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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 2021

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of DINGYI GROUP INVESTMENT LIMITED (the “**Company**”) announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2021, together with the comparative figures for the corresponding period in 2020 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2021

		Six months ended	
		30 September	
	<i>Notes</i>	2021	2020
		HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
Revenue	4	77,918	134,147
Cost of sales		(587)	(14,509)
Gross profit		77,331	119,638
Other income	5	925	777
Loss on disposal of financial assets at fair value through profit or loss		(61)	–
(Loss)/gain arising from financial assets at fair value through profit or loss		(7,416)	14,189
Gain on modification of convertible bonds		–	69,321
Provision of allowance for impairment of loan and interest receivables		(26,064)	(21,072)
Selling and distribution costs		(6,408)	(4,759)
General and administrative expenses		(19,086)	(20,959)
Finance costs	6	(70,501)	(70,633)

		Six months ended	
		30 September	
		2021	2020
	<i>Notes</i>	HK\$'000	HK\$'000
		(Unaudited)	(Unaudited)
(Loss)/Profit before tax	7	(51,280)	86,502
Income tax expenses	8	(11,395)	(14,541)
		<u>(62,675)</u>	<u>71,961</u>
(Loss)/Profit for the period		<u><u>(62,675)</u></u>	<u><u>71,961</u></u>
Attributable to:			
The owners of the Company		(62,675)	71,961
Non-controlling interests		<u>–</u>	<u>–</u>
		<u><u>(62,675)</u></u>	<u><u>71,961</u></u>
(Loss)/Earnings per share			
Basic and diluted (<i>HK cents</i>)	9	<u><u>(0.85)</u></u>	<u><u>0.98</u></u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2021

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/Profit for the period	(62,675)	71,961
Other comprehensive income for the period		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation of foreign operations	<u>23,337</u>	<u>114,285</u>
Total comprehensive (expense)/income for the period	<u>(39,338)</u>	<u>186,246</u>
Total comprehensive (expense)/income for the period attributable to:		
The owners of the Company	<u>(39,338)</u>	<u>186,246</u>
Non-controlling interests	<u>–</u>	<u>–</u>
	<u>(39,338)</u>	<u>186,246</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		As at 30 September 2021	As at 31 March 2021
	<i>Note</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Investment property		15,554	15,763
Property, plant and equipment		12,867	14,295
Right-of-use assets		6,622	10,543
Prepayments and deposits		3,051	2,881
Deferred tax assets		46,201	39,573
		<u>84,295</u>	<u>83,055</u>
Current assets			
Inventories		7,250	7,250
Properties under development		1,089,533	1,001,215
Completed properties held for sale		107,210	106,232
Other receivables, prepayments and deposits		819,195	222,451
Loan and interest receivables	11	1,726,390	2,195,162
Financial assets at fair value through profit or loss		26,297	34,222
Cash and cash equivalents		125,046	306,515
		<u>3,900,921</u>	<u>3,873,047</u>

		As at 30 September 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
Current liabilities			
Trade and other payables	12	19,694	47,033
Contract liabilities	12	1,225,330	741,020
Amount due to a related company		3,116	15,239
Tax payables		158,609	137,742
Lease liabilities		3,107	7,735
Convertible bonds	14	–	327,971
Promissory note		5,514	5,389
Other bonds		279,500	–
		<u>1,694,870</u>	<u>1,282,129</u>
Net current assets		<u>2,206,051</u>	<u>2,590,918</u>
Total assets less current liabilities		<u><u>2,290,346</u></u>	<u><u>2,673,973</u></u>
Capital and reserves			
Share capital	13	73,568	73,570
Reserves		1,360,946	1,400,299
Total equity		<u>1,434,514</u>	<u>1,473,869</u>
Non-current liabilities			
Convertible bonds	14	852,473	813,277
Bank borrowings		–	383,884
Deferred tax liabilities		2,986	2,943
Lease liabilities		373	–
		<u>855,832</u>	<u>1,200,104</u>
		<u><u>2,290,346</u></u>	<u><u>2,673,973</u></u>

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 (the “**Listing Rules**”) Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

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 2021 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2021.

Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2021 for the preparation of the Group’s condensed consolidated financial statements:

Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

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 2021.

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 2021:

	Level 1 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Financial assets at fair value through profit or loss ("FVTPL")		
– Listed equity investments	<u>26,297</u>	<u>26,297</u>

Assets and liabilities measured at fair value as at 31 March 2021:

	Level 1 <i>HK\$'000</i>	Total <i>HK\$'000</i>
Financial assets at FVTPL		
– Listed equity investments	<u>34,222</u>	<u>34,222</u>

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 delivered or services rendered.

The Group has three reportable and operating segments (i) securities trading business; (ii) loan financing business; and (iii) properties development 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 2021 (Unaudited)

	Securities trading business <i>HK\$'000</i>	Loan financing business <i>HK\$'000</i>	Properties development business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
External revenue	40	75,285	2,593	77,918
Loss on disposal of financial assets at FVTPL	(61)	–	–	(61)
Loss arising from financial assets at FVTPL	(7,416)	–	–	(7,416)
Provision of allowance for impairment of loan and interest receivables	–	(26,064)	–	(26,064)
Segment (loss)/profit	(7,448)	48,886	(7,932)	33,506
Bank interest income				458
Finance costs				(70,501)
Unallocated corporate income				467
Unallocated corporate expenses				(15,210)
Loss before tax				(51,280)

For the six months ended 30 September 2020 (Unaudited)

	Securities trading business <i>HK\$'000</i>	Loan financing business <i>HK\$'000</i>	Properties development business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue				
External revenue	8	84,124	50,015	134,147
Gain arising from financial assets at FVTPL	14,189	–	–	14,189
Allowance for impairment of loan and interest receivables	–	(21,072)	–	(21,072)
Segment profit	14,190	61,701	26,642	102,533
Bank interest income				156
Finance costs				(70,633)
Gain on modification of convertible bonds				69,321
Unallocated corporate income				621
Unallocated corporate expenses				(15,496)
Profit before tax				86,502

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 costs, certain central administration expenses and gain on modification 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 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
Segment assets		
Securities trading business	26,297	34,222
Loan financing business	1,726,390	2,195,162
Properties development business	1,277,419	1,340,269
	<hr/>	<hr/>
Total segment assets	3,030,106	3,569,653
Unallocated corporate assets	955,110	386,449
	<hr/>	<hr/>
Total assets	3,985,216	3,956,102
Segment liabilities		
Securities trading business	–	–
Loan financing business	–	–
Properties development business	1,228,640	1,128,836
	<hr/>	<hr/>
Total segment liabilities	1,228,640	1,128,836
Unallocated corporate liabilities	1,322,062	1,353,397
	<hr/>	<hr/>
Total liabilities	2,550,702	2,482,233

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

- all assets are allocated to operating segments other than certain property, plant and equipment, investment property, right-of-use assets, deferred tax assets, certain deposits, prepayment and other receivables and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than certain other payables, amount due to a related company, tax payables, deferred tax liabilities, certain lease liabilities, promissory note and convertible bonds.

Other segment information

For the period ended 30 September 2021 (Unaudited)

	Securities trading business <i>HK\$'000</i>	Loan financing business <i>HK\$'000</i>	Properties development business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:					
Depreciation of property, plant and equipment	-	-	1,078	786	1,864
Depreciation of investment property	-	-	442	-	442
Depreciation of right-of-use assets	-	-	-	5,141	5,141
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,141</u>	<u>5,141</u>

For the period ended 30 September 2020 (Unaudited)

	Securities trading business <i>HK\$'000</i>	Loan financing business <i>HK\$'000</i>	Properties development business <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Amounts included in the measure of segment profit or loss or segment assets:					
Additions to non-current assets (other than financial instruments)	-	-	54	-	54
Depreciation of property, plant and equipment	-	-	749	854	1,603
Depreciation of investment property	-	-	408	-	408
Depreciation of right-of-use assets	-	-	66	4,834	4,900
	<u>-</u>	<u>-</u>	<u>66</u>	<u>4,834</u>	<u>4,900</u>

Geographical information

The Group's operations are located in Hong Kong (country of domicile) and the PRC.

Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets (other than financial instrument and deferred tax assets) is presented based on the geographical location of the assets.

	Revenue from external customers					
	30 September 2021			30 September 2020		
	Revenue from contract with customers <i>HK\$'000</i> (Unaudited)	From other sources <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)	Revenue from contract with customers <i>HK\$'000</i> (Unaudited)	From other sources <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Hong Kong (country of domicile)	-	305	305	-	1,457	1,457
The PRC	2,593	75,020	77,613	50,015	82,675	132,690
	<u>2,593</u>	<u>75,325</u>	<u>77,918</u>	<u>50,015</u>	<u>84,132</u>	<u>134,147</u>

	Non-current assets	
	As at 30 September 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
The PRC	31,352	32,435
Hong Kong (country of domicile)	<u>3,691</u>	<u>8,166</u>
	<u>35,043</u>	<u>40,601</u>

The Group had no inter-segment sales for the periods ended 30 September 2021 and 2020.

No customer accounted for 10% or more of the total revenue for the periods ended 30 September 2021 and 2020.

5. OTHER INCOME

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	458	156
Government grants (<i>Note</i>)	–	621
Rental income	107	–
Income from forfeited deposit	360	–
	<u>925</u>	<u>777</u>

Note:

The amount represents salaries and wage subsidies granted under Anti-Epidemic Fund by the Government of the Hong Kong Special Administrative Region for the use of paying wages of employees from June to November 2020.

6. FINANCE COSTS

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank borrowing	5,815	5,301
Less: amount capitalised in properties under development	<u>(5,815)</u>	<u>(5,301)</u>
	–	–
Effective interest expense on convertible bonds	63,673	70,132
Interest expenses on other bonds	6,541	–
Interest expenses on promissory note	125	125
Interest expenses on lease liabilities	162	376
	<u>70,501</u>	<u>70,633</u>

7. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax has been arrived at after charging/(crediting):

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Amount of inventories recognised as an expense	587	14,509
Depreciation of property, plant and equipment	1,864	1,603
Depreciation of investment property	442	408
Depreciation of right-of-use assets	5,141	4,900
Net exchange losses/(gains)	1	(547)
	<u>1</u>	<u>(547)</u>

8. INCOME TAX EXPENSES

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax		
The PRC Enterprise Income Tax (“EIT”)	11,445	19,809
Deferred tax	(50)	(5,268)
Income tax expenses	<u>11,395</u>	<u>14,541</u>

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 (2020: 16.5%). No provision for Hong Kong Profits Tax has been made during the six months ended 30 September 2021 and 2020 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**”), Bermuda and Singapore, the Group is not subject to any income tax in the BVI, Bermuda and Singapore.

9. (LOSS)/EARNINGS PER SHARE

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

	Six months ended	
	30 September	
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
(Loss)/profit attributable to the owners of the Company	(62,675)	71,961
	Number of	Number of
	shares	shares
	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted (loss)/earnings per share	7,356,939	7,357,008
Basic and diluted (loss)/earnings per share (<i>HK cents</i>)	(0.85)	0.98

The computation of diluted earnings per share does not assume the exercise of the Company's share options and the conversion of the Company's outstanding convertible bonds because both of the exercise price of those share options and the conversion price of those convertible bonds were higher than the average market price for shares for the period ended 30 September 2020.

The basic and diluted loss per share for the period ended 30 September 2021 are the same since the computation of diluted loss per share does not assume the conversion or exercise of the Company's outstanding convertible bonds, shares options since they would result in decrease in loss per share for 2021.

10. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 September 2021 and 2020, nor has any dividend been proposed since the end of the reporting period.

11. LOAN AND INTEREST RECEIVABLES

	As at	As at
	30 September	31 March
	2021	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Loan receivables	1,857,247	2,203,570
Interest receivables	53,949	150,334
	1,911,196	2,353,904
Less: Allowance for impairment of loan and interest receivables	(184,806)	(158,742)
	1,726,390	2,195,162

The loans and interest receivables are due from independent third parties, which are unsecured and their relevant due dates started from December 2021 to June 2022 (31 March 2021: started from May 2021 to March 2022). The interest rates on the loans and interest receivables are fixed ranging from 8% to 15% per annum (31 March 2021: 8% to 24% 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 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
Within 90 days	–	114,169
91 days to 180 days	1,610,404	–
181 days to 365 days	115,986	2,076,718
Over 365 days	–	4,275
	1,726,390	2,195,162

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.

12. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES

	As at 30 September 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
Trade payables	2,898	3,526
Accrual	13,744	33,749
Other payables	3,052	9,758
	19,694	47,033
Contract liabilities	1,225,330	741,020

13. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Authorised ordinary shares:		
As at 1 April 2020, 31 March 2021, 1 April 2021 and 30 September 2021 of HK\$0.01 per share	10,500,000	105,000
Issued and fully paid ordinary shares:		
As at 1 April 2020, 31 March 2021 and 1 April 2021 of HK\$0.01 per share (Audited)	7,357,008	73,570
Share repurchased and cancelled (<i>Note</i>)	(225)	(2)
As at 30 September 2021 of HK\$0.01 per share (Unaudited)	7,356,783	73,568

Note:

During the period ended 30 September 2021, the Company repurchased its own shares through the Stock Exchange as follows:

Month of repurchase	No. of ordinary shares of HK\$0.01 each '000	Price per share		Aggregate consideration paid HK\$'000
		Highest HK\$	Lowest HK\$	
April 2021	225	0.079	0.079	(17)

The above shares were cancelled after repurchase.

14. CONVERTIBLE BONDS

	As at 30 September 2021 HK\$'000 (Unaudited)	As at 31 March 2021 HK\$'000 (Audited)
Liability components		
Current liabilities		
– CB 3	–	327,971
Non-current liabilities		
– CB 4	852,473	813,277
	852,473	1,141,248

	Total <i>HK\$'000</i>
Liability component at 1 April 2020 (Audited)	1,108,067
Add: Effective interest expense	155,577
Reclassification of accrued coupon interest to other payables	(20,461)
Derecognition upon modification of convertible bonds	(344,326)
Recognition of new liability component upon modification of convertible bonds	275,005
Repayment	<u>(32,614)</u>
Liability component at 31 March 2021 and 1 April 2021 (Audited)	1,141,248
Add: Effective interest expense	63,673
Reclassification of accrued coupon interest to other payables	(9,198)
Reclassification of convertible bonds to other bonds	(279,500)
Repayment	<u>(63,750)</u>
Liability component at 30 September 2021 (Unaudited)	<u><u>852,473</u></u>

15. CONTINGENT LIABILITIES

As at 30 September 2021, the Group had no significant contingent liabilities (31 March 2021: Nil).

16. 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 2021 <i>HK\$'000</i> (Unaudited)	As at 31 March 2021 <i>HK\$'000</i> (Audited)
For properties under development	<u><u>118,271</u></u>	<u><u>132,279</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue decreased from approximately HK\$134 million during the six months ended 30 September 2020 to approximately HK\$78 million during that of the period in 2021, 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\$63 million for the period ended 30 September 2021, compared to a profit of approximately HK\$72 million in last corresponding period. Such turnaround from profit to loss was mainly attributable to (i) the decrease in revenue of properties development business; and (ii) the non-recurrence of one-off gain on modification of convertible bonds in the amount of approximately HK\$69 million for the six months ended 30 September 2020 where as such gain was not recognised for the same period in 2021.

The basic and diluted loss per share amounted to HK0.85 cent during the six months ended 30 September 2021, compared with earnings per share of HK0.98 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\$61,000 (2020: Nil) during the period. The Group recorded approximately HK\$7 million loss (2020: approximately HK\$14 million gain) arising from changes in the fair value of the listed securities shares. As a result, the Group reported approximately HK\$7 million segment loss (2020: approximately HK\$14 million segment profit) 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 2021, 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\$75 million (2020: approximately HK\$84 million) and the segment profit was approximately HK\$49 million (2020: approximately HK\$62 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\$3 million (2020: approximately HK\$50 million) and segment loss of approximately HK\$8 million (2020: approximately HK\$27 million segment profit). The decrease in revenue was mainly due to the decrease from sales of car parks and remaining units left over from old property projects. The Group has obtained pre-sales permits for certain blocks of the Phase III of One Parkview project and is commencing the pre-sales under the pre-sales permits. 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.

CAPITAL STRUCTURE

As at 30 September 2021, the total number of issued shares of the Company was 7,356,783,015 (31 March 2021: 7,357,008,015) of HK\$0.01 each and its issued share capital was approximately HK\$73,567,830 (31 March 2021: approximately HK\$73,570,080). During the period under review, a total of 225,000 repurchased shares were cancelled.

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

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.

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.

STRATEGY AND OUTLOOK

Apart from the existing businesses of securities trading, loan financing and properties development, 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' value. The Group has been exploring some investment opportunities in resources and energy projects, properties development, financial technology, pharmaceutical and ocean industry.

EVENTS AFTER REPORTING PERIOD

The Group has no significant events after the reporting period.

FINANCIAL REVIEW

SHAREHOLDERS' EQUITY AND FINANCIAL RATIOS

As at 30 September 2021, the Group's net assets attributable to the owners of the Company amounted to approximately HK\$1,435 million (31 March 2021: approximately HK\$1,474 million), a decrease of approximately HK\$39 million.

As at 30 September 2021, total debt to equity ratio was 0.79 (31 March 2021: 1.04) and net debt to equity ratio was 0.71 (31 March 2021: 0.83) 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\$1,435 million (31 March 2021: approximately HK\$1,474 million).

BORROWINGS

As at 30 September 2021, the Group's bank borrowing, promissory note, convertible bonds and other bonds amounted to approximately Nil, HK\$6 million, HK\$852 million and HK\$280 million respectively (31 March 2021: approximately HK\$384 million, HK\$5 million, HK\$1,141 million and Nil respectively).

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, and continue to actively monitor foreign exchange exposure to minimise 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 2021 and 30 September 2020, the Group had no contingent liabilities.

CAPITAL COMMITMENTS

As at 30 September 2021, the Group had total capital commitments of approximately HK\$118 million (31 March 2021: approximately HK\$132 million) primarily for properties under development.

CHARGES ON THE GROUP'S ASSETS

As at 30 September 2021, the Group had no properties under development (31 March 2021: approximately HK\$980 million) and no bank deposits (31 March 2021: HK\$980 million) were pledged to the banks for bank borrowings.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2021, the Group had a total of 75 full-time staff and total staff costs for the six months ended 30 September 2021 was approximately HK\$8 million (2020: approximately HK\$8 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 adopted on 21 September 2012.

OTHER INFORMATION

INTERIM DIVIDEND

The Board resolved not to declare the payment of an interim dividend for the six months ended 30 September 2021 (2020: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 September 2021, the Company repurchased 225,000 shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) at an aggregate consideration of HK\$17,775. All these repurchased shares were cancelled during the period.

The Directors consider that the above share repurchases are in the best interests 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 2021.

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. 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 2021.

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 2021 except the deviation disclosed below.

Due to travel restrictions as a result of the COVID-19 pandemic, Mr. Li Kwong Yuk, the Chairman of the Board, was unable to attend the annual general meeting of the Company held on 29 September 2021 (the “**2021 AGM**”) as required by code provision E.1.2 of the CG Code. The 2021 AGM was chaired by the independent non-executive Director, Mr. Chow Shiu Ki. The annual general meeting provides a channel for communication between the Board and the shareholders. Other than the annual general meeting, the shareholders may communicate with the Company through the contact methods listed on the Company’s website.

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 of the Group for the six months ended 30 September 2021.

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 2021 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 2021 containing all applicable information required by the Listing Rules will be despatched to the shareholders of the Company and published on the above websites on or before 31 December 2021.

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, 29 November 2021

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

* *For identification purpose only*