchange rates between these currencies are relatively stable, the Group believed that the corresponding exposure to RMB, USD and AUD exchange rates fluctuation were relatively limited. The Group does not undertake any derivative financial instruments or hedging instruments. The Group will constantly review the economic situation and its foreign currency risk profile, and continues to actively monitor foreign exchange exposure to minimize the impact of any adverse currency movement.

Contingent Liabilities

As at 31 March 2017 and 2016, the Group had no contingent liabilities.

Capital Commitments

As at 31 March 2017 and 2016, the Group had no capital commitments.

Treasury Policies

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimize the cost of funds, the Group's treasury activities are centralized. Cash is generally placed in short-term deposits mostly denominated in HKD, USD, RMB or AUD. The Group's liquidity and financing requirements are frequently reviewed. In anticipating new investments, the Group will consider new financing channels while maintaining an appropriate level of gearing.

EMPLOYEES AND REMUNERATION POLICIES

The Group employed 31 (2016: 35) full-time staff under its subsidiaries globally as at 31 March 2017. Total staff costs amounted to HK$30 million (2016: HK$15 million) for the year ended 31 March 2017. The remuneration policies of the Group are reviewed periodically on the basis of job nature, market trend, company performance and individual performance. Other staff benefits include bonuses awarded on a discretionary basis, retirement schemes and the Share Option Scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2017, the Company repurchased a total of 111,640,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK$77,300,603 and 73,300,000 Shares (including a total of 41,485,000 Shares repurchased by the Company during the year ended 31 March 2016) were cancelled during the year ended 31 March 2017. On 8 May 2017, a total of 79,825,000 Shares were cancelled.

Particulars of the shares repurchased are as follows:

Month	Total number of shares repurchased	Purchase price paid per share		Aggregate consideration
		Highest	**Lowest**	
		HK$	*HK$*	*HK$*
2016				
April	27,465,000	0.69	0.65	18,607,332
May	3,150,000	0.67	0.65	2,070,055
June	1,000,000	0.78	0.78	782,244
July	20,000,000	0.79	0.72	15,060,756
August	60,025,000	0.75	0.60	40,780,216
	111,640,000			77,300,603

The Directors consider that the above share repurchases are in the best interest of the Company and its shareholders and that such repurchases would lead to an enhancement of the earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 March 2017.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code (the "**Model Code**") for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rule**") as its code of conduct for securities transactions by Directors during the year.

The Company has made specific enquiries to all the Directors and they have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2017.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance and has introduced corporate governance practices appropriate to the conduct and growth of its business.

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules.

In the opinion of the Directors, the Company has complied with all code provisions of the CG Code during the year ended 31 March 2017 except for the deviation disclosed below:

Under code provision A.1.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting to all Directors to give all Directors an opportunity to attend. During the year ended 31 March 2017, certain regular Board meetings were convened with less than 14 days' notice to facilitate the Directors' timely reaction and expeditious decision making process in respect of internal affairs of the Group. All Board meetings, nevertheless, were duly convened and held in the way prescribed by the Bye-laws of the Company. The Board will use reasonable endeavour to meet the requirement of code provision A.1.3 of the CG Code in future. Adequate and appropriate information are circulated normally three days in advance of Board meetings to the Directors.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with the relevant code provisions in the CG Code.

During the year ended 31 March 2017, the Audit Committee comprises three Independent Non-executive Directors, namely Mr. Chow Shiu Ki (chairman of the Audit Committee), Mr. Cao Kuangyu and Mr. Ip Chi Wai. The chairman of the Audit Committee, Mr. Chow Shiu Ki, possesses appropriate professional qualifications in finance and accounting and meets the requirements of Rule 3.21 of the Listing Rules. No member of the Audit Committee is a former partner of the existing auditing firm of the Company during one year after he ceases to be partner of the audit firm.

The principal responsibilities of the Audit Committee are to review and provide supervision over the financial reporting system, risk management system and internal control procedures of the Group and to review the Company's annual report and accounts and the interim report and to provide advices and comments thereon to the Board.

During the year ended 31 March 2017, the Audit Committee met twice with the auditor of the Company. Details of the duties and responsibilities of the Audit Committee were disclosed in the "Terms of Reference of Audit Committee" which has been published on the websites of the Stock Exchange and the Company.

During the year ended 31 March 2017, the Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and risk management systems of the Group and financial reporting matters including the review of the audited financial statements of the Group for the year ended 31 March 2017.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Group for the year ended 31 March 2017 is published on the websites of the Stock Exchange at http://www.hkexnews.hk and the Company at http://www.dingyi.hk. The annual report of the Company for the year ended 31 March 2017 containing all applicable information required by the Listing Rules will be despatched to the Shareholders and published on the above websites on or before 31 July 2017.

APPRECIATION

I would like to take this opportunity to thank all of our customers, shareholders and business associates for their confidence and support to the Group. To all of our employees, I appreciate your hard work, dedication and commitment over the year.

By order of the Board
DINGYI GROUP INVESTMENT LIMITED
LI Kwong Yuk
Chairman and Executive Director

Hong Kong, 30 June 2017

As at the date of this announcement, the Board comprises Mr. LI Kwong Yuk (Chairman), Mr. SU Xiaonong (Chief Executive Officer), Mr. CHEUNG Sze Ming, Ms. LIU Yutong and Mr. ZHENG Xiantao as Executive Directors; and Mr. CHOW Shiu Ki, Mr. CAO Kuangyu and Mr. IP Chi Wai as Independent Non-executive Directors.

* *For identification purpose only*