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 2018

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 2018, together with the comparative figures of the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2017 and the comparative figures of the consolidated statement of financial position at 31 March 2017 and at 1 April 2016, summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2018

	NOTES	**2018** ***HK$'000***	2017 *HK$'000* (Restated)
Revenue	*4*	**667,950**	570,211
Cost of sales		**(520,908)**	(454,495)
Gross profit		**147,042**	115,716
Other income	*6*	**54,901**	14,032
Gain on disposal of subsidiaries		**10,331**	–
Share of losses of associates		**(89)**	–
Loss on early redemption of convertible bonds		**(34,838)**	–
(Loss) gain on disposal of held for trading investments		**(6,943)**	21,810
Loss arising from changes in fair value of held for trading investments		**(29,941)**	(39,772)
Gain arising from changes in fair value of derivative financial assets		**90,185**	4,811
Realised gain on settlement of derivative financial assets		**–**	907

	NOTES	2018 HK$'000	2017 HK$'000 (Restated)
Loss arising from changes in fair value of derivative financial liabilities		**(96,575)**	(279,448)
Impairment loss on available-for-sale financial assets		**(6,059)**	(8,161)
Selling and distribution costs		**(4,535)**	(10,229)
General and administrative expenses		**(210,234)**	(219,086)
Finance costs	*7*	**(112,803)**	(17,610)
Loss before tax	*8*	**(199,558)**	(417,030)
Income tax expenses	*9*	**(22,076)**	(23,799)
Loss for the year		**(221,634)**	(440,829)
Loss for the year attributable to:			
The owners of the Company		**(221,629)**	(440,817)
Non-controlling interests		**(5)**	(12)
		(221,634)	(440,829)
Loss per share			
Basic and diluted *(HK cents)*	*11*	**(3.79)**	(8.49)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Loss for the year	**(221,634)**	(440,829)
Other comprehensive income (expense) for the year		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference arising on translating foreign operations	**102,148**	(32,154)
Total comprehensive expense for the year	**(119,486)**	(472,983)
Total comprehensive expense for the year attributable to:		
The owners of the Company	**(119,481)**	(472,971)
Non-controlling interests	**(5)**	(12)
	(119,486)	(472,983)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	NOTES	**31 March 2018 HK$'000**	31 March 2017 HK$'000 (Restated)	1 April 2016 HK$'000 (Restated)
Non-current assets				
Investment property and investment property under construction		**19,524**	18,179	–
Property, plant and equipment		**29,921**	24,446	28,373
Available-for-sale financial assets		**65,807**	66,861	75,466
Non-current prepayments and deposits	*12*	**1,721**	3,172	2,582
Prepaid lease payments	*13*	**2,829**	2,619	2,867
Deferred taxation		**–**	1,675	4,935
		119,802	116,952	114,223
Current assets				
Inventories		**7,637**	7,493	7,607
Prepaid lease payments	*13*	**75**	68	72
Properties under development	*14*	**131,843**	118,660	110,177
Completed properties held for sale	*15*	**187,733**	664,152	1,182,656
Other receivables, prepayments and deposits	*12*	**476,323**	212,330	75,163
Loan and interest receivables	*16*	**1,546,227**	479,304	229,056
Finance lease receivables		**97,468**	87,907	94,723
Held for trading investments		**63,035**	360,775	650,159
Derivative financial instruments		**142,216**	32,988	711
Cash and cash equivalents		**283,017**	148,276	104,307
		2,935,574	2,111,953	2,454,631
Current liabilities				
Margin loans payables		**12,357**	178,285	376,861
Trade and other payables	*17*	**143,613**	353,911	492,169
Amounts due to related companies		**1,773**	366,983	368,816
Amount due to a director		**772**	78,281	65,414
Derivative financial instruments		**–**	252,021	–
Tax payables		**33,054**	30,613	7,212
Obligations under finance leases		**–**	–	1,374
Bank borrowings		**–**	57,986	330,987
		191,569	1,318,080	1,642,833

	31 March 2018	31 March 2017	1 April 2016
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
Net current assets	**2,744,005**	793,873	811,798
Total assets less current liabilities	**2,863,807**	910,825	926,021
Capital and reserves			
Share capital	**69,440**	53,182	49,358
Reserves	**1,539,185**	633,588	761,249
Equity attributable to the owners of the Company	**1,608,625**	686,770	810,607
Non-controlling interests	**(17)**	(12)	–
Total equity	**1,608,608**	686,758	810,607
Non-current liabilities			
Convertible bonds	**1,252,995**	224,067	115,414
Deferred taxation	**2,204**	–	–
	1,255,199	224,067	115,414
	2,863,807	910,825	926,021

1. GENERAL INFORMATION

Dingyi Group Investment Limited (the "Company") was incorporated in Bermuda with limited liability and its shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information to the annual report.

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 activities of the Company are investment holding. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in sale of food and beverages, loan financing, financial leasing, securities trading and property development.

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

2. BASIS OF PREPARATION

On 21 June 2017, the Group entered into an acquisition agreement (the "Acquisition Agreement") with Mr. Li Kwong Yuk ("Mr. Li"), the controlling shareholder and director of the Company, to acquire 100% equity interest of United Faith Investments Limited and its subsidiaries (hereinafter collectively referred to as the "United Faith Group") for a consideration of HK$1,000 million, which was settled by the issuance of the zero coupon convertible bonds in the aggregate principal amount of HK$1,000 million at an initial conversion price of HK$0.80 per share with maturity on the 5th anniversary of the issue date of the Convertible Bonds by the Company to Mr. Li upon completion of the acquisition on 26 March 2018 (the "Acquisition"). The principal activities of the acquired subsidiaries are securities trading and property development.

Since the United Faith Group has been under the control and beneficially owned by Mr. Li prior to and after the Acquisition, therefore this Acquisition is accounted for as business combinations involving entities under common control. Under Accounting Guideline 5 Merger Accounting issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for Common Control Combinations, the consolidated financial statements incorporate the financial statement items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

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

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("HKAS(s)"), amendments and Interpretations ("Int(s)"), issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2014 – 2016 Cycle: Amendments to HKFRS 12
Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

Except as described below, the application of the above new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 7 Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments do not prescribe a specific method to fulfil the new disclosure requirements. However, the amendments indicate that one way is to provide a reconciliation between the opening and closing balances for liabilities arising from financing activities.

The application of amendments to HKAS 7 has resulted in additional disclosures on the Group's financing activities, especially a reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities is provided. On initial application of the amendments, the Group is not required to provide comparative information for preceding periods. Apart from the additional disclosure, the directors of the Company considered that these amendments have had no impact on the Group's consolidated financial statements.

New and revised HKFRSs in issue 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[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contracts[3]
Amendments to HKFRSs	Annual improvements to HKFRSs 2014 – 2016 Cycle[1]
	Annual Improvements to HKFRSs 2015 – 2017 Cycle[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKFRS 15	Clarification to HKFRS 15[1]
Amendments to HKAS 19	Employee benefits[2]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 40	Transfers of Investment Property[1]
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments[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.

3 Effective for annual periods beginning on or after 1 January 2021.

4 Effective date not yet been determined.

4. REVENUE

Revenue represents revenue engaged in sale of food and beverages, loan financing, financial leasing, securities trading and properties development for the year. An analysis of the Group's revenue for the year is as follows:

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Sales of food and beverages	**2,617**	4,146
Sales of properties	**572,234**	516,092
Financial leasing income	**35**	2,188
Dividend income	**5,479**	19,548
Interest income from provision of loan financing services	**87,585**	28,237
	667,950	570,211

5. SEGMENT INFORMATION

Information reported to the board of directors, being the chief operating decision maker ("CODM"), for the purpose of resources allocation and assessment of segment performance focuses on types of goods, or services delivered or provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

During the year ended 31 March 2018, following the completion of the acquisition of United Faith Group, which is principally engaged in the properties development business, as detailed in note 2 of this announcement, and changed the Group's internal organisation structure, a new segment, namely property development has been added. The nature of the property development business is different from other segment and it is material to the Group. Accordingly, the composition of its operating segments has been revised and the segment information for the year ended 31 March 2017 has been restated due to the effect of merger accounting as disclosed in note 2, as well as to conform to current year's presentation.

Specifically, the Group's reportable segments are as follows:

(i) Securities trading business;

(ii) Trading of wine business;

(iii) Food and beverages-restaurant business;

(iv) Loan financing business;

(v) Financial leasing business; and

(vi) Property development business.

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 2018

	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$'000*	Properties development business *HK$'000*	Total *HK$'000*
Revenue							
External revenue	5,479	–	2,617	87,585	35	572,234	667,950
Loss on disposal of held for trading investments	(6,943)	–	–	–	–	–	(6,943)
Segment (loss) profit	(33,776)	–	(602)	83,794	35	45,814	95,265
Interest income							498
Finance costs							(112,803)
Loss arising from changes in fair value of derivative financial liabilities							(96,575)
Loss on early redemption of convertible bonds							(34,838)
Gain arising from changes in fair value of derivative financial assets							90,185
Impairment loss on available-for-sale financial assets							(6,059)
Gains on disposal of subsidiaries							10,331
Shares of losses of associates							(89)
Unallocated corporate income							54,315
Unallocated corporate expenses							(199,788)
Loss before tax							(199,558)

Year ended 31 March 2017 (Restated)

	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$'000*	Properties development business *HK$'000*	Total *HK$'000*
Revenue							
External revenue	19,548	–	4,146	28,237	2,188	516,092	570,211
Gain on disposal of held for trading investments	21,810	–	–	–	–	–	21,810
Segment profit (loss)	1,414	–	(1,175)	27,037	2,099	45,421	74,796
Interest income							535
Finance costs							(17,610)
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							(206,357)
Loss before tax							(417,030)

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, director's salaries, finance costs, gain or loss arising from change in fair value of derivative financial assets and financial liabilities, realised gain on settlement of derivative financial assets, impairment loss on available-for-sale financial assets, other income, loss on early redemption of convertible bonds, gain on disposal of subsidiaries, shares of losses of associates and net gain from a settlement of claim. This is the measure reported to the CODM 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:

	31 March 2018	31 March 2017	1 April 2016
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
Segment assets			
Securities trading business	**63,035**	360,775	650,159
Trading of wine business	**7,250**	7,250	7,250
Food and beverages – restaurant business	**608**	1,032	1,869
Loan financing business	**1,546,227**	479,304	229,056
Financial leasing business	**97,468**	87,907	94,723
Properties development business	**516,597**	977,049	1,341,631
Total segment assets	**2,231,185**	1,913,317	2,324,688
Unallocated corporate assets	**824,191**	315,588	244,166
Total consolidated assets	**3,055,376**	2,228,905	2,568,854
Segment liabilities			
Securities trading business	**12,357**	178,285	376,861
Trading of wine business	**–**	–	–
Food and beverages – restaurant business	**4,222**	5,821	5,433
Loan financing business	**–**	–	4
Financial leasing business	**–**	16	429
Properties development business	**41,992**	307,048	426,281
Total segment liabilities	**58,571**	491,170	809,008
Unallocated corporate liabilities	**1,388,197**	1,050,977	949,239
Total consolidated liabilities	**1,446,768**	1,542,147	1,758,247

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, prepayments and other receivables, derivative financial instruments, deferred taxation and cash and cash equivalents; and

- all liabilities are allocated to operating segments other than certain trade and other payables, amounts due to related companies, amount due to a director, tax payables, derivative financial instruments, deferred taxation, bank borrowings, obligations under finance lease and convertible bonds.

6. OTHER INCOME

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Bank interest income	**498**	535
Exchange gain, net	**45,287**	4,162
Rental income from investment property *(note i)*	**88**	–
Net gain from a settlement of claim *(note ii)*	**–**	9,207
Consulting service income	**7,812**	–
Others	**1,216**	128
	54,901	14,032

Notes:

(i) The rental income from investment properties for the year ended 31 March 2018 was amounted to HK$88,000 (2017: nil).

(ii) On 25 September 2015, the Group entered into a cooperation agreement with a nominee, Xumao Ventures Limited ("Xumao Ventures"), a company incorporated in the British Virgin Islands, to acquire the equity interest in Jinshidai Investment Consultancy (Shenzhen) Co., Ltd. ("Jinshidai"), an independent third party with property interests located in the PRC.

Due to the non-performance of the vendors, the Group has 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 vendors. The application has been accepted by the Commission on the same date of 29 January 2016.

On 11 April 2016, the nominee and the vendors entered into a settlement agreement (the "Settlement Agreement") to settle the arbitration. Under the Settlement Agreement, the vendors agreed to make a payment of RMB38,000,000 to settle the arbitration and related proceedings. The consideration for the acquisition was settled by an advance from a director, Mr. Li and the settlement was repaid to the director during the years ended 31 March 2016 and 2017, respectively. The Group was entitled to a share of 38% of the remaining balance of approximately HK$9,207,000 as net settlement and was recognised to offset to the amounts due to the related companies. The settlement was received subsequent to the end of the reporting period. 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.

7. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Interest on margin loans payable	**2,673**	8,164
Effective interest expenses on convertible bonds	**109,911**	8,858
Interest on bank borrowings	**219**	562
Interest on finance leases	**–**	26
	112,803	17,610

8. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Directors' and chief executive's emoluments	**11,450**	6,436
Other staff costs (excluding directors' and chief executive's emoluments)	**10,559**	10,674
Share-based payments expenses (excluding directors' and chief executive's emoluments)	**–**	16,129
Retirement benefit scheme contribution (excluding directors' and chief executive's emoluments)	**478**	485
Total staff costs	**22,487**	33,724
Amount of inventories recognised as an expense	**520,908**	454,495
Auditors' remuneration	**2,000**	1,400
Amortisation of prepaid lease payments	**71**	78
Depreciation of property, plant and equipment	**6,503**	5,898
Depreciation of investment property	**843**	–
Operating lease payments in respect of rented premises under minimum lease payments	**20,448**	13,475
Share-based payments expenses granted to consultants *(note)*	**118,400**	146,621

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

9. INCOME TAX EXPENSES

	2018	2017
	HK$'000	*HK$'000*
		(Restated)
Current income tax		
Hong Kong	**94**	22
The PRC Enterprise Income Tax ("EIT")	**17,965**	9,846
The PRC LAT	**333**	1,156
	18,392	11,024
(Over-provision) Under-provision in prior years		
Hong Kong	**(169)**	10,648
The PRC EIT	**–**	(883)
	(169)	9,765
Deferred tax	**3,853**	3,010
Income tax expenses	**22,076**	23,799

Hong Kong profits tax is calculated at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits for both years.

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.

Land appreciation tax ("**LAT**") in the PRC is levied on properties developed by the Group for sale, at progressive rate ranging from 30% to 60% on the appreciation of land value under the applicable regulations, is calculated based on the proceeds of sales of properties less deductible expenditures including cost of land use rights, borrowing costs and all property development expenditures.

10. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2018, nor has any dividend been proposed since the end of the reporting period (2017: nil).

11. 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:

	2018	2017
Loss	***HK$'000***	*HK$'000*
		(Restated)
Loss for the year attributable to the owners of the Company	**221,629**	440,817
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**5,851,539**	5,189,184

The diluted loss per share for the year ended 31 March 2018 and 2017 are the same as the basic loss per share since 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.

For the year ended 31 March 2018 and 2017, the effects of potential ordinary shares arising from all share options and convertible bonds are not included in calculating the diluted loss per share as they had an anti-dilutive effect on the loss per share for the year.

12. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	31 March 2018 *HK$'000*	31 March 2017 *HK$'000* (Restated)	1 April 2016 *HK$'000* (Restated)
Deposits placed in financial institution	**–**	–	773
Prepayments	**137,475**	185,235	36,414
Deposits paid	**23,594**	22,499	24,156
Consideration receivable	**312,250**	–	–
Other receivables	**4,725**	7,768	16,402
	478,044	215,502	77,745
Analysed for reporting purposes:			
Non-current assets	**1,721**	3,172	2,582
Current assets	**476,323**	212,330	75,163
	478,044	215,502	77,745

13. PREPAID LEASE PAYMENTS

	31 March 2018 *HK$'000*	31 March 2017 *HK$'000* (Restated)	1 April 2016 *HK$'000* (Restated)
Leasehold land held under medium-term purposes as follows:			
Non-current asset	**2,829**	2,619	2,867
Current asset	**75**	68	72
	2,904	2,687	2,939

14. PROPERTIES UNDER DEVELOPMENT

	31 March 2018 *HK$'000*	31 March 2017 *HK$'000* (Restated)	1 April 2016 *HK$'000* (Restated)
At the beginning of the year (As previously reported)	**–**	–	–
Effect of business combinations under common control	**118,660**	110,177	1,247,832
As at the beginning of the year (As restated)	**118,660**	110,177	1,247,832
Additions	**265**	15,701	105
Transferred to completed properties held for sale	**–**	–	(1,105,819)
Exchange difference	**12,918**	(7,218)	(31,941)
At the end of the year	**131,843**	118,660	110,177

Properties under development are classified as current assets as the construction period of the relevant properties development project is expected to be completed in the normal operating cycle.

15. COMPLETED PROPERTIES HELD FOR SALE

The Group's properties held for sale are situated on a leasehold land in the PRC. All the completed properties held for sale are stated at lower of cost and net realisable value.

No completed properties held for sale has pledged as at 31 March 2018 (31 March 2017 (Restated): HK$664,152,000 and 1 April 2016 (Restated): HK$1,182,656,000 respectively) to secure general banking facilities granted to the Group.

16. LOAN AND INTEREST RECEIVABLES

	31 March 2018 *HK$'000*	31 March 2017 *HK$'000*	1 April 2016 *HK$'000*
Loan receivables	**1,532,970**	410,468	184,018
Interest receivables	**13,257**	68,836	45,038
	1,546,227	479,304	229,056

The loans and interest receivables are due from independent third parties, which are unsecured. The interest rates on the loan and interest receivables are fixed ranging from 5% to 48% per annum (31 March 2017: 5% to 48% per annum and 1 April 2016: 10% to 48% per annum). No impairment loss was recognised for the year ended 31 March 2018 (2017: nil).

The following is an ageing analysis of loan and interest receivables, presented based on the loan drawn down date and interests accrued at the end of the reporting period:

	31 March 2018	31 March 2017	1 April 2016
	HK$'000	*HK$'000*	*HK$'000*
Within 90 days	**489,556**	239,366	–
91 days to 180 days	**232,031**	85,928	5,542
181 days to 365 days	**569,350**	121,258	187,403
Over 365 days	**255,290**	32,752	36,111
	1,546,227	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.

Included in the Group's loan and interest receivables are loan and interest receivables with aggregate carrying amount of approximately of nil (31 March 2017: HK$239,095,000 and 1 April 2016: HK$27,753,000) which are past due as the end of the reporting period for which the Group has not provided for impairment loss. The management believes that no impairment allowance is necessary in respect of these balances are either subsequently settled or the borrowers are long relationship customers with repayment agreements formulated subsequent to the end of the reporting period.

During the year ended 31 March 2018 and 2017, no impairment loss on loan receivable and interest income was recognised in the consolidated statement of profit or loss and other comprehensive income.

The following is an ageing analysis of loan and interest receivables that are past due but not impaired:

	31 March 2018	31 March 2017	1 April 2016
	HK$'000	*HK$'000*	*HK$'000*
Not yet due	**1,546,227**	240,209	200,520
Within 30 days	**–**	–	783
Over 181 days	**–**	239,095	27,753
	1,546,227	479,304	229,056

17. TRADE AND OTHER PAYABLES

	31 March 2018 *HK$'000*	31 March 2017 *HK$'000* (Restated)	1 April 2016 *HK$'000* (Restated)
Trade payables	**4,430**	4,366	2,743
Receipts in advance	**41,760**	313,309	423,912
Accrual	**60,743**	10,213	8,764
Other payable	**36,680**	26,023	56,750
	143,613	353,911	492,169

Note: Included in other payables was an amount of approximately HK$6,240,000 (31 March 2017: HK$6,240,000 and 1 April 2016: HK$51,296,000) which represented the consideration payable to the non-controlling interests in respect of the acquisition of the 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 payables presented based on the invoice date at the end of the reporting period.

	31 March 2018 *HK$'000*	31 March 2017 *HK$'000* (Restated)	1 April 2016 *HK$'000* (Restated)
Within 30 days			
31 to 60 days	**336**	406	154
61 to 90 days	**–**	2,222	220
Over 181 days	**4,094**	1,738	2,369
	4,430	4,366	2,743

The average credit term on trade payables is 60-180 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 2018 (2017: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's revenue from its continuing operations during the year under review amounted to approximately HK$668 million or HK$98 million more than that during the previous year. There was a loss for the year attributable to the Company's owners of approximately HK$222 million (2017: HK$441 million) which included a fair value loss on derivative financial liabilities amounted to approximately HK$97 million (2017: HK$279 million), loss arising from changes in fair value of held for trading investments amounted to approximately HK$30 million (2017: HK$40 million), share-based payment expenses of approximately HK$118 million (2017: HK$163 million) and a one-off loss on early redemption of convertible bonds of approximately HK$35 million.

The basic and diluted loss per share was HK3.79 cents, as compared with loss per share of HK8.49 cents last year.

Securities Trading

During the year, the Group has actively involved in the securities 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 realised loss on the disposal of these shares held for trading investments amounting to approximately HK$7 million (2017: gain of HK$22 million) during the year under review. The loss of approximately HK$30 million (2017: HK$40 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 approximately HK$34 million (2017: gain of HK$1 million) during the year under review. 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 closely monitor the performance progress of the investment portfolio from time to time.

As at 31 March 2018 and 2017, the Group's held for trading investments were represented as follows:

Company Name/Stock Code	% of shareholding as at 31 March 2018	Fair value loss for the year ended 31 March 2018 *HK$'000*	Fair value as at 31 March 2018 *HK$'000*	% of total assets of the Group as at 31 March 2018	% of shareholding as at 31 March 2017	Fair value as at 31 March 2017 *HK$'000* (Restated)	% of total assets of the Group as at 31 March 2017 (Restated)
Securities listed in Hong Kong							
China Reinsurance (Group) Corporation (1508)	–	–	–	–	1.145%	136,845	6.14%
COFCO Meat Holdings Ltd. (1610) *(note (a))*	0.621%	(14,788)	30,789	1.01%	0.897%	65,800	2.95%
CITIC Securities Company Limited (6030)	–	–	–	–	0.087%	31,745	1.42%
China Galaxy Securities Co., Ltd. (6881)	–	–	–	–	0.098%	25,862	1.16%
China Eastern Airlines Corporation Limited (670)	–	–	–	–	0.113%	24,196	1.09%
Others		(15,153)	32,246	1.05%		76,327	3.43%
		(29,941)	63,035	2.06%		360,775	16.19%

(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 annual report of the company for the year ended 31 December 2017, it recorded an audited net profit attributable to its owners from continuing and discontinued operations of RMB445 million for the year ended 31 December 2017. With regards to the future prospects of the company, the Directors noted that the board of directors of the company believe that the company will achieve better performance and create greater value for shareholders.

Loan Financing

During the year, the Group recorded a revenue of HK$88 million (2017: HK$28 million) and the segment profit was HK$84 million (2017: HK$27 million). The Group will further develop in this segment in order to earn a higher interest income.

Properties Development

During the year ended 31 March 2018, following the completion of the acquisition of United Faith Group, which is principally engaged in the properties development business, a new segment namely properties development has been added. The segment generated the revenue of HK$572 million (2017: HK$516 million) and reported a gain of HK$46 million (2017: HK$45 million) during the year under review. The Group anticipates further revenue and positive results from this new segment in the following years upon completion of properties under development and the sales of completed properties.

Financial Leasing

During the year, the Group has recorded HK$35,000 (2017: HK$2,188,000) of interest income and HK$35,000 (2017: HK$2,099,000) segment profit from financial leasing business. The Group will also further develop in this segment in order to earn a higher interest income.

Food and Beverages

The food and beverages segment generated a revenue of HK$3 million during the year under review (2017: HK$4 million). The segment reported a loss of HK$1 million (2017: 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 Plc ("**Kore**") (formerly known as "**Elemental Minerals Limited**") is a mineral exploration and development company listed on the London Stock Exchange AIM platform, the Australian Stock Exchange, and Johannesburg Stock Exchange. It is currently developing the Sintoukola potash project located in the Republic of Congo.

As at the date of this annual report, the Group holds an aggregate of 75,285,511 shares of Kore, representing approximately 8.76% of the entire issued share capital of Kore.

Capital Structure

As at 31 March 2018, the total number of issued shares of the Company was 7,002,772,481 (31 March 2017: 5,397,638,952) of HK$0.01 each (the "**Shares**") and its issued share capital was HK$70,027,725 (31 March 2017: HK$53,976,390). During the year, 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;

(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.

(xv) On 30 October 2017, a total of 48,000,000 share options were exercised at an exercise price of HK$0.488 per Share and these 48,000,000 Shares were allotted and issued on 30 October 2017;

(xvi) On 31 October 2017, a total of 383,000,000 share options were exercised at an exercise price of HK$0.488 per Share and these 383,000,000 Shares were allotted and issued on 31 October 2017;

(xvii) On 31 October 2017, a total of 26,500,000 share options were exercised at an exercise price of HK$0.477 per Share and these 26,500,000 Shares were allotted and issued on 31 October 2017;

(xviii) On 31 October 2017, a total of 13,300,000 share options were exercised at an exercise price of HK$0.375 per Share and these 13,300,000 Shares were allotted and issued on 31 October 2017;

(xix) On 15 December 2017, 18 December 2017 and 5 January 2018, the Company entered into a placing agreement and supplemental placing agreements with Sinomax Securities Limited (the "**Placing Agent**"), pursuant to which the Placing Agent has conditionally agreed to place, on a best efforts basis, 1,072,000,000 new shares (the "**Placing Share(s)**") to not less than six independent placees at a placing price of HK$0.443 per Placing Share (the "**Placing**"). The Placing was completed on 16 January 2018 and an aggregate of 600,000,000 Placing Shares were successfully placed to not less than six independent placees. The net proceeds from the Placing was approximately HK$263.8 million (representing a net issue price of approximately HK$0.440 per Placing Share) and as to approximately HK$232 million has been utilized for short term loans financing business; approximately HK$13 million has been utilized for redemption of convertible bonds; and approximately HK$18.8 million has been used for general working capital of the Group;

(xx) On 19 January 2018, a total of 15,600,000 share options were exercised at an exercise price of HK$0.375 per Share and these 15,600,000 Shares were allotted and issued on 26 January 2018;

(xxi) On 26 January 2018, a total of 5,000,000 share options were exercised at an exercise price of HK$0.488 per Share and these 5,000,000 Shares were allotted and issued on 1 February 2018;

(xxii) On 29 January 2018, a total of 3,000,000 share options were exercised at an exercise price of HK$0.375 per Share and these 3,000,000 Shares were allotted and issued on 1 February 2018;

(xxiii) On 30 January 2018, a total of 2,000,000 share options were exercised at an exercise price of HK$0.477 per Share and these 2,000,000 Shares were allotted and issued on 5 February 2018;

(xxiv) On 30 January 2018, the rights attaching to the convertible bonds to subscribe 58,823,529 Shares at conversion price of HK$0.85 per conversion share were exercised and these 58,823,529 Shares were allotted and issued on 5 February 2018;

(xxv) On 5 February 2018, a total of 1,500,000 share options were exercised at an exercise price of HK$0.477 per Share and these 1,500,000 Shares were allotted and issued on 9 February 2018;

(xxvi) On 6 February 2018, a total of 2,850,000 share options were exercised at an exercise price of HK$0.375 per Share and these 2,850,000 Shares were allotted and issued on 9 February 2018;

(xxvii) On 7 February 2018, a total of 5,000,000 share options were exercised at an exercise price of HK$0.477 per Share and these 5,000,000 Shares were allotted and issued on 9 February 2018;

(xxviii) On 23 January 2018 and 9 February 2018, the Company entered into a placing agreement and a supplemental placing agreement with Sinomax Securities Limited (the "**Placing Agent**"), pursuant to which the Placing Agent has conditionally agreed to place, on a best efforts basis, 472,000,000 new shares (the "**Placing Share(s)**") to not less than six independent placees at a placing price of HK$0.69 per Placing Share (the "**Placing**"). The Placing was completed on 21 February 2018 and an aggregate of 472,000,000 Placing Shares were successfully placed to not less than six independent placees. The net proceeds from the Placing was approximately HK$323.5 million (representing a net issue price of approximately HK$0.685 per Placing Share) and as to approximately HK$219 million has been utilized for short term loans financing business; approximately HK$100 million has been utilized for redemption of convertible bonds; and approximately HK$4.5 million has been used for general working capital of the Group;

(xxix) On 6 March 2018, a total of 375,000 share options were exercised at an exercise price of HK$0.375 per Share and these 375,000 Shares were allotted and issued on 8 March 2018;

(xxx) On 9 March 2018, a total of 2,000,000 share options were exercised at an exercise price of HK$0.375 per Share and these 2,000,000 Shares were allotted and issued on 16 March 2018; and

(xxxi) On 22 March 2018, 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 29 March 2018.

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

Grant of Share Options

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

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.

Details of the above grant of share options were disclosed in the announcement of the Company dated 19 October 2017.

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.

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.

Redemption of Convertible Bonds

On 16 January 2018, the Company redeemed in the aggregate of the principal amount of HK$12,500,000 of the Convertible Bonds which can be converted into 14,705,882 Shares in total at the conversion price of HK$0.85 per share.

On 22 March 2018, the Company redeemed in the aggregate of the principal amount of HK$100,000,000 of the Convertible Bonds which can be converted into 117,647,058 Shares in total at the conversion price of HK$0.85 per share.

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 (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.

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. The Second Transaction was approved by the shareholders in the special general meeting held on 6 February 2018.

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, 31 October 2017, 30 November 2017, 29 December 2017 and 6 February 2018 respectively and the circular of the Company dated 19 January 2018.

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 indirectly holds 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.

The transaction was approved by the Independent Shareholders in a special general meeting held on 15 March 2018. All conditions precedent of the transaction had been fulfilled and completion took place on 26 March 2018. Pursuant to the terms of the Acquisition Agreement, the consideration, being HK$1,000 million, was paid to the Vendor and was satisfied by the issuance of the convertible bonds to Mr. Li.

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, 31 October 2017, 30 November 2017, 20 December 2017, 31 January 2018, 15 March 2018 and 26 March 2018 respectively and the circular of the Company dated 28 February 2018.

Refreshment of General Mandate of Issue Shares at the SGM

The Board proposed to refresh the 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 was approved by the Independent Shareholders at the special general meeting of the Company (the "**SGM**") held on 18 July 2017.

Details of the above transaction were disclosed in the circular of the Company dated 30 June 2017 and the announcement of the Company dated 18 July 2017.

Discloseable Transaction-Disposal of an Indirectly Wholly-Owned Subsidiary

On 30 March 2018, Nation Delight Limited (the "**Vendor**"), a wholly-owned subsidiary of the Company, entered into the agreement with an independent third party, 廣州市京基房地產開發有限公司 (the "**Purchaser**"), pursuant to which the Vendor has agreed to sell Dingyi (China) Investment Limited (the "**Target Company**") to the Purchaser for a consideration of RMB250,000,000 in cash. The Target Company comprises Hoping Medical Investment Limited and 和佳醫療投資管理(浙江)有限公司 ("**Hoping China**"), both of which are investment holding companies. Hoping China holds 30% of the equity interests in 中核新能醫葯有限公司 ("**JV1**") and 23.08% of the equity interests in 中核新能質子醫療投資控股有限公司 ("**JV2**"). JV1 is principally engaged in wholesale and retails of radioactive pharmaceuticals. JV2 is principally engaged in investments in hospitals and medical projects, especially in proton medical center projects and medical technology research and development including proton accelerator. Completion has taken place upon signing of the agreement. The Target Company will cease to be a subsidiary of the Company and the financial results will no longer be consolidated to the results of the Group.

Details of the transaction were disclosed in the announcements of the Company dated 30 March 2018 and 3 April 2018 respectively.

EVENTS AFTER REPORTING PERIOD

Conversion of Convertible Bonds and Exercise of Share Options

On 12 April 2018, the rights attaching to the convertible bonds to subscribe 152,941,176 Shares at conversion price of HK$0.85 per conversion share were exercised and these 152,941,176 Shares were allotted and issued on 13 April 2018.

On 12 April 2018, 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 20 April 2018.

On 16 April 2018, a total of 6,325,000 share options were exercised at an exercise price of HK$0.375 per Share and these 6,325,000 Shares were allotted and issued on 20 April 2018.

On 17 April 2018, a total of 1,000,000 share options were exercised at an exercise price of HK$0.375 per Share and these 1,000,000 Shares were allotted and issued on 20 April 2018.

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 Company has further been selected as a constituent stock of the following index series by the Hang Seng Indexes Company Limited, with effect on 5 March 2018: Hang Seng Stock Connect Hong Kong Index; Hang Seng Stock Connect Hong Kong MidCap & SmallCap Index; Hang Seng Stock Connect Hong Kong SmallCap

Index; Hang Seng SCHK HK Companies Index; and Hang Seng SCHK ex-AH Companies Index. The Hang Seng Stock Connect Hong Kong Index serves as a benchmark to reflect the overall performance of the securities listed in Hong Kong that are eligible for trading via the southbound trading link of Stock Connect. The Company's inclusion in the market benchmark index and Hang Seng Stock Connect Hong Kong 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, properties development 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 new energy projects, high-end manufacturing projects, properties development, finance and ocean industry.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from HK$570 million in 2017 to HK$668 million in 2018, mainly due to the increase in the interest income from provision of loan financing services.

Gross Profit

Gross profit margin of the Group maintained at 22% (2017: 20%) this year.

Other Income

Other income increased to HK$55 million (2017: HK$14 million) this year mainly due to an exchange gain of HK$45 million (2017: HK$4 million) recognised during the year.

Selling and distribution costs and administrative expenses

Selling and distribution costs was decreased to HK$5 million this year as compared to HK$10 million in last year due to the decrease in advertising costs and commission expenses of the Properties Development business. The administrative expenses decreased to HK$210 million (2017: HK$219 million) which was mainly due to the staff costs of HK$22 million (2017: HK$34 million).

Property, plant and equipment

Property, plant and equipment maintained at HK$30 million in this year (2017: HK$24 million). The increase was mainly due to the additions in motor vehicles and leasehold improvements and equipment during the year.

Held for trading investments

Held for trading investments was significantly decreased from HK$361 million to HK$63 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$148 million in last year to HK$283 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 2018, the Group's net assets attributable to the owners of the Company amounted to HK$1,609 million (2017: HK$687 million), an increase of HK$922 million when compared with that of 2017. Such net increase was mainly due to the issue of convertible bonds and the issue of shares.

As at 31 March 2018, total debt to equity ratio was 0.78 (2017: 0.41) and net debt to equity ratio was 0.6 (2017: 0.19), which were expressed as a ratio of total bank borrowings and convertible bonds and net bank borrowings and convertible bonds respectively, over the total equity of HK$1,609 million (2017: HK$687 million).

Borrowings

As at 31 March 2018, the Group has no bank borrowings and finance lease obligations as at the end of the year.

Charge on Assets

As at 31 March 2018, the margin loans payable was secured by the listed equity securities placed in a financial institution held under the margin accounts with total market value of approximately HK$110,612,000.

As at 31 March 2017, the margin loans payable was secured by the listed equity securities placed in a financial institution held under the margin accounts with total market value of approximately HK$358,289,000 and the Group has pledged its completed properties held for sale with a carrying value of approximately HK$664,152,000 to secure general banking facilities granted to the Group.

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 2018 and 2017, the Group had no contingent liabilities.

Capital Commitments

As at 31 March 2018, the Group had capital commitments of HK$7,284,000 (2017: HK$6,723,000).

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 68 (2017: 74) full-time staff under its subsidiaries globally as at 31 March 2018. Total staff costs amounted to HK$22 million (2017: HK$34 million) for the year ended 31 March 2018. 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 2018, 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 year ended 31 March 2018.

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 year ended 31 March 2018.

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 2018.

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 2018 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 2018, 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.

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 Board, was unable to attend the annual general meeting of the Company held on 28 September 2017 due to his health reasons.

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 2018, 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 2018, the Audit Committee met twice with the auditors 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 2018, 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 2018.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Group for the year ended 31 March 2018 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 2018 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 2018.

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, 28 June 2018

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