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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 2022

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 2022, together with the comparative figures for the corresponding period in 2021 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 September 2022

		Six months ended 30 September	
	Notes	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	4	984,784	77,918
Cost of sales		<u>(819,129)</u>	<u>(587)</u>
Gross profit		165,655	77,331
Other income	5	779	925
Loss on disposal of financial assets at fair value through profit or loss		–	(61)
Loss arising from financial assets at fair value through profit or loss		(12,891)	(7,416)
Provision of allowance for impairment of loan and interest receivables		(2,862)	(26,064)
Selling and distribution costs		(3,714)	(6,408)
General and administrative expenses		(19,427)	(19,086)
Finance costs	6	<u>(53,028)</u>	<u>(70,501)</u>

		Six months ended	
		30 September	
		2022	2021
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
Profit/(loss) before tax	7	74,512	(51,280)
Income tax expenses	8	(37,930)	(11,395)
		<hr/>	<hr/>
Profit/(loss) for the period attributable to the owners of the Company		36,582	(62,675)
		<hr/> <hr/>	<hr/> <hr/>
Earnings/(loss) per share			
Basic and diluted (<i>HK cents</i>)	9	0.50	(0.85)
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2022

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) for the period	36,582	(62,675)
Other comprehensive expenses for the period		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translation of foreign operations	<u>(318,604)</u>	<u>23,337</u>
Total comprehensive expenses for the period	<u>(282,022)</u>	<u>(39,338)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

		As at 30 September 2022	As at 31 March 2022
	<i>Note</i>	<i>HK\$'000</i> (Unaudited)	<i>HK\$'000</i> (Audited)
Non-current assets			
Investment property		16,136	15,523
Property, plant and equipment		8,931	11,485
Right-of-use assets		7,246	6,360
Prepayments and deposits		1,078	1,231
Deferred tax assets		55,507	54,791
		<hr/> 88,898 <hr/>	<hr/> 89,390 <hr/>
Current assets			
Inventories		7,250	7,250
Properties under development		1,427,800	2,145,681
Completed properties held for sale		370,571	108,828
Other receivables, prepayments and deposits		31,250	61,995
Loan and interest receivables	11	1,676,586	1,817,875
Financial assets at fair value through profit or loss		20,152	33,043
Cash and cash equivalents		93,508	152,120
		<hr/> 3,627,117 <hr/>	<hr/> 4,326,792 <hr/>
Current liabilities			
Trade and other payables	12	485,980	36,664
Contract liabilities	12	624,837	1,522,042
Amount due to a related company		7,241	41,091
Tax payables		181,065	156,282
Lease liabilities		3,493	2,418
Convertible bonds	14	936,384	893,329
Other bonds		279,500	279,500
Promissory note		–	5,639
		<hr/> 2,518,500 <hr/>	<hr/> 2,936,965 <hr/>

		As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
Net current assets		<u>1,108,617</u>	<u>1,389,827</u>
Total assets less current liabilities		<u><u>1,197,515</u></u>	<u><u>1,479,217</u></u>
Capital and reserves			
Share capital	13	73,568	73,568
Reserves		<u>1,119,005</u>	<u>1,401,027</u>
Total equity		<u>1,192,573</u>	<u>1,474,595</u>
Non-current liabilities			
Lease liabilities		1,726	1,357
Deferred tax liabilities		<u>3,216</u>	<u>3,265</u>
		<u>4,942</u>	<u>4,622</u>
		<u><u>1,197,515</u></u>	<u><u>1,479,217</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 2022 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 March 2022.

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 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020

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 2022.

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 level 1 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 2022:

	Level 1 HK\$'000
Financial assets at fair value through profit or loss ("FVTPL")	
– Listed equity investments	<u><u>20,152</u></u>

Assets and liabilities measured at fair value as at 31 March 2022:

	Level 1 HK\$'000
Financial assets at FVTPL	
– Listed equity investments	<u><u>33,043</u></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 2022 (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	9	73,797	910,978	984,784
Loss arising from financial assets at FVTPL	(12,891)	–	–	(12,891)
Provision of allowance for impairment of loan and interest receivables	–	(2,862)	–	(2,862)
Segment (loss)/profit	(12,926)	69,750	81,321	138,145
Bank interest income				164
Finance costs				(53,028)
Unallocated corporate income				615
Unallocated corporate expenses				(11,384)
Profit before tax				74,512

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)

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 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
Segment assets		
Securities trading business	20,152	33,043
Loan financing business	1,676,586	1,817,875
Properties development business	1,839,511	2,329,284
	<hr/>	<hr/>
Total segment assets	3,536,249	4,180,202
Unallocated corporate assets	179,766	235,980
	<hr/>	<hr/>
Total assets	3,716,015	4,416,182
	<hr/> <hr/>	<hr/> <hr/>
Segment liabilities		
Securities trading business	–	–
Loan financing business	–	–
Properties development business	1,069,175	1,528,653
	<hr/>	<hr/>
Total segment liabilities	1,069,175	1,528,653
Unallocated corporate liabilities	1,454,267	1,412,934
	<hr/>	<hr/>
Total liabilities	2,533,442	2,941,587
	<hr/> <hr/>	<hr/> <hr/>

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, convertible bonds, and other bonds.

Other segment information

For the period ended 30 September 2022 (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	-	-	992	581	1,573
Depreciation of investment property	-	-	425	-	425
Depreciation of right-of-use assets	-	-	-	1,480	1,480
	<u>-</u>	<u>-</u>	<u>992</u>	<u>581</u>	<u>1,573</u>

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>1,078</u>	<u>5,141</u>	<u>5,141</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 prepayments and deposits and deferred tax assets) is presented based on the geographical location of the assets.

	Revenue from external customers					
	30 September 2022			30 September 2021		
	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)
The PRC	910,978	73,797	984,775	2,593	75,020	77,613
Hong Kong	-	9	9	-	305	305
	<u>910,978</u>	<u>73,806</u>	<u>984,784</u>	<u>2,593</u>	<u>75,325</u>	<u>77,918</u>

	Non-current assets	
	As at 30 September 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
The PRC	26,656	29,273
Hong Kong	5,557	4,095
	<u>32,213</u>	<u>33,368</u>

The Group had no inter-segment sales for the periods ended 30 September 2022 and 2021.

No customer accounted for 10% or more of the total revenue for the periods ended 30 September 2022 and 2021.

5. OTHER INCOME

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	164	458
Government grants (<i>Note</i>)	379	–
Rental income	132	107
Income from forfeited deposit	104	360
	<u>779</u>	<u>925</u>

Note: The amount represents salaries and wage subsidies granted under “Anti-Epidemic Fund” and “Employment Support Scheme” by the Government of the Hong Kong Special Administrative Region.

6. FINANCE COSTS

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on bank borrowing	–	5,815
Less: amount capitalised in properties under development	–	(5,815)
	–	–
Effective interest expense on convertible bonds	43,055	63,673
Interest expenses on other bonds	9,809	6,541
Interest expenses on promissory note	111	125
Interest expenses on lease liabilities	53	162
	<u>53,028</u>	<u>70,501</u>

7. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax has been arrived at after charging:

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Amount of inventories recognised as an expense	819,129	587
Depreciation of property, plant and equipment	1,573	1,864
Depreciation of investment property	425	442
Depreciation of right-of-use assets	1,480	5,141
Net exchange losses	18	1
Rental expenses (short-term leases)	850	–
	<u>819,129</u>	<u>8,035</u>

8. INCOME TAX EXPENSES

	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current income tax		
The PRC Enterprise Income Tax (“EIT”)	37,628	11,445
Deferred tax	302	(50)
Income tax expenses	<u>37,930</u>	<u>11,395</u>

Under the two-tiered profits tax rates regime of Hong Kong profits tax, 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 (2021: 16.5%). No provision for Hong Kong Profits Tax has been made for the six months ended 30 September 2022 and 2021 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% for both periods.

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 for both periods.

9. EARNINGS/(LOSS) PER SHARE

Basic and diluted earnings/(loss) per share is calculated by dividing the profit/(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	
	2022	2021
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Profit/(loss) attributable to the owners of the Company	36,582	(62,675)
	Number of	Number of
	shares	shares
	'000	'000
Weighted average number of ordinary shares for the purpose of basic and diluted earnings/(loss) per share	7,356,783	7,356,939
Basic and diluted earnings/(loss) per share (<i>HK cents</i>)	0.50	(0.85)

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 six months ended 30 September 2022.

The basic and diluted loss per share for the six months 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 and shares options since they would result in decrease in profit per share for the six months ended 30 September 2021.

10. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 September 2022 and 2021, 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
	2022	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Loan receivables	1,840,991	1,910,003
Interest receivables	57,622	127,037
	1,898,613	2,037,040
Less: Allowance for impairment of loan and interest receivables	(222,027)	(219,165)
	1,676,586	1,817,875

The loans and interest receivables are due from independent third parties, which are unsecured and their relevant due dates started from March 2023 to June 2023 (31 March 2022: started from April 2022 to March 2023). The interest rates on the loans and interest receivables are fixed ranging from 8% to 15% per annum (31 March 2022: 8% to 15% 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 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Within 90 days	–	66,910
91 days to 180 days	1,598,000	–
181 days to 365 days	78,496	1,750,965
	<u>1,676,586</u>	<u>1,817,875</u>

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 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Trade payables	443,352	5,854
Accruals	39,368	27,587
Other payables	3,260	3,223
	<u>485,980</u>	<u>36,664</u>
Contract liabilities	<u>624,837</u>	<u>1,522,042</u>

13. SHARE CAPITAL

	Number of shares '000	Share capital HK\$'000
Authorised ordinary shares:		
As at 1 April 2021, 31 March 2022, 1 April 2022 and 30 September 2022 of HK\$0.01 per share	10,500,000	105,000
Issued and fully paid ordinary shares:		
As at 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 31 March 2022 and 1 April 2022 of HK\$0.01 per share (Audited) and 30 September 2022 of HK\$0.01 per share (Unaudited)	7,356,783	73,568

Note: During the year ended 31 March 2022, 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 2022 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Audited)
Liability components		
Current liabilities		
– Convertible bond 4 (“CB4”)	936,384	893,329

		Convertible bond 3	CB 4	Total
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Liability component at 1 April 2021 (Audited)		327,971	813,277	1,141,248
Add: Effective interest expense	6	24,478	80,052	104,530
Reclassification of accrued coupon interest to other payables		(9,199)	–	(9,199)
Reclassification of convertible bonds to other bonds		(279,500)	–	(279,500)
Repayment		<u>(63,750)</u>	<u>–</u>	<u>(63,750)</u>
Liability component at 31 March 2022 and 1 April 2022 (Audited)		–	893,329	893,329
Add: Effective interest expense	6	<u>–</u>	<u>43,055</u>	<u>43,055</u>
Liability component at 30 September 2022 (Unaudited)		<u>–</u>	<u>936,384</u>	<u>936,384</u>

15. CONTINGENT LIABILITIES

As at 30 September 2022, the Group had no significant contingent liabilities (31 March 2022: 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 2022 <i>HK\$'000</i> (Unaudited)	As at 31 March 2022 <i>HK\$'000</i> (Audited)
For properties under development	<u>533,785</u>	<u>262,578</u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's revenue increased from approximately HK\$78 million for the six months ended 30 September 2021 to approximately HK\$985 million for that of the period in 2022, mainly due to the increase in the revenue from the property development business. There was a profit attributable to the Company's owners of approximately HK\$37 million for the six months ended 30 September 2022, compared to a loss of approximately HK\$63 million in last corresponding period. Such turnaround from loss to profit was mainly attributable to (i) the increase in revenue of properties development business; and (ii) the decrease in non-cash recognition of impairment loss for the expected credit loss of loan and interest receivables.

The basic and diluted earnings per share amounted to HK0.50 cent for the six months ended 30 September 2022, compared with loss per share of HK0.85 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 no disposal of these listed securities investments (2021: realised loss on the disposal of these listed securities investments amounting to approximately HK\$61,000) during the period. The Group recorded approximately HK\$13 million loss (2021: approximately HK\$7 million gain) arising from changes in the fair value of the listed securities shares. As a result, the Group reported approximately HK\$13 million segment loss (2021: approximately HK\$7 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 2022, 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\$74 million (2021: approximately HK\$75 million) and the segment profit was approximately HK\$70 million (2021: approximately HK\$49 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\$911 million (2021: approximately HK\$3 million) and segment profit of approximately HK\$81 million (2021: approximately HK\$8 million segment loss). The increase in revenue was mainly due to the increase in revenue of properties development business recognised upon the customers obtaining control of the completed property for sales of which the sales proceeds were recognised as contract liabilities (i.e. deposits received from customers) in previous financial year. The Group has completed the construction of certain blocks of the Phase III of One Parkview project and is commencing the sales of residential buildings and retail shops. The payment received in advance from customers for properties sales were recognized in contract liabilities. 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 2022, the total number of issued shares of the Company was 7,356,783,015 (31 March 2022: 7,356,783,015) of HK\$0.01 each and its issued share capital was approximately HK\$73,567,830 (31 March 2022: approximately HK\$73,567,830).

There was no change in the capital structure of the Company during the period.

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 2022, the Group's net assets attributable to the owners of the Company amounted to approximately HK\$1,193 million (31 March 2022: approximately HK\$1,475 million), a decrease of approximately HK\$282 million.

As at 30 September 2022, total debt to equity ratio was 1.02 (31 March 2022: 0.61) and net debt to equity ratio was 0.94 (31 March 2022: 0.51) 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\$1,193 million (31 March 2022: approximately HK\$1,475 million).

BORROWINGS

As at 30 September 2022, the Group's promissory notes, convertible bonds and other bonds amounted to approximately Nil, HK\$936 million and HK\$280 million respectively (31 March 2022: approximately, HK\$6 million, HK\$893 million and HK\$280 million respectively).

On 13 June 2022, a supplementary agreement was entered into for further extension of the promissory notes to 10 September 2023.

On 10 September 2022, a supplementary agreement was entered into between the promissory notes holder and the Group, according to which the parties agreed that the terms of the promissory notes be terminated in September 2022.

On 21 September 2022, the promissory notes were entirely settled by the Company.

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 2022 and 31 March 2022, the Group had no contingent liabilities.

CAPITAL COMMITMENTS

As at 30 September 2022, the Group had capital commitments of approximately HK\$534 million (31 March 2022: approximately HK\$263 million) primarily for properties under development.

CHARGES ON THE GROUP'S ASSETS

As at 30 September 2022, the Group had no charges on its assets.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2022, the Group had a total of 70 full-time staff and total staff costs for the six months ended 30 September 2022 was approximately HK\$9 million (2021: 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 2022 (2021: Nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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 2022.

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 of Hong Kong Limited (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 2022.

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 2022 except the deviations disclosed below.

Code provision C.1.6 of the CG Code stipulates (among others) that generally, independent non-executive directors and other non-executive directors should also attend general meetings to gain and develop a balanced understanding of the views of shareholders. Due to the travel restrictions imposed as a result of the COVID-19 outbreak, Mr. Cao Kuangyu, the independent non-executive Director, could not attend the annual general meeting of the Company held on 28 September 2022 (the “**2022 AGM**”).

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 2022 AGM as required by code provision F.2.2 of the CG Code. The 2022 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 2022.

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

Hong Kong, 28 November 2022

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.