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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)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2021**

#### **RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of DINGYI GROUP INVESTMENT LIMITED (the “**Company**”) hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2021, together with the comparative figures for the year ended 31 March 2020:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	<i>NOTES</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	<b>226,069</b>	184,876
Cost of sales		<b>(17,681)</b>	(6,215)
Gross profit		<b>208,388</b>	178,661
Other income	5	<b>2,506</b>	223
Gain on disposal of a subsidiary		—	8,599
Loss on early redemption of convertible bonds		—	(129)
Loss on disposal of financial assets at fair value through profit or loss		<b>(993)</b>	(1,925)
Loss arising from financial assets at fair value through profit or loss		<b>32,688</b>	(44,096)
Loss arising from derivative financial assets		—	(6,043)
Gain on modification of convertible bonds		<b>69,321</b>	42,327
Reversal/(provision) of allowance for impairment of loan and interest receivables		<b>19,696</b>	(178,438)
Share-based payments expenses		—	(152,347)
Selling and distribution costs		<b>(14,496)</b>	(5,628)
General and administrative expenses		<b>(45,359)</b>	(55,850)
Finance costs	6	<b>(156,475)</b>	(141,825)
Profit/(loss) before tax	7	<b>115,276</b>	(356,471)
Income tax (expense)/credit	8	<b>(72,341)</b>	7,978
Profit/(loss) for the year attributable to the owners of the Company		<b><u>42,935</u></b>	<b><u>(348,493)</u></b>
<b>Earnings/(loss) per share</b>			
Basic and diluted (HK cents)	10	<b><u>0.58</u></b>	<b><u>(4.75)</u></b>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*FOR THE YEAR ENDED 31 MARCH 2021*

	<b>2021</b> <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Profit/(loss) for the year</b>	<b>42,935</b>	(348,493)
<b>Other comprehensive income/(expense) for the year</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange difference arising on translating foreign operations	<b>215,101</b>	(147,645)
Reclassification adjustments for the cumulative exchange difference included in profit or loss upon disposal of foreign operations	<u>—</u>	<u>(493)</u>
Total other comprehensive income/(expense) for the year	<b>215,101</b>	(148,138)
Total comprehensive income/(expense) for the year attributable to the owners of the Company	<b><u>258,036</u></b>	<b><u>(496,631)</u></b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	NOTES	2021 HK\$'000	2020 HK\$'000
<b>Non-current assets</b>			
Investment property		15,763	15,392
Property, plant and equipment		14,295	16,470
Right-of-use assets		10,543	16,041
Prepayments and deposits	11	2,881	2,302
Deferred tax assets		39,573	43,400
		<u>83,055</u>	<u>93,605</u>
<b>Current assets</b>			
Inventories		7,250	7,250
Properties under development	12	1,001,215	518,557
Completed properties held for sale	13	106,232	115,172
Other receivables, prepayments and deposits	11	222,451	74,484
Loan and interest receivables	14	2,195,162	1,953,642
Financial asset at fair value through profit or loss		34,222	4,191
Cash and cash equivalents		306,515	21,367
		<u>3,873,047</u>	<u>2,694,663</u>
<b>Current liabilities</b>			
Trade and other payables	15	47,033	109,675
Contract liabilities	15	741,020	16,723
Amount due to a related company		15,239	7,211
Amount due to a director		—	26,479
Tax payables		137,742	83,624
Lease liabilities		7,735	8,053
Convertible bonds		327,971	367,591
Promissory note		5,389	5,000
		<u>1,282,129</u>	<u>624,356</u>
<b>Net current assets</b>		<u>2,590,918</u>	<u>2,070,307</u>
<b>Total assets less current liabilities</b>		<u><u>2,673,973</u></u>	<u><u>2,163,912</u></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Capital and reserves</b>		
Share capital	73,570	73,570
Reserves	<u>1,400,299</u>	<u>1,142,263</u>
<b>Total equity</b>	<u>1,473,869</u>	<u>1,215,833</u>
<b>Non-current liabilities</b>		
Convertible bonds	813,277	740,476
Bank borrowing	383,884	197,064
Lease liabilities	—	5,527
Deferred tax liabilities	<u>2,943</u>	<u>5,012</u>
	<u>1,200,104</u>	<u>948,079</u>
	<u><u>2,673,973</u></u>	<u><u>2,163,912</u></u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2021

### 1. GENERAL INFORMATION

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

The directors of the Company regard Wincon Capital Investment Limited, a private limited liability company incorporated in the British Virgin Islands, as the immediate and ultimate holding company of the Company.

The principal activities of the Company are investment holding. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in loan financing, securities trading and properties development.

The consolidated financial statements are presented in thousands of units of Hong Kong dollar (“**HK\$’000**”), unless otherwise stated, which is the same as the functional currency of the Company. Other than those subsidiaries established in the People’s Republic of China (the “**PRC**”), whose functional currency is Renminbi (“**RMB**”), the functional currency of its subsidiaries is HK\$.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

#### **Amendments to HKFRSs that are mandatorily effective for the current year**

In the current year, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and 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 2020 for the preparation of the consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 16	Covid-19-Related Rent Concessions <sup>6</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2 <sup>5</sup>
Amendments to HKFRS 10 and HKAS 28	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use <sup>2</sup>
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract <sup>2</sup>
Amendments to HKFRS	Annual Improvements to HKFRSs 2018–2020 <sup>2</sup>
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>1</sup>
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 April 2021.

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>6</sup> Effective for annual periods beginning on or after 1 June 2020.

The Directors anticipate that the application of new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. REVENUE

Revenue represents the amount received and receivable arising from sales of food and beverages, loan financing, securities trading and properties development, excludes amounts collected on behalf of third parties and sales related taxes. An analysis of the Group's revenue is as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Revenue from contracts with customer within the scope of HKFRS 15</b>		
Sales of properties	55,017	24,921
Sales of food and beverages	—	857
	<u>55,017</u>	<u>25,778</u>
<b>Revenue from other sources</b>		
Interest income from provision of loan financing services	171,044	159,081
Dividend income	8	17
	<u>171,052</u>	<u>159,098</u>
	<u><u>226,069</u></u>	<u><u>184,876</u></u>

### 4. 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 service rendered.

The Group has three reportable and operating segments (i) securities trading business; (ii) loan and financing business and (iii) properties development business. Segment revenue is measured in a manner consistent with that in the consolidated statement of profit or loss.

## Segment revenue and results

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

### Year ended 31 March 2021

	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>
<b>Revenue</b>				
External revenue	8	171,044	55,017	226,069
Loss on disposal of financial assets at fair value through profit or loss	<u>(993)</u>	<u>—</u>	<u>—</u>	<u>(993)</u>
Gain arising from financial assets at fair value through profit or loss	<u>32,688</u>	<u>—</u>	<u>—</u>	<u>32,688</u>
Reversal of allowance for impairment of loan and interest receivables	<u>—</u>	<u>19,696</u>	<u>—</u>	<u>19,696</u>
<b>Segment profit</b>	<u>31,703</u>	<u>190,740</u>	<u>11,201</u>	<u>233,644</u>
Bank interest income				624
Finance costs				(156,475)
Gain on modification of convertible bonds				69,321
Unallocated corporate income				1,882
Unallocated corporate expenses				<u>(33,720)</u>
Profit before tax				<u><u>115,276</u></u>

Year ended 31 March 2020

	Securities trading business <i>HK\$'000</i>	Loan financing business <i>HK\$'000</i>	Properties development business <i>HK\$'000</i>	Other businesses <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Revenue</b>					
External revenue	<u>17</u>	<u>159,081</u>	<u>24,921</u>	<u>857</u>	<u>184,876</u>
Loss on disposal of financial assets at fair value through profit or loss	<u>(1,925)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,925)</u>
Loss arising from financial assets at fair value through profit or loss	<u>(44,096)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(44,096)</u>
Allowance for impairment of loan and interest receivables	<u>—</u>	<u>(178,438)</u>	<u>—</u>	<u>—</u>	<u>(178,438)</u>
<b>Segment (loss)/profit</b>	<u>(46,004)</u>	<u>(19,357)</u>	<u>4,842</u>	<u>(252)</u>	<u>(60,771)</u>
Bank interest income					87
Gain on disposal of a subsidiary					8,599
Finance costs					(141,825)
Loss arising from derivative financial assets					(6,043)
Gain on modification of convertible bonds					42,327
Loss on early redemption of convertible bonds					(129)
Share-based payments expenses					(152,347)
Unallocated corporate income					136
Unallocated corporate expenses					<u>(46,505)</u>
Loss before tax					<u><u>(356,471)</u></u>

The accounting policies of the operating segments are the same as the Group's accounting policies described in annual report. Segment profit/loss represents the profit earned by/loss from each segment without allocation of other income, gain on disposal of a subsidiary, finance costs, loss arising from derivative financial assets, gain on modification of convertible bonds, loss on early redemption of convertible bonds, share-based payments expenses and certain central administration expenses. 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:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Segment assets</b>		
Securities trading business	34,222	4,191
Loan financing business	2,195,162	1,953,642
Properties development business	1,340,269	715,974
Other businesses	—	7,250
	<hr/>	<hr/>
Total segment assets	3,569,653	2,681,057
Unallocated corporate assets	386,449	107,211
	<hr/>	<hr/>
<b>Total consolidated assets</b>	<b><u>3,956,102</u></b>	<b><u>2,788,268</u></b>
<b>Segment liabilities</b>		
Securities trading business	—	—
Loan financing business	—	—
Properties development business	1,128,836	216,522
Other businesses	—	—
	<hr/>	<hr/>
Total segment liabilities	1,128,836	216,522
Unallocated corporate liabilities	1,353,397	1,355,913
	<hr/>	<hr/>
<b>Total consolidated liabilities</b>	<b><u>2,482,233</u></b>	<b><u>1,572,435</u></b>

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, prepayments and other receivables, derivative financial instruments and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than certain other payables, tax payables, deferred tax liabilities, amount due to a related company, amount due to a director, promissory note, convertible bonds and lease liabilities.

## 5. OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Bank interest income	624	87
Government grants ( <i>Note</i> )	702	—
Rental income	238	133
Exchange gain	552	—
Others	390	3
	<u>2,506</u>	<u>223</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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on bank borrowing	13,326	2,866
Less: amount capitalised in properties under development	<u>(13,326)</u>	<u>(2,866)</u>
	—	—
Effective interest expenses on convertible bonds	155,577	140,692
Interest on promissory note	250	142
Interest on lease liabilities	648	991
	<u>156,475</u>	<u>141,825</u>

During the year ended 31 March 2021 and 2020, interest on bank borrowing had been fully capitalised to expenditure on qualifying assets under properties under development as the borrowing is specifically arranged for property development.

## 7. PROFIT/(LOSS) BEFORE TAX

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Directors' and chief executive's emoluments	5,843	31,589
Other staff costs (excluding directors' and chief executive's emoluments)	8,396	10,321
Share-based payments expenses granted to employees	—	59,059
Retirement benefit schemes contribution (excluding directors' and chief executive's emoluments)	299	417
	<hr/>	<hr/>
Total staff costs	14,538	101,386
	<hr/>	<hr/>
Gain on lease modification (included in general and administrative expenses)	—	(97)
Amount of inventories recognised as an expense	17,681	6,215
Auditors' remuneration		
— Audit services	1,250	1,850
— Non-audit services	459	572
Depreciation of property, plant and equipment	3,269	4,805
Depreciation of investment property	843	832
Depreciation of right-of-use assets	9,800	12,595
Net exchange losses	—	791
Share-based payments expenses granted to consultants	—	69,320
	<hr/> <hr/>	<hr/> <hr/>

## 8. INCOME TAX EXPENSES/(CREDIT)

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current income tax		
The PRC Enterprise Income Tax (“EIT”)	40,922	35,042
Land appreciation tax (“LAT”)	29,991	—
Deferred tax	1,428	(43,020)
	<u>72,341</u>	<u>(7,978)</u>
Income tax expense/(credit)	<u>72,341</u>	<u>(7,978)</u>

- (i) 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 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million 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 taxation has been made during the year ended 31 March 2021 and 2020 as the assessable profits is wholly absorbed by tax losses brought forwards for both years.

- (ii) 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.
- (iii) 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.
- (iv) LAT in the PRC is levied on properties developed by the Group for sale, at progressive rates ranging from 30% to 60% (2020: ranging from 30% to 60%) on the appreciation of land value, which under the applicable regulations, is calculated based on the proceeds of sales of properties less deductible expenditures including cost of land use rights and all properties development expenditures.

## 9. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2021, nor has any dividend been proposed since the end of the reporting period (2020: nil).

## 10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to the owners of the Company is based on the following data:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
<b>Profit/(loss)</b>		
Profit/(loss) for the year attributable to the owners of the Company	<u>42,935</u>	<u>(348,493)</u>
<b>Number of shares</b>	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>7,357,008</u>	<u>7,335,797</u>

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 convertible bonds because the exercise price of the share options and the conversion price of those convertible bonds were higher than the average market price for shares for 2021.

The basic and diluted loss per share for the year ended 31 March 2020 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, share options since they would result in decrease in loss per share for 2020.

## 11. OTHER RECEIVABLES, PREPAYMENTS AND DEPOSITS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Prepayments	218,722	39,303
Deposits paid	6,454	33,917
Other receivables	156	3,561
Consideration receivables	—	5
	<u>225,332</u>	<u>76,786</u>
Analysed for reporting purposes:		
Non-current assets	2,881	2,302
Current assets	<u>222,451</u>	<u>74,484</u>
	<u>225,332</u>	<u>76,786</u>

## 12. PROPERTIES UNDER DEVELOPMENT

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
At the beginning of the financial year	518,557	398,666
Additions	427,875	148,760
Exchange difference	54,783	(28,869)
	<u>1,001,215</u>	<u>518,557</u>

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

The Group has pledged certain properties under development of approximately HK\$980,382,000 to secure general banking facilities granted to the Group (2020: approximately HK\$499,280,000).

## 13. COMPLETED PROPERTIES HELD FOR SALE

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

## 14. LOAN AND INTEREST RECEIVABLES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loan receivables	2,203,570	2,003,774
Interest receivables	150,334	128,306
	<u>2,353,904</u>	<u>2,132,080</u>
Less: Allowance for impairment of loan and interest receivables	(158,742)	(178,438)
	<u>2,195,162</u>	<u>1,953,642</u>

The loans and interest receivables are due from independent third parties, which are unsecured and their relevant due dates started from May 2021 to March 2022 (2020: started from April 2020 to June 2020). The interest rates on the loan and interest receivables are fixed ranging from 8% to 24% per annum (2020: 8% to 24% per annum).

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

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 90 days	114,169	—
91 days to 180 days	—	—
181 days to 365 days	2,076,718	1,953,642
Over 365 days	4,275	—
	<u>2,195,162</u>	<u>1,953,642</u>

#### 15. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Trade payables	3,526	1,594
Accruals	33,749	67,329
Other payables	9,758	40,752
	<u>47,033</u>	<u>109,675</u>

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Within 30 days	—	—
31 to 60 days	—	—
61 to 90 days	—	—
91 to 180 days	1,875	—
Over 181 days	1,651	1,594
	<u>3,526</u>	<u>1,594</u>

The average credit term on purchase of goods is 60-180 days (2020: 60-180 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

Contract liabilities represent advance received for the sales of properties. These advances are recognised as contract liabilities until the sales transactions are made.

There was no revenue recognised in the both years that related to performance obligations that were satisfied in the year ended 31 March 2021 and 2020.

## **DIVIDEND**

The Board has resolved not to recommend any final dividend for the year ended 31 March 2021 (2020: nil).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Business Review**

The Group is principally engaged in securities trading, loan financing, properties development and other businesses.

The Group's revenue from its continuing operations for the year amounted to approximately HK\$226 million or HK\$41 million more than that for the previous year. There was a profit for the year attributable to the Company's owners of approximately HK\$43 million (2020: loss of approximately HK\$348 million). Such turnaround from loss to profit was mainly due to (i) the Group would not need to record any one-off accounting expense relating the grant of share options as it did in the corresponding year of 2020 amounting to approximately HK\$152 million; (ii) a reversal of allowance for impairment of loan and interest receivables was recorded comparing to a provision made in the corresponding year of 2020; and (iii) the properties development business delivered satisfactory performance with increase in revenue from sales of car parks and remaining units left over from old property projects.

The basic and diluted earnings per share was HK0.58 cents, as compared with loss per share of HK4.75 cents last year.

### **Securities Trading**

During the year, 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 (2020: approximately HK\$2 million) during the year. The Group recorded a gain of approximately HK\$33 million (2020: loss of approximately HK\$44 million) arising from changes in the fair value of the listed securities. As a result, the Group reported a segment profit of approximately HK\$32 million (2020: loss of approximately HK\$46 million) during the year. 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.

## **Loan Financing**

During the year, the Group recorded a revenue of approximately HK\$171 million (2020: approximately HK\$159 million) from loan financing segment. The Group recorded a reversal allowance for impairment of loan and interest receivables of approximately HK\$20 million (2020: provision of approximately HK\$178 million). As a result, the Group reported a segment profit of approximately HK\$191 million (2020: loss of approximately HK\$19 million). The Group will further develop this segment in order to earn a higher interest income.

## **Properties Development**

During the year, the Group recorded a revenue of approximately HK\$55 million (2020: approximately HK\$25 million) and segment profit of approximately HK\$11 million (2020: approximately HK\$5 million). The increase in revenue was mainly due to the increase from sales of car parks and remaining units left over from old property projects. The Group has obtained pre-sales permit for certain blocks of the Phase III of One Parkview project starting from June 2020 and is commencing the pre-sales under the pre-sales permit. The Group anticipates further revenue and positive results from this segment in the future upon completion of properties under development and the sales of completed properties.

## **Other Businesses**

### *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 31 March 2021, the total number of issued shares of the Company was 7,357,008,015 (31 March 2020: 7,357,008,015) of HK\$0.01 each (the “**Shares**”) and its issued share capital was HK\$73,570,080 (31 March 2020: HK\$73,570,080).

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

## Outstanding Convertible Bonds

As at 31 March 2021, the Company has outstanding convertible bonds in the aggregate principal amount of HK\$1,323,250,000 (the “**Outstanding Convertible Bonds**”), among which principal amount of HK\$980,000,000 has the conversion price of HK\$0.80 per share and principal amount of HK\$343,250,000 has the conversion price of HK\$0.85 per share. The number of shares that would be issued upon full conversion of the Outstanding Convertible Bonds is 1,628,823,529 shares (representing approximately 22.14% of the issued share capital of the Company as at 31 March 2021 and approximately 18.13% of the issued share capital of the Company as enlarged by such outstanding conversion shares).

Assuming that the Outstanding Convertible Bonds were converted in full as at 31 March 2021, the respective shareholdings of the substantial shareholders of the Company would have been changed as follows:

Name of substantial shareholders	Before conversion of Outstanding Convertible Bonds		Immediately after conversion of Outstanding Convertible Bonds	
	Number of shares held	% of total issued shares	Number of shares held	% of total issued shares
Mr. LI Kwong Yuk ( <i>Note</i> )	3,251,305,405	44.19%	4,476,305,405	49.82%
China Shipbuilding Capital Limited	908,685,000	12.35%	908,685,000	10.07%
<b>Total issued shares</b>	<b>7,357,008,015</b>		<b>8,985,831,544</b>	

*Note:* including shares held by Mr. Li Kwong Yuk, Wincon Capital Investment Limited (“**WCIL**”), Wincon Asset Management Limited (“**WAML**”) and Win Master Group Limited (“**WMGL**”). Each of WCIL, WAML and WMGL are wholly and beneficially owned by Mr. Li.

The dilutive impact on the profit per share of the Group for the year ended 31 March 2021 is not applicable as the exercise price of those Outstanding Convertible Bonds (if any) was higher than the average market price for shares.

It is expected that the financial and liquidity position of the Company as at 31 March 2021 or afterwards would not be materially affected by the redemption of the Outstanding Convertible Bonds (if any), as the redemption will only take place with the Company’s consent according to the terms of the Outstanding Convertible Bonds.

## **Financial Review**

### ***Revenue***

The Group's revenue increased from approximately HK\$185 million in 2020 to approximately HK\$226 million in 2021, mainly because an increase of revenue in properties development segment.

### ***Gross Profit***

The gross profit increased by approximately HK\$30 million, or 16.6%, from approximately HK\$179 million in 2020 to approximately HK\$208 million in 2021. The gross profit margin decreased from approximately 96.6% in 2020 to approximately 92.2% in 2021.

### ***Other Income***

Other income increased to approximately HK\$3 million this year (2020: approximately HK\$223,000). The increase was mainly due to (i) the increase of bank interest income in relation to the increase in cash received from the pre-sale of the Phase III of One Parkview project, (ii) the salaries and wage subsidies granted under Anti-Epidemic Fund, and (iii) the net exchange gain.

### ***Selling and Distribution Costs and General and Administrative Expenses***

Selling and distribution costs increased to approximately HK\$14 million (2020: approximately HK\$6 million) which was mainly due to the increase of marketing expenses for the pre-sale of the Phase III of One Parkview project. General and administrative expenses decreased to approximately HK\$45 million (2020: approximately HK\$56 million) which was mainly due to the cost saving resulted by an implementation of cost control during the year.

### ***Property, Plant and Equipment***

Property, plant and equipment decreased to approximately HK\$14 million in this year (2020: approximately HK\$16 million).

### ***Significant Investment***

As at 31 March 2021, the Group had financial assets at fair value through profit or loss, representing equity securities listed in Hong Kong, Shanghai and London, of approximately HK\$34 million (2020: approximately HK\$4 million). The Group recorded a gain of approximately HK\$33 million (2020: loss of approximately HK\$44 million) arising from changes in the fair value of listed securities. Since there was no financial assets at fair value through profit or loss held by the Group valued more than 5% of the total assets of the Group as at 31 March 2021, there were no significant investments held by the Group.

### ***Cash and Bank Balances***

Cash and bank balances increased from approximately HK\$21 million in last year to approximately HK\$307 million this year. The increase was mainly due to the cash received from the pre-sale of the Phase III of One Parkview project.

### ***Shareholders' Funds and Financial Ratios***

As at 31 March 2021, the Group's net assets attributable to the owners of the Company amounted to approximately HK\$1,474 million (2020: HK\$1,216 million), an increase of approximately HK\$258 million when compared with that of 2020.

As at 31 March 2021, total debt to equity ratio was 1.04 (2020: 1.08) and net debt to equity ratio was 0.83 (2020: 1.06), 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\$1,474 million (2020: HK\$1,216 million).

### ***Bank Borrowing, Promissory Note and Convertible Bonds***

As at 31 March 2021, the Group's bank borrowing, promissory note and convertible bonds amounted to approximately HK\$384 million, HK\$5 million and HK\$1,141 million respectively (31 March 2020: approximately HK\$197 million, HK\$5 million and HK\$1,108 million respectively).

The bank borrowing of approximately HK\$384 million will be repayable between 1 and 5 years.

### ***Charge on Assets***

As at 31 March 2021, the Group's properties under development with a carrying amounts of approximately HK\$980 million (2020: approximately HK\$499 million) was pledged to a bank for bank borrowing.

### ***Foreign Exchange Exposure***

Most of the Group's assets are denominated in Hong Kong dollars ("HKD"), Renminbi ("RMB"), United States dollars ("USD") and Australian dollars ("AUD"). Considering the exchange rates between these currencies are relatively stable, the Group believed that the corresponding exposure to RMB, USD and AUD exchange rates fluctuation 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 continues to actively monitor foreign exchange exposure to minimise the impact of any adverse currency movement.

### *Contingent Liabilities*

As at 31 March 2021 and 2020, the Group had no contingent liabilities.

### *Capital Commitments*

As at 31 March 2021, the Group had capital commitments of approximately HK\$132,279,000 (2020: approximately HK\$311,272,000).

### *Treasury Policies*

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

### **Events After Reporting Period**

#### *Subsequent amendments to the terms and conditions of the convertible bonds*

On 11 June 2021, the Company entered into the third deed of amendments (the “**Third Amendment Deed**”) to further extend the maturity date of the convertible bonds in the principal amounts of HK\$220,000,000 and HK\$59,500,000 (the “**Convertible Bonds**”) to 31 May 2022 (the “**Third Amendments**”). The conversion rights (the “**Conversion Rights**”) attaching to the Convertible Bonds expired on 31 May 2021. As such, the Convertible Bonds have become a straight debt and carry no Conversion Rights pursuant to the Third Amendment Deed. As the Convertible Bonds are no longer regarded as convertible debt securities, the Company is not required to apply for the approval of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the Third Amendments under Rule 28.05 of the Rules Governing the Listing of Securities on the Stock Exchange ( the “**Listing Rules**”). Details are set out in the Company's announcements dated 11 June 2021 and 17 June 2021.

## **Strategy and Outlook**

The COVID-19 outbreak has resulted in an extremely complicated external environment with lots of uncertainties. However, the Group's business and operation were not adversely impacted or disrupted by COVID-19 pandemic for the year ended 31 March 2021. The Group will implement proactive epidemic prevention measures to ensure the health and safety of its employees and customers. The Group will continue to monitor the developments of the COVID-19 outbreak closely, assess and react actively to its impacts on the financial position and operating results of the Group.

Apart from the existing businesses of securities trading, loan financing, properties development and other businesses, 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.

## **Employees and Remuneration Policies**

The Group employed 75 full-time staff under its subsidiaries globally as at 31 March 2021 (2020: 76). Total staff costs amounted to approximately HK\$15 million for the year ended 31 March 2021 (2020: approximately HK\$101 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.

## **CORPORATE GOVERNANCE AND OTHER INFORMATION**

### **Corporate Governance Code**

The Company is committed to maintaining a high standard of corporate governance and has introduced corporate governance practices appropriate to the conduct and growth of its business.

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules.

In the opinion of the Directors, the Company has complied with all code provisions of the CG Code during the year ended 31 March 2021 except for 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 30 September 2020 (the “**2020 AGM**”) as required by code provision E.1.2 of the CG Code. The 2020 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.

### **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 year ended 31 March 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 of the Listing Rules as its code of conduct for securities transactions by Directors during the year ended 31 March 2021.

The Company has made specific enquiries to all the Directors and they have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2021.

### **Audit Committee**

The Audit Committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed the audit and financial reporting matters, internal control and risk management systems of the Group including the review of the audited financial statements of the Group for the year ended 31 March 2021.

### **Publication of Annual Results Announcement and Annual Report**

The annual results announcement of the Group for the year ended 31 March 2021 is published on the websites of the Stock Exchange at <http://www.hkexnews.hk> and the Company at <http://www.dingyi.hk>. The annual report of the Company for the year ended 31 March 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 July 2021.

## **Appreciation**

I would like to take this opportunity to thank all of our customers, shareholders and business associates for their confidence and support to the Group. To all of our employees, I appreciate your hard work, dedication and commitment over the year.

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

Hong Kong, 28 June 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.*