DINGYI GROUP INVESTMENT LIMITED
鼎 億 集 團 投 資 有 限 公 司

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

INTERIM RESULTS

The board (the "**Board**") of directors (the "**Directors**") of DINGYI GROUP INVESTMENT LIMITED (the "**Company**") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 September 2017, together with the comparative figures for the corresponding period in 2016 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2017

		Unaudited six months ended 30 September	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
Revenue	*2*	**38,541**	36,123
Cost of sales		**(215)**	(706)
Gross profit		**38,326**	35,417
Other income	*3*	**2,212**	14,263
Realised (loss) gain on the disposal of held for trading investments		**(5,201)**	14,005
Loss arising from changes in fair value of held for trading investments		**(8,576)**	(22,657)
Loss arising from charges in fair value of derivative financial assets		**(4,811)**	–
Loss arising from changes in fair value of derivative financial liabilities		**(86,297)**	–
Realised gain on settlement of derivative financial assets		**–**	907
Impairment loss on available-for-sale financial assets		**(7,420)**	(4,186)
Selling and distribution costs		**(1,616)**	(1,665)
General and administrative expenses		**(30,789)**	(19,430)
Finance costs	*4*	**(30,993)**	(9,897)
Share of results of associates	*10*	**(86)**	–

		Unaudited six months ended 30 September	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
(Loss) profit before taxation	*5*	**(135,251)**	6,757
Income tax expense	*6*	**(3,063)**	(2,347)
(Loss) profit for the period		**(138,314)**	4,410
Attributable to:			
The owners of the Company		**(138,314)**	4,410
Non-controlling interests		**–**	–
		(138,314)	4,410
(Loss) earnings per share	*7*		
Basic and diluted (loss) earnings per share *(HK cents per share)*		**(2.60)**	0.09
		(2.60)	0.09
Dividends	*8*	**–**	–

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2017

	Unaudited six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
(Loss) profit for the period	**(138,314)**	4,410
Other comprehensive expense for the period		
Items that may be reclassified to profit or loss:		
Exchange difference arising on translation of overseas operations	**33,959**	(3,990)
Total comprehensive (expense) income for the period	**(104,355)**	420
Total comprehensive (expense) income for the period attributable to:		
The owners of the Company	**(104,355)**	420
Non-controlling interests	**–**	–
	(104,355)	420

Note: Items shown within other comprehensive income have no tax effect.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	Notes	Unaudited 30 September 2017 HK$'000	Audited 31 March 2017 HK$'000
Non-current assets			
Plant and equipment	*9*	**4,978**	6,074
Interests in associates	*10*	**281,626**	–
Available-for-sale financial assets		**66,807**	66,861
Non-current deposits and prepayments		**3,213**	3,172
		356,624	76,107
Current assets			
Inventories		**7,593**	7,493
Other debtors, deposits and prepayments		**16,784**	8,297
Loan and interest receivables	*11*	**890,755**	479,304
Finance lease receivables	*12*	**91,468**	94,470
Held for trading investments	*13*	**126,162**	352,543
Derivative financial instruments		**109,639**	32,988
Cash and cash equivalents		**27,668**	76,902
		1,270,069	1,051,997
Current liabilities			
Margin loans payable	*14*	**40,658**	178,285
Creditors, deposits and accruals	*15*	**47,419**	35,992
Amounts due to related companies		**–**	33,566
Derivative financial instruments		**–**	252,021
Current income tax liabilities		**8,778**	15,638
		96,855	515,502
Net current assets		**1,173,214**	536,495
Total assets less current liabilities		**1,529,838**	612,602

	Notes	Unaudited 30 September 2017 *HK$'000*	Audited 31 March 2017 *HK$'000*
Capital and reserves			
Share capital	*16*	**53,026**	53,182
Reserves		**747,694**	335,365
Equity attributable to the owners of the Company		**800,720**	388,547
Non-controlling interests		**(4)**	(12)
Total equity		**800,716**	388,535
Non-current liabilities			
Convertible bonds	*17*	**729,122**	224,067
		1,529,838	612,602

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which is a collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations (the "**Interpretations**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities (the "**Listing Rules**") of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). The Interim Financial Statements have been prepared under the historical cost convention except for certain financial instruments that are measured at fair values at the end of the reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The accounting policies adopted in preparing the condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 March 2017 except for the adoption of new accounting policies as a result of applying the new or revised HKFRSs as set out below.

Adoption of new or revised HKFRSs effective on 1 April 2017

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period and relevant to the Group:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealized Losses

The application of the above new or revised HKFRSs has no material effect on the Group's results and financial position.

1 BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES (Continued)

New or revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Lease[2]

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

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

The directors of the Company are currently assessing the possible impact of these new or revised standards on the Group's results and financial position in the first year of application.

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

2 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 accesses 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.

2 SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's turnover, revenue and results from continuing operations by reportable and operating segment:

For the six months ended 30 September 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	**5,479**	**–**	**897**	**32,131**	**34**	**38,541**
Realised loss on held for trading investments	**(5,201)**	**–**	**–**	**–**	**–**	**(5,201)**
Segment (loss) profit	**(8,367)**	**–**	**(498)**	**27,021**	**–**	**18,156**
Interest income						**147**
Finance costs						**(30,993)**
Loss arising from changes in fair value of derivative financial liabilities						**(86,297)**
Loss arising from changes in fair value of derivative financial assets						**(4,811)**
Impairment loss on available-for-sale financial assets						**(7,420)**
Share of results of associates						**(86)**
Unallocated corporate income						**2,065**
Unallocated corporate expenses						**(26,012)**
Loss before taxation						**(135,251)**

2 SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the six months ended 30 September 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	19,275	–	1,305	13,519	2,024	36,123
Realised gain on the disposal of held for trading investments	14,005	–	–	–	–	14,005
Segment profit (loss)	8,516	–	(1,408)	13,503	1,788	22,399
Interest income						40
Finance costs						(9,897)
Impairment loss on available-for-sale financial assets						(4,186)
Unallocated corporate income						14,223
Unallocated corporate expenses						(15,822)
Profit before taxation						6,757

2 SEGMENT INFORMATION (Continued)

Segment assets and liabilities

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

	As at 30 September 2017 *HK$'000*	As at 31 March 2017 *HK$'000*
Segment assets		
Securities trading business	**126,162**	352,543
Trading of wine business	**7,250**	7,250
Food and beverages – restaurant business	**850**	1,032
Loan financing business	**890,755**	479,304
Financial leasing business	**91,468**	94,470
Total segment assets	**1,116,485**	934,599
Unallocated corporate assets	**510,207**	193,505
Total consolidated assets	**1,626,692**	1,128,104
Segment liabilities		
Securities trading business	**40,658**	178,285
Trading of wine business	**–**	–
Food and beverages – restaurant business	**6,235**	5,821
Loan financing business	**–**	–
Financial leasing business	**–**	16
Total segment liabilities	**46,893**	184,122
Other unallocated liabilities	**779,084**	555,447
Total consolidated liabilities	**825,977**	739,569

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, interests in associates, available-for-sale financial assets, certain deposits and prepayment, derivative financial instruments, and certain cash and cash equivalents; and

2 SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

- all liabilities are allocated to operating segments other than certain deposit and accruals, derivative financial instruments, amounts due to related companies, certain current income tax liabilities and convertible bonds.

Other segment information

For the period ended 30 September 2017

	Securities trading business	Trading of wine business	Food and beverages – restaurant business	Loan financing business	Financial leasing business	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*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)	**–**	**–**	**6**	**–**	**–**	**340**	**346**
Depreciation of plant and equipment	**–**	**–**	**300**	**–**	**–**	**1,266**	**1,566**
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	**–**	**–**	**–**	**–**	**–**	**(147)**	**(147)**
Finance costs	**–**	**–**	**–**	**–**	**–**	**30,993**	**30,993**

For the period ended 30 September 2016

	Securities trading business	Trading of wine business	Food and beverages – restaurant business	Loan financing business	Financial leasing business	Unallocated	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*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)	–	–	–	–	–	27	27
Depreciation of plant and equipment	–	–	351	–	–	1,392	1,743
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	–	–	–	–	–	(40)	(40)
Finance costs	–	–	–	–	–	9,897	9,897

2 SEGMENT INFORMATION (Continued)

Geographical information

For the period ended 30 September 2017 and 2016, the Group's operation in food and beverages – restaurant business and financial leasing business are carried out wholly in PRC, securities trading business and loan financing business are carried in Hong Kong and PRC.

Segment revenue by geographical market is shown in below:

	Revenue from external customers six months ended 30 September		Non-current assets	
			As at 30 September	As at 31 March
	2017	2016	**2017**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**17,143**	32,793	**1,145**	4,070
PRC	**21,398**	3,330	**3,809**	1,973
USA	**–**	–	**24**	31
	38,541	36,123	**4,978**	6,074

The Group had no inter-segment sales for the periods ended 30 September 2017 and 2016.

No customer accounted for 10% or more of the total revenue for the periods ended 30 September 2017 and 2016.

As at 30 September 2017 and 31 March 2017, the Group's non-current assets (excluding available-for-sale financial assets) are all located in Hong Kong, PRC and USA.

3 OTHER INCOME

	2017	2016
	HK$'000	*HK$'000*
Bank interest income	**147**	40
Exchange gain	**2,064**	4,555
Net gain from the settlement of a claim	**–**	9,384
Others	**1**	284
	2,212	14,263

4 FINANCE COSTS

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Interest on bank borrowings wholly repayable within five years	**2,551**	4,859
Effective interest expense on convertible bonds *(note 17)*	**28,442**	5,017
Interest expense on a finance lease	**–**	21
	30,993	9,897

5 (LOSS) PROFIT BEFORE TAXATION

(Loss) profit before taxation has been arrived at after charging:

	2017	2016
	HK$'000	*HK$'000*
Directors' emoluments	**5,239**	2,987
Other staff costs (excluding director's emoluments)	**3,610**	3,698
Retirement benefits scheme contribution (excluding directors' emoluments)	**80**	98
Total staff costs	**8,929**	6,783
Cost of inventories recognised as expenses	**215**	706
Depreciation of plant and equipment	**1,566**	1,743
Operating lease payments in respect of leasing of premises under minimum lease payments	**6,198**	4,906

6 INCOME TAX EXPENSE

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Current income tax		
Hong Kong	**–**	1
Overseas	**3,063**	2,346
Income tax expense	**3,063**	2,347

Hong Kong profits tax was calculated at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits after offsetting tax losses brought forward from pervious year of each individual company.

For the current period, overseas taxation including Mainland China taxation was calculated based on the rates applicable in the relevant jurisdiction on estimated assessable profits. No provision for overseas profit tax has been made for the prior period.

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.

7 (LOSS) EARNINGS PER SHARE

Basic and diluted (loss) earnings per share is calculated by dividing the (loss) profit attributable to the owners of the Company as set out below by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
(Loss) profit attributable to the owners of the Company	**(138,314)**	4,410

7 (LOSS) EARNINGS PER SHARE (Continued)

	Number of shares **'000**	Number of shares *'000*
Weighted average number of ordinary shares in issue	**5,321,521**	5,102,130
Basic and diluted (loss) earnings per share *(HK cents)*	**(2.60)**	0.09

Diluted (loss) earnings per share is same as basic (loss) earnings per share for the periods ended 30 September 2017 and 2016. The computation of diluted (loss) earnings per share does not assume the exercise of the Company's share options and conversion of the Company's outstanding convertible loan notes since their exercise would result in a decrease in (loss) earnings per share for both periods.

8 DIVIDENDS

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2017 (2016: nil).

9 PLANT AND EQUIPMENT

For the six months ended 30 September 2017, the Group acquired plant and equipment at a cost of HK$346,000 (HK$27,000 for the six months ended 30 September 2016).

10 INTERESTS IN ASSOCIATES

	As at 30 September 2017 ***HK$'000***	As at 31 March 2017 *HK$'000*
Unlisted shares, at cost	**281,712**	–
Share of post-acquisition losses	**(86)**	–
	281,626	–

10 INTERESTS IN ASSOCIATES (Continued)

Particulars of the material associate as at 30 September 2017 are as follows:

Name of associates	Place or country of incorporation/ establishment/ operations	Issued and paid up share capital/register capital	Proportion of ownership interest		Principal activities
			Group's effective interest	Held by a subsidiary	
中核新能醫藥有限公司	The PRC	Registered and paid-up capital of RMB300,000,000	30%	30%	Investment in advisory services, wholesale and retails of pharmaceutical
中核新能質子醫療投資控股有限公司	The PRC	Registered and paid-up capital of RMB650,000,000	23%	23%	Investment in hospitals and medical projects especially in proton medical center projects

The summarised financial information of the Group's associates extracted from their management accounts as follows:

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
Total loss for the period	**(360)**	–
The Group's share of loss of associates	**(86)**	–

11 LOAN AND INTEREST RECEIVABLES

The loans receivables are due from independent third parties, which are unsecured and repayable from October 2017 to May 2018. The interest rates on the loans receivable are ranging from 8% to 24% per annum (2016: 10% to 48% per annum).

The following table illustrates the ageing analysis, based on the loan drawn down date, of the loan receivables (net of accumulated impairment losses) outstanding at the end of the reporting period:

	As at 30 September 2017	As at 31 March 2017
	HK$'000	*HK$'000*
Within 90 days	**543,848**	239,366
91 days to 180 days	**62,531**	85,928
181 days to 365 days	**237,365**	121,258
over 365 days	**47,011**	32,752
	890,755	479,304

The Group's loan financing customers included in the loan receivables are due for settlement at the date specified in the respective loan agreements.

As at 30 September 2017 and 31 March 2017, none of the loan receivables is past due and individually determined to be impaired or related to customers in financial difficulties. Consequently, no specific provision for impairment is recognised as at the end of each reporting period. The Group does not hold any collateral over these balances.

12 FINANCE LEASE RECEIVABLES

The Group had two finance lease agreements during the period ended 30 September 2017 (2016: two). For the arrangement, a finance leasing customer (the "**Lessee A**") sold its plant and equipment to the Group at RMB75,600,000 (equivalent to approximately HK$92,179,000) and leased back the plant and equipment with the lease period of 1 year from the date of inception.

Another lessee ("**Lessee B**") leased the equipment purchased by the Group at RMB5,319,000 (equivalent to HK$6,485,000) from a selected supplier with the lease period of 2 years from the date of inception. The interest rates inherent in the leases are fixed at the contract date over the lease terms. The lease was fully repaid during the period.

For the above finance lease arrangements, the ownership of leased assets will be transferred to the lessees at a purchase option of RMB100 upon the settlement of the receivable under the finance lease arrangement and the interest accrued under the lease arrangement.

	Minimum lease payments		**Present value of minimum lease payment**	
	As at 30 September 2017	As at 31 March 2017	**As at 30 September 2017**	As at 31 March 2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Finance lease receivables comprises:				
Within one year	**91,468**	94,505	**91,468**	94,470
After one year but within two years	**–**	–	**–**	–
	91,468	94,505	**91,468**	94,470
Less: Unearned finance income	**–**	(35)	**–**	–
Present value of minimum lease payment receivables	**91,468**	94,470	**91,468**	94,470

The relevant lease agreements entered into of approximately HK$91,468,000 (31 March 2017: HK$94,470,000) was aged within one year at the end of the reporting period.

There was no unguaranteed residual value in connection with finance lease arrangements or contingent lease arrangements of the Group that needed to be recorded at the end of the reporting period.

Lessee A and Lessee B are required to pay the Group through 2 and 4 half-yearly lease payments respectively from inception date up to maturity date. The finance lease receivables are neither past due nor impaired. Lessee B has fully repaid the lease payments during the period.

The fair value of receivable under finance lease arrangement approximates to its carrying amount.

The Group's finance lease receivables are denominated in RMB, the functional currency of the relevant group entity.

13 HELD FOR TRADING INVESTMENTS

Held for trading investments include:

	As at 30 September 2017 *HK$'000*	As at 31 March 2017 *HK$'000*
Listed securities held for trading, at fair value		
– Equity securities listed in Hong Kong *(note)*	**126,162**	349,689
– Equity securities listed in the PRC	**–**	2,854
	126,162	352,543

The fair values of the above listed securities are determined based on the quoted market bid prices available on the Hong Kong Stock Exchange and the Shanghai Stock Exchange or the market comparable approach at the end of the reporting period.

Note: As at 30 September 2017 and 31 March 2017, included in the held for trading investments is the Group's investment in Superb Summit International Group Limited ("**Superb Summit**") which is listed on the Hong Kong Stock Exchange, with a carrying amount of approximately HK$18,629,000 (31 March 2017: HK$18,629,000). The investment represented approximately 1.3% shareholding of the ordinary shares of Superb Summit. As at 30 September 2017 and 31 March 2017, the trading of the listed equity of Superb Summit was suspended and the fair value of the Company's investment in the listed equity of Superb Summit has been determined using market comparable approach reflects recent market value of comparable companies with similar business, adjusted for differences in nature, scope and location of the business.

As at 30 September 2017, the carrying amount of held for trading investments which have been pledged as security for the margin loan payable is approximately HK$87,235,000 (31 March 2017: HK$311,234,000), details of which are set out in note 14.

14 MARGIN LOANS PAYABLE

As at 30 September 2017, the margin loans payable was secured by the listed equity securities placed in financial institution held under the margin accounts, with total market value of approximately HK$135,625,000 (31 March 2017: HK$358,289,000) (note 13).

The margin loans payable carried interest at 3% (31 March 2017: 3%) per annum.

15 CREDITORS, DEPOSITS AND ACCRUALS

	As at 30 September 2017	As at 31 March 2017
	HK$'000	*HK$'000*
Trade creditors	**338**	473
Other creditors, deposits and accruals	**47,081**	35,519
	47,419	35,992

As at 30 September 2017 and 31 March 2017, all the trade creditors are aged under 60 days based on invoice date.

16 SHARE CAPITAL

	Number of shares	Share capital
	'000	*HK$'000*
Authorised ordinary shares:		
At 1 April 2015, 31 March 2017, 1 April 2017 and 30 September 2017 of HK$0.01 per share	10,500,000	105,000
Issued and fully paid ordinary shares:		
At 1 April 2016 of HK$0.01 per share	4,935,796	49,358
Issue of shares upon conversion of share options *(note (i))*	69,765	698
Issue of shares on conversion of CB1 *(note (ii))*	424,242	4,242
Repurchase and cancellation of shares *(note (iii))*	(111,640)	(1,116)
At 31 March 2017 of HK$0.01 per share	5,318,163	53,182
Issue of shares upon conversion of share options *(note (iv))*	43,285	432
Repurchase and cancellation of shares *(note (v))*	(58,800)	(588)
At 30 September 2017 of HK$0.01 per share	5,302,648	53,026

16 SHARE CAPITAL (Continued)

Notes:

(i) On 19 May 2016, 16 May 2016, 8 July 2016 and 26 July 2016, options were exercised to subscribe for 8,430,000, 10,000,000, 1,660,000 and 1,875,000 ordinary shares of the Company of HK$0.01 each at an exercise price of HK$0.375 per share. The new shares rank pari passu with the existing shares issued in all respects.

(ii) On 6 July 2016, convertible bonds with principal amounts of HK$140,000,000 were converted into 424,242,424 ordinary shares of the Company of HK$0.01 each at the fixed conversion price of HK$0.33 per share. The new shares issued rank pari passu with the existing shares in all respects.

(iii) During the year ended 31 March 2017, the Company repurchased and cancelled 111,640,000 and 30,615,000 ordinary shares, respectively.

(iv) During the period ended 30 September 2017, options were exercised to subscribe for 43,285,000 ordinary shares of the Company of HK$0.01 each at an aggregate consideration of approximately HK$22,697,000 in which approximately HK$432,000 was credited to share capital and the balance of approximately HK$30,738,000 was credited to the share premium account. Share capital reserve of approximately HK$8,473,000 has been transferred correspondingly to the share premium account in according with accounting policies. The new shares rank pari passu with the existing shares issued in all respects.

(v) During the period ended 30 September 2017, the Company repurchased 58,800,000 and cancelled 79,825,000 ordinary shares, respectively.

17 CONVERTIBLE BONDS

	HK$'000
Liability component on initial recognition *(note (i))*	222,246
Effective interest expense	3,841
Reclassification of accrued coupon interest to other creditors	(2,020)
Liability component at 31 March 2017	224,067
Add: Liability component on initial recognition *(note (ii))*	491,694
Add: Effective interest expense *(note 4)*	28,442
Reclassification of accrued coupon interest to other creditors	(15,081)
Liability component at 30 September 2017	729,122

The convertible bonds – liability component are classified under non-current liabilities.

Notes:

(i) The Group issued convertible bonds with 7% coupon rate at a total principal value of HK$279,500,000 on 17 February 2017 and 14 March 2017 to an independent third party. The convertible bonds will mature in 3 years from date of issue at its principal amount or can be converted into 328,823,529 shares at any time between the three months after the date of issue of the convertible bonds and the maturity date at the bondholder's option at rate of HK$0.85 per share. The Company shall have the right, as from the expiry of 15 months following the date of issue of the convertible bond, to partly or fully redeem the convertible bond early, by giving one month's prior notice in writing to the bondholder.

The fair values of the convertible bonds was valued by an independent valuer, JLL, as at 17 February 2017 and 14 March 2017 respectively. The convertible bonds comprise a derivative component, a liability component and an equity conversion component.

The fair values of the unlisted bond component were calculated by using a market interest rate of similar non-extendable and non-convertible bonds. The fair values of the early redemption options were valued by using the Binomial Option Pricing Model. The residual amount, representing the value of the equity conversion component, is included in the convertible bond-equity conversion reserve under equity attributable to the owners of the Company.

17 CONVERTIBLE BONDS (Continued)

Notes: (Continued)

(ii) The Group issued convertible bonds with 7% coupon rate at a total principal value of HK$630,000,000 on 28 April 2017, 5 June 2017, 28 June 2017 and 30 June 2017 to independent third parties. The convertible bonds will mature in 3 years from date of issue at its principal amount or can be converted into 741,176,466 shares at any time between the three months after the date of issue of the convertible bonds and the maturity date at the bondholder's option at rate of HK$0.85 per share. The Company shall have the right, as from the expiry of 15 months following the date of issue of the convertible bond, to partly or fully redeem the convertible bond early, by giving one month's prior notice in writing to the bondholder.

The fair values of the convertible bonds was valued by an independent valuer, JLL, as at 28 April 2017, 5 June 2017, 28 June 2017 and 30 June 2017 respectively. The convertible bonds comprise a derivative component, a liability component and an equity conversion component.

The fair values of the unlisted bond component were calculated by using a market interest rate of similar non-extendable and non-convertible bonds. The fair values of the early redemption options were valued by using the Binomial Option Pricing Model. The residual amount, representing the value of the equity conversion component, is included in the convertible bond-equity conversion reserve under equity attributable to the owners of the Company.

18 CONTINGENT LIABILITIES

As at 30 September 2017, the Group had no significant contingent liabilities (31 March 2017: nil).

19 CAPITAL COMMITMENTS

As at 30 September 2017, the Group had no significant capital commitments (31 March 2017: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's revenue increased from HK$36 million during the six months ended 30 September 2016 to HK$39 million during that of the period in 2017, mainly due to the increase in the revenue from the loan financing business. There was a loss attributable to the Company's owners of HK$138 million, compared to a profit of HK$4 million in last period. The loss during the period was mainly due to the increase in fair value loss on derivative financial assets, the increase in fair value loss on derivative financial liabilities, the increase in the loss arising from changes in fair value of held for trading investments and the realised loss on the disposal of held for trading investments during the period.

The basic and diluted loss per share amounted to HK2.60 cents during the six months ended 30 September 2017, compared with earnings per share of HK0.09 cents for the same period in last year.

Securities Trading

During the period, the Group has actively involved in the securities trading business. The majority of the Group's held for trading investments are the 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 realized loss on the disposal of these shares held for trading investments amounting to HK$5 million (2016: realized gain of HK$14 million) during the period under review. The unrealized loss of HK$9 million (2016: HK$23 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 loss of HK$8 million (2016: a segment profit of HK$9 million) during the period under review. The Group considers that the prospects in respect of the shares still held for trading investments are healthy. The unrealized loss as recorded at period 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 closely monitor the performance progress of the investment portfolio from time to time.

As at 30 September 2017 and 31 March 2017, the Group's held for trading investments were represented as follows:

Company Name/Stock Code	% of shareholding as at 30 September 2017	Fair value (loss) gain for the year ended 30 September 2017 *HK$'000*	Fair value as at 30 September 2017 *HK$'000*	% of total assets of the Group as at 30 September 2017	% of shareholding as at 31 March 2017	Fair value as at 31 March 2017 *HK$'000*	% of total assets of the Group as at 31 March 2017
Securities listed in Hong Kong							
COFCO Meat Holdings Limited (1610) *(Note (a))*	**0.897%**	**(8,728)**	**65,800**	**4.04%**	0.897%	65,800	5.83%
China Reinsurance (Group) Corporation (1508) *(Note (b))*	**0.350%**	**(1,404)**	**40,461**	**2.49%**	1.145%	136,845	12.13%
Superb Summit International Group Limited (1228) *(Note (c))*	**1.270%**	**–**	**18,629**	**1.15%**	1.270%	18,629	1.65%
China Galaxy Securities Co., Ltd. (6881) *(Note (d))*	**–**	**–**	**3**	**–**	0.098%	25,862	2.29%
CITIC Securities Company Limited (6030) *(Note (e))*	**–**	**–**	**–**	**–**	0.087%	31,745	2.82%
China Eastern Airlines Corporation Limited (670) *(Note (f))*	**–**	**–**	**–**	**–**	0.113%	24,196	2.14%
China Southern Airlines Company Limited (1055) *(Note (g))*	**–**	**–**	**–**	**–**	0.079%	11,836	1.05%
Others *(Note (h))*		**1,556**	**1,269**	**0.08%**		37,630	3.34%
		(8,576)	**126,162**	**7.76%**		352,543	31.25%

Notes:

(a) 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 interim report of the company for the period ended 30 June 2017, it recorded an unaudited net profit attributable to its owners of RMB226 million for the period ended 30 June 2017. With regards to the future prospects of the company, the Directors noted that the board of directors of the company will create more impressive performance, establish a national renowned brand and become a role model in China's meat industry.

(b) 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 interim report of the company for the period ended 30 June 2017, it recorded an unaudited net profit attributable to equity shareholders of the parent of RMB2.9 billion for the period ended 30 June 2017. With regards to the future prospects of the company, the Directors noted that the company and its subsidiaries will adhere to the spirt of the National Financial Work Conference based on its own actual operation, give play to its advantages and expertise, expedite its deployment and grasp new development opportunities.

(c) 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.

(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 interim report of the company for the period ended 30 June 2017, it recorded an unaudited net profit attributable to its owners of RMB2.3 billion for the period ended 30 June 2017. With regards to the future prospects of the company, the Directors noted that the company will adhere to its strategic objective of "building up a flagship securities brokerage, establishing a modern investment bank". Based on the listing of A Shares and supported by internal system reform, the company will develop its brokerage, investment banking, asset management, investment and internet business, as well as carry out acquisition and merger in overseas market in order to maximize operation results.

(e) 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 interim report of the company for the period ended 30 June 2017, it recorded an unaudited net profit attributable to its owners of the parent of RMB4.9 billion for the period ended 30 June 2017. 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.

(f) 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 interim report of the company for the period ended 30 June 2017, it recorded an unaudited net profit attributable to its equity holders of RMB4,486 million for the period ended 30 June 2017. With regards to the future prospects of the company, the Directors noted that in view of a relatively complicated external environment and intense market competition, the company and its subsidiaries will actively embrace challenges by focusing on safe operation, marketing, customer services, reform and transformation, streamlining management and party building areas and steadily promote the materialization of all work plans.

(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 interim report of the company for the period ended 30 June 2017, it recorded an unaudited net profit attributable to its equity shareholders of RMB2,772 million for the period ended 30 June 2017. With regards to the business plan of the company, the Directors noted that the company and its subsidiaries will hold on to the safety bottom line, enhance operational efficiency through a variety of measures, insist on offering sincere services, continue to improve "China Southern e-Travel" and step up efforts in hub construction, with an aim to achieve better operating results for the year and bring greater return for their shareholders.

(h) None of these investments represented more than 1% of the total assets of the Group as at 30 September 2017.

Loan Financing

During the period, the Group recorded a revenue of HK$32 million (2016: HK$14 million) and the segment profit was HK$27 million (2016: HK$14 million). The Group will further develop in this segment in order to earn a higher interest income.

Financial Leasing

During the period, the Group has recorded HK$1 million (2016: HK$2 million) of interest income from financial leasing business. The Group will also further develop in this segment in order to earn a high interest income.

Food and Beverages

The food and beverages segment generated a revenue of HK$1 million during the period under review (2016: HK$1 million). The segment reported a loss of HK$1 million (2016: HK$1 million) for the six months period ended 30 September 2017. The revenue 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 75,285,511 shares of Kore, representing approximately 9.8% of the entire issued share capital of Kore.

Capital Structure

As at 30 September 2017, the total number of issued shares of the Company was 5,361,448,952 (31 March 2017: 5,397,638,952) of HK$0.01 each (the "**Shares**") and its issued share capital was HK$53,614,490 (31 March 2017: HK$53,976,390). During the period, the details of changes of the capital structure of the Company were set out below:

(i) On 3 April 2017, a total of 350,000 share options were exercised at an exercise price of HK$0.375 per Share and these 350,000 Shares were allotted and issued on 3 April 2017;

(ii) On 11 April 2017, a total of 10,000,000 share options were exercised at an exercise price of HK$0.477 per Share and these 10,000,000 Shares were allotted and issued on 12 April 2017;

(iii) On 23 April 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 10 May 2017;

(iv) On 25 April 2017, a total of 1,165,000 share options were exercised at an exercise price of HK$0.375 per Share and these 1,165,000 Shares were allotted and issued on 10 May 2017;

(v) On 25 April 2017, a total of 600,000 share options were exercised at an exercise price of HK$0.375 per Share and these 600,000 Shares were allotted and issued on 18 May 2017;

(vi) On 26 April 2017, a total of 715,000 share options were exercised at an exercise price of HK$0.375 per Share and these 715,000 Shares were allotted and issued on 10 May 2017;

(vii) On 26 April 2017, a total of 715,000 share options were exercised at an exercise price of HK$0.375 per Share and these 715,000 Shares were allotted and issued on 18 May 2017;

(viii) On 8 May 2017, a total of 79,825,000 repurchased Shares were cancelled;

(ix) On 12 May 2017, a total of 10,000,000 share options were exercised at an exercise price of HK$0.738 per Share and these 10,000,000 Shares were allotted and issued on 18 May 2017;

(x) On 26 May 2017, a total of 12,715,000 share options were exercised at an exercise price of HK$0.375 per Share and these 12,715,000 Shares were allotted and issued on 29 May 2017;

(xi) On 14 June 2017, a total of 2,000,000 share options were exercised at an exercise price of HK$0.738 per Share and these 2,000,000 Shares were allotted and issued on 15 June 2017;

(xii) On 3 July 2017, a total of 1,000,000 share options were exercised at an exercise price of HK$0.738 per Share and these 1,000,000 Shares were allotted and issued on 4 July 2017;

(xiii) On 7 July 2017, a total of 1,000,000 share options were exercised at an exercise price of HK$0.738 per Share and these 1,000,000 Shares were allotted and issued on 10 July 2017; and

(xiv) On 25 July 2017, a total of 1,000,000 share options were exercised at an exercise price of HK$0.738 per Share and these 1,000,000 Shares were allotted and issued on 27 July 2017.

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

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.

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.

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.

On 29 September 2017, the Company decided to change the use of not exceeding HK$276.09 million out of the net proceeds of total approximately HK$549.9 million raised from the issue of Convertible Bonds under the General Mandate would be used for short-term loan financing business, to avoid funding idle.

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, 5 June 2017, 28 June 2017, 30 June 2017 and 29 September 2017 respectively.

As at the date of this announcement, the Company received the net proceeds from the Subscription Agreements and the Gala Blossom Subscription Agreement of total approximately HK$849.6 million, of which (i) HK$526.09 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; (iii) 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 accelerator; and (iv) the remaining amount of around HK$51.91 million was used as working capital.

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 been utilized as working capital.

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 (the "**JV 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 (the "**JV Agreement 2**") 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.

* *For identification purpose only*

As the JV Agreement and the JV Agreement 2 were entered into by Hoping Medical with the same party, CCIL, in relation to the formation of Joint Venture Company and Joint Venture 2 Company respectively. The Transaction and Second Transaction should be determined as an aggregated transactions of the Company under Rules 14.22 and 14.23 of the Listing Rules. Therefore, as the highest of the applicable percentage ratios of the Second Transaction is expected to exceed 25% but each of the applicable percentage ratios is less than 100%, the Second Transaction constitute a major transaction of the Company under Rule 14.06(3) of the Listing Rules and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Details of the Second Transaction were disclosed in the announcements of the Company dated 14 June 2017, 13 July 2017, 26 July 2017, 28 August 2017, 20 September 2017, 29 September 2017 and 31 October 2017 respectively.

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 announcements of the Company dated 21 June 2017, 12 July 2017, 31 August 2017, 29 September 2017 and 31 October 2017 respectively.

Events After Reporting Period

Grant and Exercise of Share Options

On 19 October 2017, the Board granted and the grants were accepted by the eligible participants as defined in the Share Option Scheme in respect of 536,000,000 share options at an exercise price of HK$0.488 per Share.

On 30 October 2017, the Company received the exercise notice from the grantee to exercise a total of 48,000,000 share options at an exercise price of HK$0.488 per Share and 48,000,000 Shares were issued on 30 October 2017.

On 31 October 2017, the Company received the exercise notices from the grantees to exercise an aggregate of 383,000,000 share options at an exercise price of HK$0.488 per Share and 383,000,000 Shares were issued on 31 October 2017.

On 31 October 2017, the Company received the exercise notices from the grantees to exercise an aggregate of 26,500,000 share options at an exercise price of HK$0.477 per Share and 26,500,000 Shares were issued on 31 October 2017.

* *For identification purpose only*

On 31 October 2017, the Company received the exercise notice from a Director to exercise a total of 13,300,000 share options at an exercise price of HK$0.375 per Share and 13,300,000 Shares were issued on 31 October 2017.

Strategy and Outlook

The Company has been selected as a constituent stock of Hang Seng Global Composite Index and Hang Seng Composite Index and its subdivisions of: Hang Seng Composite SmallCap Index, Hang Seng Composite MidCap & SmallCap Index and Hang Seng Composite Industry Index – Financials, by the Hang Seng Indexes Company Limited, with effect on 4 September 2017. The Board is of the view that the Company's inclusion in the market benchmark index represents capital market's recognition of the Company, and is expected to expand shareholder base and trading liquidity of the Company, resulting in realization of the value of investment in the Company and enhancement of the Company's reputation in the capital market.

Apart from the existing businesses of securities trading, food and beverages, wine trading, loan financing and financial 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 and investment and asset management. Also the Company is setting up medical management companies utilising advanced medical technologies and equipment to focus on the field of proton medical treatment in the PRC.

Shareholders' Equity and Financial Ratios

As at 30 September 2017, the Group's net assets attributable to the owners of the Company amounted to HK$801 million (31 March 2017: HK$389 million), an increase of HK412 million. Such increase was mainly due to the issuance of convertible bonds during the period.

As at 30 September 2017, total debt to equity ratio was 0.91 (31 March 2017: 0.58) and net debt to equity ratio was 0.88 (31 March 2017: 0.38) which were expressed as a percentage of total convertible bonds and net convertible bonds respectively, over the total equity of HK$801 million (31 March 2017: HK$389 million).

During the period, the Company repurchased 58,800,000 Shares for a total consideration (including expenses) of approximately HK$64 million.

Borrowings

As at 30 September 2017 and 31 March 2017, the Company had no bank borrowings.

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 rate between these currencies is relatively stable, the Group believed that the corresponding exposure to RMB, USD and AUD exchange rate fluctuation was 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, continues to actively monitor foreign exchange exposure to minimize the impact of any adverse currency movement.

Treasury Policies

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

Contingent Liabilities

As at 30 September 2017, the Group had no contingent liabilities.

Capital Commitment

As at 30 September 2017, the Group had no capital commitments.

Charges on the Group's Assets

As at 30 September 2017, the Group had no charges on the Group's assets.

INTERIM DIVIDEND

The Board has resolved not to recommend any interim dividend for the six months ended 30 September 2017 (2016: nil).

EMPLOYEES AND REMUNERATION POLICIES

The Group employed 36 full-time staffs under its subsidiaries globally as at 30 September 2017. Total staff costs amounted to HK$8,929,000 for the period under review. 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 period under review, the Company repurchased a total of 58,800,000 Shares of the Company on the Stock Exchange at an aggregate consideration of HK$64,255,246 and 79,825,000 Shares (which were repurchased by the Company during the year ended 31 March 2017) were cancelled during the six months ended 30 September 2017.

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$*	*HK$*
2017				
July	22,085,000	1.16	1.11	25,296,809
August	32,545,000	1.13	0.97	34,965,466
September	4,170,000	0.96	0.95	3,992,971
	58,800,000			64,255,246

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 six months ended 30 September 2017.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its code of conduct for securities transactions by Directors during the period. The Company has made specific enquiries to all the Directors and they have confirmed they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2017.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2017 save as disclosed as follows:

Code provision E.1.2 of the CG Code requires that the chairman of the board should attend the annual general meeting. Mr. Li Kwong Yuk, the Chairman of the Company, was unable to attend the annual general meeting of the Company held on 28 September 2017 due to his health reasons.

AUDIT COMMITTEE

During the period, 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 unaudited condensed consolidated financial statements for the six months ended 30 September 2017.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The interim results announcement of the Company for the six months ended 30 September 2017 is published on the websites of the Stock Exchange and the Company at http://www.hkexnews.hk and http://www.dingyi.hk respectively. The interim report of the Company for the six months ended 30 September 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 December 2017.

APPRECIATION

I would like to take this opportunity to express our sincere appreciation of the support from our customers, suppliers and Shareholders. I would also like to thank my fellow Directors for their valuable contribution and the staff members of the Group for their commitment and dedicated services throughout the period under review.

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

Hong Kong, 22 November 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.