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

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

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 2019, together with the comparative figures for the corresponding period in 2018 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2019

		Six months ended 30 September	
		2019	2018
	Notes	***HK$000***	*HK$000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**94,450**	139,013
Cost of sales		**(3,297)**	(48,733)
Gross profit		**91,153**	90,280
Other income	*5*	**152**	352
Loss on disposal of financial assets at fair value through profit or loss		**(1,290)**	(2,074)
Loss on early redemption of convertible bonds		**(129)**	–
Loss arising from financial assets at fair value through profit or loss		**(20,295)**	(40,344)
Loss arising from derivative financial assets		**(3,726)**	(9,074)
Selling and distribution costs		**(2,272)**	(2,870)
General and administrative expenses		**(179,820)**	(42,872)
Finance costs	*6*	**(69,600)**	(78,803)
Loss before tax	*7*	**(185,827)**	(85,405)
Income tax expenses	*8*	**(16,047)**	(7,946)
Loss for the period		**(201,874)**	(93,351)
Attributable to:			
The owners of the Company		**(201,874)**	(93,351)
Non-controlling interests		**–**	–
		(201,874)	(93,351)
Loss per share	*9*		
Basic and diluted (HK cents)		**(2.75)**	(1.32)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2019

	Six months ended 30 September	
	2019	2018
	HK$000	*HK$000*
	(Unaudited)	(Unaudited)
Loss for the period	**(201,874)**	(93,351)
Other comprehensive expense for the period		
Items that may be reclassified subsequently to profit or loss:		
Exchange difference arising on translation of foreign operations	**(150,733)**	(185,140)
Total comprehensive expense for the period	**(352,607)**	(278,491)
Total comprehensive expense for the period attributable to:		
The owners of the Company	**(352,607)**	(278,491)
Non-controlling interests	**–**	–
	(352,607)	(278,491)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

	Notes	As at 30 September 2019 HK$000 (Unaudited)	As at 31 March 2019 HK$000 (Audited)
Non-current assets			
Investment property		**15,776**	17,302
Property, plant and equipment		**19,016**	22,352
Right-of-use assets		**30,883**	–
Non-current prepayments and deposits		**3,743**	4,528
Prepaid lease payments		–	2,576
		69,418	46,758
Current assets			
Inventories		**7,448**	7,489
Prepaid lease payments		–	70
Properties under development		**379,177**	398,666
Completed properties held for sale		**118,708**	129,387
Other receivables, prepayments and deposits		**64,618**	21,510
Loan and interest receivables	*12*	**2,061,428**	2,151,463
Financial assets at fair value through profit or loss	*11*	**29,594**	35,638
Derivative financial instruments		**2,326**	6,060
Cash and cash equivalents		**19,773**	29,844
		2,683,072	2,780,127
Current liabilities			
Trade and other payables	*13*	**65,709**	96,949
Contract liabilities	*13*	**35,996**	18,809
Lease liabilities		**13,055**	–
Amount due to a related company		**7,924**	7,211
Amount due to a director		**16,812**	20,496
Promissory note		**5,000**	–
Tax payables		**78,870**	61,004
Convertible bonds	*15*	**416,419**	278,238
		639,785	482,707

	Notes	As at 30 September 2019 HK$000 (Unaudited)	As at 31 March 2019 HK$000 (Audited)
Net current assets		**2,043,287**	2,297,420
Total assets less current liabilities		**2,112,705**	2,344,178
Capital and reserves			
Share capital	*14*	**73,531**	73,281
Reserves		**1,263,060**	1,458,097
Equity attributable to the owners of the Company		**1,336,591**	1,531,378
Non-controlling interests		**5**	–
Total equity		**1,336,596**	1,531,378
Non-current liabilities			
Lease liabilities		**15,434**	–
Convertible bonds	*15*	**706,675**	807,842
Bank borrowings		**49,352**	–
Deferred tax liabilities		**4,648**	4,958
		776,109	812,800
		2,112,705	2,344,178

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "**Interim Financial Reporting**" ("**HKAS 34**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2019 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2019.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC)–Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle

The new and amendments to HKFRSs have been applied in accordance with the relevant transitional provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

Impacts and changes in accounting policies of application on HKFRS 16 "Leases"

The Group has applied HKFRS 16 for the first time in the current interim period. HKFRS 16 superseded HKAS 17 "**Leases**" ("**HKAS 17**"), and the related interpretations.

2.1.1 *Key changes in accounting policies resulting from application of HKFRS 16*

The Group applied the following accounting policies in accordance with the transition provisions of HKFRS 16.

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 "**Financial Instruments**" ("**HKFRS 9**") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 "**Income Taxes**" requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

As a lessor

Allocation of consideration to components of a contract

Effective on 1 April 2019, the Group applies HKFRS 15 "**Revenue from Contracts with Customers**" ("**HKFRS 15**") to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees. The Group considered that such adjustment has no material impact to the condensed consolidated financial statements of the Group.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HKFRIC 4 Determining whether an Arrangement contains a lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 April 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 April 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

iii. applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment. Specifically, discount rate for certain leases of properties in the PRC and properties in Hong Kong was determined on a portfolio basis; and

iv. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of HKFRS 16:

As at 1 April 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 4.00%.

	At 1 April 2019 ***HK$000***
Operating lease commitments disclosed as at 31 March 2019	**38,264**
Lease liabilities discounted at relevant incremental borrowing rates	**36,266**
Less: Recognition exemption – short-term leases	**(491)**
Lease liabilities as at 1 April 2019 relating to operating leases recognised upon application of HKFRS 16	**35,775**
Analysed as	
Current	**13,228**
Non-current	**22,547**
	35,775

The carrying amount of right-of-use assets as at 1 April 2019 comprises the following:

	Right-of-use assets *HK$000*
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	**35,775**
Reclassified from prepaid lease payments *(note)*	**2,646**
	38,421
By class:	
Leasehold lands	**2,646**
Buildings	**35,775**
	38,421

The following adjustments were made to the amounts recognised in the condensed consolidated statement of financial position at 1 April 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 March 2019 *HK$000*	Adjustments *HK$000*	Carrying amounts under HKFRS 16 at 1 April 2019 *HK$000*
Non-current assets			
Prepaid lease payments *(note)*	**2,576**	**(2,576)**	**–**
Right-of-use assets	**–**	**35,775**	**35,775**
Current assets			
Prepaid lease payments *(note)*	**70**	**(70)**	**–**
Current liabilities			
Lease liabilities	**–**	**13,228**	**13,228**
Non-current liabilities			
Lease liabilities	**–**	**22,547**	**22,547**

Note: Upfront payments for leasehold lands in the People's Republic of China (the "**PRC**") were classified as prepaid lease payments as at 31 March 2019. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to approximately RMB70,000 and RMB2,576,000 respectively were reclassified to right-of-use assets.

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

(a) Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 April 2019. The application had no impact on the Group's condensed consolidated statement of financial position at 1 April 2019. However, effective 1 April 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

(b) Effective on 1 April 2019, the Group has applied HKFRS 15 to allocate consideration in the contract to each lease and non-lease components. The change in allocation basis has had no material impact on the interim financial information of the Group for the current period.

The Directors consider that the application of HKFRS 16 had no material impact on the Group's financial performance for the prior period and the financial position as at 31 March 2019.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

3.1 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Company's consolidated financial statements for the year ended 31 March 2019.

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

The following table provides an analysis of financial instruments that are measured at fair value at the end of each reporting period for recurring measurement, grouped into Levels 1 to 3 based on the degree to which the fair value is observable in accordance to the Group's accounting policy.

Assets and liabilities measured at fair value as at 30 September 2019:

	Level 1	**Level 3**	**Total**
	HK$000	***HK$000***	***HK$000***
Financial assets at FVTPL			
– Listed equity investments	**29,594**	**–**	**29,594**
– Derivative financial assets in respect of early redemption options of convertible bonds	**–**	**2,326**	**2,326**
Total	**29,594**	**2,326**	**31,920**

Assets and liabilities measured at fair value as at 31 March 2019:

	Level 1	Level 3	Total
	HK$000	*HK$000*	*HK$000*
Financial assets at FVTPL			
– Listed equity investments	35,638	–	35,638
– Derivative financial assets in respect of early redemption options of convertible bonds	–	6,060	6,060
Total	35,638	6,060	41,698

4. REVENUE AND 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.

The Group's reportable segments are as follows:

(i) Securities trading business;

(ii) Food and beverages – restaurant business;

(iii) Loan financing business;

(iv) Properties development business; and

(v) Other business.

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 2019 (Unaudited)

	Securities trading business *HK$000*	Food and beverages – restaurant business *HK$000*	Loan financing business *HK$000*	Properties development business *HK$000*	Other business *HK$000*	Total *HK$000*
Revenue						
External revenue	**17**	**850**	**79,675**	**13,908**	–	**94,450**
Loss on disposal of financial assets at fair value through profit or loss	**(1,290)**	–	–	–	–	**(1,290)**
Loss arising from financial assets at fair value through profit or loss	**(20,295)**	–	–	–	–	**(20,295)**
Segment (loss) profit	**(21,635)**	**(903)**	**78,636**	**5,056**	–	**61,154**
Interest income						**49**
Finance costs						**(69,600)**
Loss arising from changes in fair value of derivative financial assets						**(3,726)**
Unallocated corporate income						**8**
Unallocated corporate expenses						**(173,712)**
Loss before tax						**(185,827)**

For the six months ended 30 September 2018 (Restated)

	Securities trading business *HK$000*	Food and beverages – restaurant business *HK$000*	Loan financing business *HK$000*	Properties development business *HK$000*	Other business *HK$000*	Total *HK$000*
Revenue						
External revenue	124	1,304	84,368	53,217	–	139,013
Loss on disposal of financial assets at fair value through profit or loss	(2,074)	–	–	–	–	(2,074)
Loss arising from financial assets at fair value through profit or loss	(40,344)	–	–	–	–	(40,344)
Segment (loss) profit	(42,321)	(401)	79,959	3,277	–	40,514
Bank interest income						132
Finance costs						(78,803)
Loss arising from changes in fair value of derivative financial assets						(9,074)
Unallocated corporate income						55
Unallocated corporate expenses						(38,229)
Loss before tax						(85,405)

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 other income, finance cost, certain central administration expenses, loss arising from derivative financial assets and loss on early redemption of convertible bonds. 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:

	As at 30 September 2019	As at 31 March 2019
	HK$000	*HK$000*
	(Unaudited)	(Audited)
Segment assets		
Securities trading business	**29,594**	35,638
Food and beverages – restaurant business	**4,263**	322
Loan financing business	**2,061,428**	2,151,463
Properties development business	**590,044**	581,561
Other business	**7,250**	7,250
Total segment assets	**2,692,579**	2,776,234
Unallocated corporate assets	**59,911**	50,651
Total assets	**2,752,490**	2,826,885
Segment liabilities		
Securities trading business	**–**	–
Food and beverages – restaurant business	**7,361**	3,806
Loan financing business	**–**	–
Properties development business	**86,613**	17,102
Other business	**–**	–
Total segment liabilities	**93,974**	20,908
Other unallocated liabilities	**1,321,920**	1,274,599
Total liabilities	**1,415,894**	1,295,507

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, certain right-of-use assets, certain deposits, prepayment and other receivables, derivative financial instruments and cash and cash equivalents; and

- all liabilities are allocated to operating segments other than certain other payables, amounts due to a related company, amounts due to a director, tax payables, deferred tax liabilities, certain lease liabilities, promissory note and convertible bonds.

5. OTHER INCOME

	Six months ended 30 September	
	2019	2018
	HK$000	*HK$000*
	(Unaudited)	(Unaudited)
Bank interest income	**49**	132
Rental income from investment property *(note)*	**95**	165
Others	**8**	55
	152	352

Note:

The gross and net rental income from investment property for the six months ended 30 September 2019 was amounted to approximately HK$95,000 (2018: approximately HK$165,000).

6. FINANCE COSTS

	Six months ended 30 September	
	2019	2018
	HK$000	*HK$000*
	(Unaudited)	(Unaudited)
Interest on margin loans payable	**4**	152
Effective interest expense on convertible bonds *(note 15)*	**68,417**	78,651
Interest on short term secured loan	**643**	–
Interest on promissory note	**14**	–
Interest expenses of lease liabilities	**522**	–
	69,600	78,803

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	Six months ended 30 September	
	2019	2018
	HK$000	*HK$000*
	(Unaudited)	(Unaudited)
Amount of inventories recognised as an expense	**3,297**	48,733
Amortisation of prepaid lease payments	**–**	35
Depreciation of property, plant and equipment	**2,280**	3,162
Depreciation of investment property	**460**	482
Depreciation of right-of-use assets	**6,585**	–
Share-based payments expenses granted	**152,347**	–
Net exchange losses	**779**	4,090

8. INCOME TAX EXPENSES

	Six months ended 30 September	
	2019	2018
	HK$000	*HK$000*
	(Unaudited)	(Unaudited)
Current income tax		
The PRC Enterprise Income Tax (“**EIT**”)	**16,047**	13,395
Over-provision in prior years		
Hong Kong	**–**	(5,449)
Income tax expenses	**16,047**	7,946

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2,000,000 will be taxed at 16.5%. Since group entities are not qualifying for the two-tiered profits tax rates regime, Hong Kong Profits tax was calculated at a flat rate of 16.5% of the estimated assessable profits (2018: 16.5%). No provision for Hong Kong Profits Tax has been made during the six months ended 30 September 2019 and 2018 as the assessable profits is wholly absorbed by tax losses brought forwards.

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. No withholding tax was accrued as the Group did not have any assessable profit subject to EIT Law.

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.

Overseas profits tax, the Singapore income tax and USA taxation which were 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 periods.

9. LOSS PER SHARE

Basic and diluted loss per share is calculated by dividing the loss 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	
	2019	2018
	HK$000	*HK$000*
	(Unaudited)	(Unaudited)
Loss attributable to the owners of the Company	**201,874**	93,351
	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**7,345,137**	7,085,304
Basic and diluted loss per share (HK cents)	**2.75**	1.32

As the Group incurred losses for both period ended 30 September 2019 and 2018, the exercise of the Company's share options and conversion of the Company's outstanding convertible bonds were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, dilutive losses per share for each of the period ended 30 September 2019 and 2018 are the same as basic of loss per share of respective period.

10. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 September 2019 and 2018, nor has any dividend been proposed since the end of the reporting period.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 September 2019 ***HK$000*** **(Unaudited)**	As at 31 March 2019 *HK$000* (Audited)
Listed equity securities held for trading:		
– Listed in Australia/London Stock Exchange	**20,908**	20,548
– Listed in Hong Kong	**8,278**	14,608
– Listed in PRC	**408**	482
	29,594	35,638

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

Note: As at 30 September 2019, included in the financial assets at fair value through profit or loss 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 nil. The investment represented approximately 1.3% shareholding of the ordinary shares of Superb Summit. As at 30 September 2019, 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 which reflects recent market value of comparable companies with similar business, adjusted for differences in nature, scope and location of the business.

12. LOAN AND INTEREST RECEIVABLES

The loans and interest receivables are due from independent third parties, which are unsecured and their relevant due dates started from January 2020 to June 2020. The interest rates on the loans and interest receivable are fixed ranging from 8% to 24% per annum (31 March 2019: 8% to 9.2% per annum).

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:

	As at 30 September 2019 ***HK\$000*** **(Unaudited)**	As at 31 March 2019 *HK\$000* (Audited)
Within 90 days	**2,041**	522,357
91 days to 180 days	**2,059,387**	1,274,485
181 days to 365 days	**–**	246,758
over 365 days	**–**	107,863
	2,061,428	2,151,463

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

13. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES

	As at 30 September 2019 ***HK\$000*** **(Unaudited)**	As at 31 March 2019 *HK\$000* (Audited)
Trade payables	**1,096**	2,099
Accrual	**40,924**	54,620
Other payables *(Note)*	**23,689**	40,230
	65,709	96,949
Contract liabilities	**35,996**	18,809

Note: Included in other payables was an amount of approximately HK\$6,240,000 (31 March 2019: approximately HK\$6,240,000) 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.

14. SHARE CAPITAL

	Number of shares	Share capital
	'000	*HK$'000*
Authorised ordinary shares:		
As at 1 April 2018, 31 March 2019, 1 April 2019 and 30 September 2019 of HK$0.01 per share	10,500,000	105,000
Issued and fully paid ordinary shares:		
As at 1 April 2018 of HK$0.01 per share (Audited)	6,943,972	69,440
Share options exercised	11,700	117
Issue of shares upon conversion of convertible bonds	395,588	3,956
Shares repurchased and cancelled	(23,200)	(232)
As at 31 March 2019 and 1 April 2019 of HK$0.01 per share (Audited)	7,328,060	73,281
Issue of shares upon conversion of convertible bonds	25,000	250
As at 30 September 2019 of HK$0.01 per share (Unaudited)	7,353,060	73,531

15. CONVERTIBLE BONDS

	Total
	HK$'000
Liability component at 1 April 2018 (Audited)	1,252,995
Add: Effective interest expense	159,300
Reclassification of accrued coupon interest to other payables	(28,752)
Converted into ordinary shares	(297,463)
Liability component at 31 March 2019 and 1 April 2019 (Audited)	1,086,080
Add: Effective interest expense *(note 6)*	68,417
Reclassification of accrued coupon interest to other creditors	(7,895)
Early redemption during the period	(9,539)
Converted into ordinary shares	(13,969)
Liability component at 30 September 2019 (Unaudited)	1,123,094

16. CONTINGENT LIABILITIES

As at 30 September 2019, the Group had no significant contingent liabilities (31 March 2019: nil).

17. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following capital commitments:

Contracted for but not provided in the condensed consolidated financial statements

	As at 30 September 2019 *HK$000* **(Unaudited)**	As at 31 March 2019 *HK$000* (Audited)
For properties under development	**618,645**	4,921

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue decreased from approximately HK$139 million during the six months ended 30 September 2018 to approximately HK$94 million during that of the period in 2019, mainly due to the decrease in the revenue from the property development business. There was a loss attributable to the Company's owners of approximately HK$202 million for the period ended 30 September 2019, compared to a loss of approximately HK$93 million in last corresponding period. The increase in loss was mainly due to the one-off and non-cash share-based payment expenses amounting to approximately HK$152 million as a result of the share options granted by the Company for the six months ended 30 September 2019 where no share option was granted during the corresponding period in 2018.

The basic and diluted loss per share amounted to HK2.75 cents during the six months ended 30 September 2019, compared with loss per share of HK1.32 cents for the same period in last year.

SECURITIES TRADING

During the period, the Group has been involved in the securities trading business. The Group had realised loss on the disposal of these listed securities investments amounting to approximately HK$1 million (2018: HK$2 million) during the period. The Group recorded a loss of approximately HK$20 million (2018: HK$40 million) arising from changes in the fair value of the listed securities shares. As a result, the Group reported a segment loss of approximately HK$22 million (2018: HK$42 million) during the period. Going forward, the Group expects that the future performance of the listed securities investments held by the Group will be volatile and substantially affected by overall economic environment, equity market conditions, investor sentiment and the business performance and development of the investee companies. The Board will closely monitor the performance progress of the investment portfolio from time to time.

As at 30 September 2019, there was no investment held by the Group which value was more than 5% of the total assets of the Group.

LOAN FINANCING

During the period, the Group recorded a revenue of approximately HK$80 million (2018: HK$84 million) and the segment profit was approximately HK$79 million (2018: HK$80 million). The Group will further develop in this segment in order to earn a higher interest income.

PROPERTIES DEVELOPMENT

During the period, the Group has recorded a revenue of approximately HK$14 million (2018: approximately HK$53 million) and segment profit of approximately HK$5 million (2018: HK$3 million). The decrease in revenue was mainly due to the fact that the number of residents units available for sales was almost sold out during the period. The completed properties held for sale mainly consist of residential units, retail shops and car parks. The properties under development mainly comprise of the construction cost of phase III of our One Parkview* (公園一號) project which has not yet been available for sale as at 30 September 2019. The Group anticipates further revenue and positive results from this segment in the following years upon completion of properties under development and the sales of completed properties.

* *For identification purpose only*

FINANCIAL LEASING

During the period, the Group did not record any revenue on financial leasing (2018: Nil). The Group will seek for more opportunities in this segment.

FOOD AND BEVERAGES

The food and beverages segment generated a revenue of approximately HK$1 million during the period (2018: approximately HK$1 million). The segment reported a loss of approximately HK$1 million (2018: loss of approximately HK$0.4 million) for the six months ended 30 September 2019. The revenue and loss were contributed by the restaurant in Beijing, PRC.

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.

CAPITAL STRUCTURE

As at 30 September 2019, the total number of issued shares of the Company was 7,353,060,715 (31 March 2019: 7,328,060,715) of HK$0.01 each (the "**Shares**") and its issued share capital was approximately HK$73,531,000 (31 March 2019: approximately HK$73,281,000). During the period, the details of changes of the capital structure of the Company were set out below:

On 23 May 2019, the rights attaching to the convertible bonds to subscribe 25,000,000 Shares at conversion price of HK$0.8 per conversion share were exercised and these 25,000,000 Shares were allotted and issued on 29 May 2019.

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

NON-LEGALLY BINDING FRAMEWORK AGREEMENTS

On 23 April 2019, 鼎億金匯(深圳)投資諮詢有限公司(Dingyi Jinhui (Shenzhen) Investment Consultancy Co., Ltd*) ("**Jinhui**"), an indirect wholly-owned subsidiary of Company, entered into a non-legally binding framework agreement ("**Agreement I**") with 深圳微言科技有限責任公司(Shenzhen Weiyan Technology Co., Ltd*) ("**Weiyan**"). Pursuant to Agreement I, Jinhui would subscribe an aggregate of 8.99% of the enlarged share capital of Weiyan with an aggregate subscription price of RMB78 million in phases ("**Strategic Investment**"). After completion of the Strategic Investment, it is the intention of the parties that (i) Jinhui and Weiyan will establish a joint venture entity in connection with the provision of innovative technology-oriented retail finance solutions to clients in the PRC and (ii) Weiyan will also grant an option to Jinhui to subscribe for additional new shares of Weiyan.

* *For identification purposes only*

As at the date of this announcement, the parties to the Agreement I are still in negotiation on the terms of the definitive agreements and documents for the Strategic Investment and the joint venture entity in relation to the above proposed transactions. Further details are set out in the announcement of the Company dated 23 April 2019.

On 28 May 2019, the Company entered into a non-legally binding framework agreement ("**Agreement II**") with 神州聯合能源控股(北京)有限公司 (China United Energy Holding Co., Ltd.*) and Stillwater Investment Limited in relation to the proposed establishment of a joint venture entity for the exploration and development of certain oil and gas assets in the Republic of Niger. As at the date of this announcement, the parties to the Agreement II are still in negotiation on the terms of the relevant definitive agreements and documents in relation to the above proposed transaction. Further details are set out in the announcement of the Company dated 28 May 2019.

EVENTS AFTER REPORTING PERIOD

On 3 October 2019, a total of 25,330,000 repurchased Shares were cancelled.

STRATEGY AND OUTLOOK

Apart from the existing businesses of securities trading, food and beverages, wine trading, loan financing, properties development 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 resources and energy projects, properties development, financial technology, pharmaceutical and ocean industry.

FINANCIAL REVIEW

SHAREHOLDERS' EQUITY AND FINANCIAL RATIOS

As at 30 September 2019, the Group's net assets attributable to the owners of the Company amounted to approximately HK$1,337 million (31 March 2019: HK$1,531 million), a decrease of approximately HK$195 million.

As at 30 September 2019, total debt to equity ratio was 0.88 (31 March 2019: 0.71) and net debt to equity ratio was 0.87 (31 March 2019: 0.69) which were expressed as a percentage of total borrowings and total borrowings less cash and cash equivalents respectively, over the total equity of approximately HK$1,337 million (31 March 2019: approximately HK$1,531 million).

During the period, the Company repurchased 25,330,000 Shares for a total consideration (including expenses) of approximately HK$8 million.

* *For identification purposes only*

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 2019, the Group had no contingent liabilities.

CAPITAL COMMITMENTS

As at 30 September 2019, the Group had total capital commitments of approximately HK$619 million (31 March 2019: approximately HK$5 million) primarily for properties under development.

CHARGES ON THE GROUP'S ASSETS

As at 30 September 2019, the Group's financial assets at fair value through profit or loss with a carrying amounts of approximately HK$21 million were pledged to secure a short term loan which had been fully settled on 30 September 2019 and the pledge had been released on 4 October 2019.

As at 30 September 2019, the Group's properties under development with a carrying amounts of approximately HK$332 million was pledged to banks for bank borrowings.

OTHER INFORMATION

INTERIM DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the six months ended 30 September 2019 (2018: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2019, the Group had a total of 58 full-time staff and total staff costs for the six months ended 30 September 2019 was approximately HK$9 million. 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 of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2019, the Company repurchased a total of 25,330,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") at an aggregate consideration of approximately HK$8 million and no shares were cancelled during the six months ended 30 September 2019. On 3 October 2019, a total of 25,330,000 repurchased shares were cancelled.

Particulars of the shares repurchased are as follows:

	Total number of shares repurchased	**Purchase price paid per share**		**Aggregate consideration**
		Highest	**Lowest**	
	'000	*HK$*	*HK$*	*HK$'000*
2019				
July	10,200	0.375	0.320	3,568
August	15,130	0.305	0.270	4,378
	25,330			7,946

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 2019.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") as its code of conduct for securities transactions by Directors during the six months ended 30 September 2019. The Company has made specific enquiries to all the Directors and they have confirmed that they have complied with the required standard as set out in the Model Code throughout the six months ended 30 September 2019.

CORPORATE GOVERNANCE CODE

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 2019 except for the deviation disclosed as follows:

According to 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 six months ended 30 September 2019, certain regular Board meetings were convened with less than 14 days' notice to facilitate the Directors' timely reaction and expeditious decision making process in respect of internal affairs of the Group. All Board meetings, nevertheless, were duly convened and held in the way prescribed by the Bye-laws of the Company. The Board will use reasonable endeavour to meet the requirement of code provision A.1.3 of the CG Code in future. Adequate and appropriate information are circulated normally three days in advance of Board meetings to the Directors.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed with the management of the Company 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 2019.

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 2019 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 2019 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 2019.

APPRECIATION

I would like to take this opportunity to express our sincere appreciation of the support from our customers, suppliers and shareholders of the Company. 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, 27 November 2019

As at the date of this announcement, the Board comprises Mr. LI Kwong Yuk (Chairman), Mr. SU Xiaonong (Chief Executive Officer) 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.