

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



中國鼎益豐控股有限公司

CHINA DING YI FENG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00612)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The Board (the “**Board**”) of Directors (the “**Directors**”) of China Ding Yi Feng Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2018, with the comparative figures for the year ended 31 December 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2018

	<i>Notes</i>	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Revenue	3	36,612,338	12,563
Other income	5	467,666	—
Net realised gain on disposal of equity instruments at fair value through other comprehensive income		14,850,118	—
Net realised gain on disposals of financial assets at fair value through profit or loss		23,660,364	2,201,830
Net realised gain (loss) on financial derivative contracts		2,029,668	(12,145,439)
Net unrealised gain (loss) on financial assets at fair value through profit or loss		<u>128,200,059</u>	<u>(41,183,353)</u>
		205,820,213	(51,114,399)
Net gain (loss) on disposals of subsidiaries	17	67,214,139	(10,478,016)
Administrative expenses		(92,848,529)	(84,265,958)
Finance costs	6	<u>(32,164,697)</u>	<u>(9,218,838)</u>
Profit (loss) before tax	7	148,021,126	(155,077,211)
Income tax expense	8	<u>(19,464,832)</u>	—
Profit (loss) for the year attributable to owners of the Company		<u>128,556,294</u>	<u>(155,077,211)</u>
Earnings (loss) per share	10		
— Basic (HK cents per share)		<u>10.51</u>	<u>(13.09)</u>
— Diluted (HK cents per share)		<u>10.24</u>	<u>(13.09)</u>

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

For the year ended 31 December 2018

	2018	2017
	HK\$	HK\$
Profit (loss) for the year attributable to owners of the Company	<u>128,556,294</u>	<u>(155,077,211)</u>
Other comprehensive income (expense):		
<i>Items that will not be reclassified to profit or loss:</i>		
Fair value gain on equity instruments at fair value through other comprehensive income	537,501	—
Reclassification of investment revaluation reserve upon disposals of subsidiaries	<u>—</u>	<u>10,783,505</u>
	<u>537,501</u>	<u>10,783,505</u>
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	2,696	7,130
Net loss arising on revaluation of available-for-sale financial assets	<u>—</u>	<u>(13,193,675)</u>
	<u>2,696</u>	<u>(13,186,545)</u>
Other comprehensive income (expense) for the year, net of tax	<u>540,197</u>	<u>(2,403,040)</u>
Total comprehensive income (expense) attributable to owners of the Company	<u><u>129,096,491</u></u>	<u><u>(157,480,251)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2018

	<i>Notes</i>	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Non-current assets			
Property, plant and equipment		7,487,541	12,898,416
Intangible assets		10,228,403	10,228,403
Equity instruments at fair value through other comprehensive income	<i>11</i>	2,302,207	—
Available-for-sale financial assets	<i>12</i>	—	43,175,238
Rental deposits	<i>13</i>	5,726,351	4,655,471
		<u>25,744,502</u>	<u>70,957,528</u>
Current assets			
Prepayments, deposits and other receivables	<i>13</i>	261,724,420	32,530,227
Financial assets at fair value through profit or loss	<i>14</i>	226,126,899	40,434,884
Cash and cash equivalents		304,217,191	138,446,606
		<u>792,068,510</u>	<u>211,411,717</u>
Current liabilities			
Accruals and other payables		18,236,881	6,418,654
Borrowings	<i>15</i>	210,944,796	122,790,000
		<u>229,181,677</u>	<u>129,208,654</u>
Net current assets		<u>562,886,833</u>	<u>82,203,063</u>
Total assets less current liabilities		<u>588,631,335</u>	<u>153,160,591</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*At 31 December 2018*

	<i>Notes</i>	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Non-current liabilities			
Borrowings	<i>15</i>	200,345,439	107,611,743
Deferred tax liabilities		19,464,832	—
		219,810,271	107,611,743
Net assets		368,821,064	45,548,848
Capital and reserves			
Share capital	<i>16</i>	61,836,100	60,886,100
Reserves		306,984,964	(15,337,252)
Total equity		368,821,064	45,548,848
Net asset value per share	<i>10</i>	0.30	0.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

New and Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) — Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of 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.

HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRS. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated losses and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3 to the consolidated financial statements.

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

	<i>Notes</i>	Available- for-sale financial assets <i>HK\$</i>	Financial assets designated at FVTPL <i>HK\$</i>	Financial assets at FVTPL required by HKAS 39/ HKFRS 9 <i>HK\$</i>	Equity instruments at FVTOCI <i>HK\$</i>
Closing balance at 31 December 2017					
— HKAS 39		43,175,238	6,125,592	34,309,292	—
Effect arising from initial application of HKFRS 9:					
Reclassification:					
From available-for-sale	<i>(a)</i>	(43,175,238)	—	—	43,175,238
From designated at FVTPL	<i>(b)</i>	—	(6,125,592)	6,125,592	—
Opening balance at 1 January 2018		<u>—</u>	<u>—</u>	<u>40,434,884</u>	<u>43,175,238</u>

Notes:

a) Available-for-sale (“AFS”) financial assets

From AFS financial assets to equity instruments at fair value through other comprehensive income (“FVTOCI”)

The Group elected to present in OCI for the fair value changes of all its equity investments previously classified as available-for-sale financial assets. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of HKFRS 9, HK\$43,175,238 were reclassified from AFS financial assets to equity instruments at FVTOCI, of which HK\$149,939 related to unlisted equity investments previously measured at cost less impairment under HKAS 39. Accumulated fair value losses of HK\$34,949,701 relating to those investments previously carried at fair value continued to accumulate in FVTOCI reserve.

b) Financial assets at FVTPL and/or designated at FVTPL

At the date of initial application, the Group no longer applied designation as measured at FVTPL for the unlisted option contracts which is evaluated on a fair value basis, as these financial assets are required to be measured at FVTPL under HKFRS 9. As a result, these investments of HK\$6,125,592 were reclassified from financial assets designated at FVTPL to financial assets at FVTPL.

The Group has reassessed its investments in equity securities classified as held for trading under HKAS 39 as if the Group had purchased these investments at the date of initial application. Based on the facts and circumstances as at the date of initial application, HK\$34,309,292 of the Group's investments were held for trading and continued to be measured at FVTPL.

There was no impact on the amounts recognised in relation to these assets from the application of HKFRS 9.

c) Impairment under ECL model

Except for those which had been determined as credit impaired under HKAS 39, ECL for other financial assets at amortised cost, including rental deposits, deposits and other receivables and cash and cash equivalents, are assessed on 12 months ECL basis as there had been no significant increase in credit risk since initial recognition.

Impacts on opening consolidated statement of financial position arising from the application of all new standards

As a result of the changes in the Group's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each of the line items affected. Line items that were not affected by the changes have not been included.

	31 December		1 January
	2017	Impact on	2018
	(Audited)	HKFRS 9	(Restated)
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Non-current assets			
Available-for-sale financial assets	43,175,238	(43,175,238)	—
Equity instruments at FVTOCI	—	43,175,238	43,175,238
	<u>43,175,238</u>	<u>—</u>	<u>43,175,238</u>

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 are not yet effective:

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ²
HK(IFRIC) — Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015–2017 Cycle ¹
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 15	Clarifications to HKFRS 15 ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle ⁴
Amendments to HKAS 40	Investment Property ¹
HK(IFRIC) — Int 22	Foreign Currency Transactions and Advance Consideration ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2021

³ Effective for annual periods beginning on or after a date to be determined

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments,

as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for own use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively by the Group.

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$6,438,632. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$5,726,351 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

3. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2018	2017
	HK\$	HK\$
Interest income from banks and financial institutions	283,466	12,563
Dividend income (<i>note a</i>)	36,328,872	—
	36,612,338	12,563

Note a: During the year ended 31 December 2018, the Company received a total of HK\$36,328,872 in dividend income from the Group's unlisted investment in China Investment Holdings Limited ("CIHL") and which had been declared and approved by CIHL in March 2018 and June 2018.

4. SEGMENT INFORMATION

For the years ended 31 December 2018 and 2017, the Group's revenue was mainly interest income from banks and financial institutions and dividend income. The Directors consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating profits. The Group's segment revenue, assets and liabilities for the year, analysed by geographical markets, are as follows:

	Hong Kong		PRC and other jurisdictions		Consolidated	
	2018	2017	2018	2017	2018	2017
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Segment revenue:						
Interest income from banks and financial institutions	265,282	1,228	18,184	11,335	283,466	12,563
Dividend income	—	—	36,328,872	—	36,328,872	—
	<u>265,282</u>	<u>1,228</u>	<u>36,347,056</u>	<u>11,335</u>	<u>36,612,338</u>	<u>12,563</u>
Non-current assets*	17,667,249	23,126,819	48,695	—	17,715,944	23,126,819
Total assets	<u>800,917,374</u>	<u>220,156,173</u>	<u>16,895,638</u>	<u>62,213,072</u>	<u>817,813,012</u>	<u>282,369,245</u>
Total liabilities	<u>448,990,608</u>	<u>236,819,236</u>	<u>1,340</u>	<u>1,161</u>	<u>448,991,948</u>	<u>236,820,397</u>
Other segment information:						
Additions to property, plant and equipment	95,000	15,179,642	49,540	—	144,540	15,179,642
Additions to intangible assets	—	6,616,124	—	—	—	6,616,124

* The non-current assets information above is based on the locations of the assets and excluded AFS financial assets, equity instruments at fair value through other comprehensive income and rental deposits.

Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

5. OTHER INCOME

	2018	2017
	HK\$	HK\$
Sundry income	<u>467,666</u>	<u>—</u>

6. FINANCE COSTS

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Interest expenses on:		
Interest-bearing loan notes	2,168,419	2,166,246
Interest-bearing bonds	27,631,346	6,265,341
Interest-bearing loans	2,364,932	787,251
	<u>32,164,697</u>	<u>9,218,838</u>

7. PROFIT (LOSS) BEFORE TAX

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
The Group's profit (loss) before tax has been arrived at after charging the following items:		
Directors' emoluments:		
Fees	4,380,000	3,910,667
Other emoluments	2,936,696	2,801,725
Discretionary bonuses	420,000	895,000
Retirement benefits scheme contributions	64,427	64,390
Equity-settled share-based payments	—	1,330,000
Staff costs:		
Basic salaries and allowances	8,967,741	8,397,427
Retirement benefits scheme contributions	291,576	275,237
Total staff costs (including Directors' emoluments)	<u>17,060,440</u>	<u>17,674,446</u>
Auditor's remuneration	765,000	680,000
Depreciation of property, plant and equipment	5,555,415	4,309,082
Loss on property, plant and equipment written-off	—	984,181
Net foreign exchange losses	666,004	340,736
Operating lease charges in respect of office premises	<u>8,512,306</u>	<u>11,332,540</u>

8. INCOME TAX EXPENSE

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Tax expenses attributable to the Company and subsidiaries:		
Deferred taxation		
Change for the year	<u>19,464,832</u>	<u>—</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 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, starting from the current year, the Hong Kong profits tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

No Hong Kong Profits Tax has been provided as the Group had no assessable profits in Hong Kong for the year (2017: Nil).

Under the law of the PRC on Enterprises Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the applicable PRC EIT rate of the Group’s PRC subsidiaries is 25% for both years.

9. DIVIDEND

Subsequent to 31 December 2018, a final dividend for the year ended 31 December 2018 of HK\$0.02 (2017: Nil) per share amounting to HK\$24,734,440 in total has been proposed by the directors for approval by the shareholders of the Company in the forthcoming annual general meeting. The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of reporting period.

10. NET ASSET VALUE PER SHARE AND EARNINGS (LOSS) PER SHARE

Net asset value per share

The net asset value per share is calculated by dividing the net assets included in the consolidated statement of financial position of HK\$368,821,064 (2017: HK\$45,548,848) by the number of shares in issue as at 31 December 2018, being 1,236,722,000 (2017: 1,217,722,000).

Earnings (loss) per share

The calculations of basic and diluted earnings (loss) per share are based on:

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Earnings (loss)		
Profit (loss) attributable to owners of the Company	<u>128,556,294</u>	<u>(155,077,211)</u>
	Number of shares	
	2018	2017
Shares		
Weighted average number of ordinary shares in issue during the year used in basic earnings (loss) per share calculation	<u>1,222,667,205</u>	1,184,587,223
Effect of dilutive potential ordinary shares — share options	<u>32,479,790</u>	<u>32,979,790</u>
	<u>1,255,146,995</u>	<u>1,217,567,013*</u>

* No adjustment has been made to the basic loss per share amount for the year ended 31 December 2017 in respect of a dilution because the diluted loss per share amount is decreased when taking outstanding share options into account, so the outstanding share options had an anti-dilutive effect on the basic loss per share amount for the year ended 31 December 2017, and were ignored in the calculation of diluted loss per share amount.

11. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

2018
HK\$

Unlisted investments

— Equity securities in Hong Kong (note 1) 2,302,207

Particulars of investments in unlisted equity securities held by the Group as at 31 December 2018 disclosed pursuant to Chapter 21 of Listing Rules are as follows:

Note 1: Unlisted equity securities, at fair value

Name of investee company	Place of incorporation	Proportion of investee's capital owned	Fair value		Accumulated fair value adjustment	Net assets attributable to the Company	Dividend received/ receivable during the year	% of gross assets of the Company
			Cost	Fair value				
			HK\$	HK\$	HK\$	HK\$'000	HK\$	
At 31 December 2018								
China Investment Fund International Securities Limited ("CIFIS")	Hong Kong	15%	1,764,706	2,302,207	537,501	1,271	—	0.28%

Note: CIFIS is principally engaged in brokerage of securities in Hong Kong.

During the year, the Company disposed of its 15% shareholding in CIHL to an independent third party in December 2018 for a consideration of HK\$15,000,000 and resulted in a realised gain on disposal of equity instruments at FVTOCI of HK\$14,850,118.

12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2018	2017
	HK\$	HK\$
Unlisted equity securities, at fair value		
Cost	—	77,975,000
Accumulated fair value adjustments	—	(34,949,701)
	<u>—</u>	<u>43,025,299</u>
Unlisted equity securities, at cost		
Cost	—	149,939
Less: Impairment loss	—	—
	<u>—</u>	<u>149,939</u>
Total	<u>—</u>	<u>43,175,238</u>

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2018	2017
	HK\$	HK\$
Other prepayments	87,367	369,794
Rental and utility deposits	5,726,351	4,800,351
Deposits for registration of a new cross-boundary vehicle licence	—	824,092
Due from brokers	257,179,136	30,616,375
Other deposits and receivables	4,457,917	575,086
	<u>267,450,771</u>	<u>37,185,698</u>
Portion classified as non-current assets	<u>(5,726,351)</u>	<u>(4,655,471)</u>
	<u>261,724,420</u>	<u>32,530,227</u>

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Financial assets mandatorily measured at FVTPL:		
Listed securities held for trading		
— Equity securities in Hong Kong (<i>note a</i>)	216,704,800	14,724,600
— Equity securities in the PRC (<i>note a</i>)	9,422,099	19,584,692
	<u>226,126,899</u>	<u>34,309,292</u>
Financial assets designated at FVTPL:		
— Unlisted option contracts in the PRC (<i>note b</i>)	—	6,125,592
	<u>226,126,899</u>	<u>40,434,884</u>

Note a: Particulars of investments of listed equity securities held by the Group as at 31 December 2018 and 2017 disclosed pursuant to Chapter 21 of Listing Rules are as follows:

Name of investee companies	Place of incorporation	Particulars of issued shares held	Proportion of investee's capital owned	Cost <i>HK\$</i>	Market value <i>HK\$</i>	Accumulated unrealised gain (loss) recognised <i>HK\$</i>	Dividend received/ receivable during the year <i>HK\$</i>	% of gross assets of the Company
At 31 December 2018								
Listed equity securities in Hong Kong								
Smartac Group China Holdings Limited	Cayman Islands	197,000,000	3.50%	40,310,886	177,300,000	136,989,114	—	21.68%
The Hong Kong and China Gas Company Limited	Hong Kong	620,000	Less than 0.01%	9,958,940	10,044,000	85,060	—	1.23%
Hong Kong Exchanges and Clearing Limited	Hong Kong	88,000	Less than 0.01%	19,874,840	19,940,800	65,960	—	2.44%
Tencent Holdings Limited	Cayman Islands	30,000	Less than 0.01%	8,967,960	9,420,000	452,040	—	1.15%
				<u>79,112,626</u>	<u>216,704,800</u>	<u>137,592,174</u>		
Listed equity securities in PRC								
Irico Display Devices Co., Ltd.	PRC	1,880,000	0.05%	18,797,786	9,422,099	(9,375,687)	—	1.15%
				<u>97,910,412</u>	<u>226,126,899</u>	<u>128,216,487</u>		

Name of investee companies	Place of incorporation	Particulars of issued shares held	Proportion of investee's capital owned	Cost HK\$	Market value HK\$	Accumulated unrealised gain (loss) recognised HK\$	Dividend received/ receivable during the year HK\$	% of gross assets of the Company
At 31 December 2017								
Listed equity securities in Hong Kong								
Zhidao International (Holdings) Limited	Cayman Islands	30,360,000	1.53%	38,248,211	14,724,600	(23,523,611)	—	5.21%
Listed equity securities in PRC								
Irico Display Devices Co., Ltd.	PRC	270,000	0.04%	2,320,906	2,337,334	16,428	—	0.83%
Tianma Bearing Group Co., Ltd.	PRC	800,022	0.07%	10,309,315	7,945,751	(2,363,564)	—	2.81%
Youngy Co., Ltd.	PRC	240,000	0.13%	12,639,198	9,301,607	(3,337,591)	—	3.29%
				<u>25,269,419</u>	<u>19,584,692</u>	<u>(5,684,727)</u>		
				<u>63,517,630</u>	<u>34,309,292</u>	<u>(29,208,338)</u>		

The fair value of listed equity securities are based on their quoted closing prices in an active market.

Note b: Particulars of investments of unlisted option contracts held by the Group as at 31 December 2017 disclosed pursuant to Chapter 21 of Listing Rules are as follows:

Name of unlisted option contracts	Cost HK\$	Fair value HK\$	Accumulated unrealised loss recognised HK\$
At 31 December 2017			
Unlisted option contract (399006.SZ)	11,581,386	4,748,815	(6,832,571)
Unlisted option contract (159915.SZ)	<u>3,357,432</u>	<u>1,376,777</u>	<u>(1,980,655)</u>
	<u>14,938,818</u>	<u>6,125,592</u>	<u>(8,813,226)</u>

The fair value of unlisted option contracts are measured using the valuation technique in which the significant inputs are based on observable market data.

15. BORROWINGS

	2018 <i>HK\$</i>	2017 <i>HK\$</i>
Interest-bearing loan notes, unsecured	42,277,817	42,234,394
Interest-bearing bonds, unsecured	346,312,418	178,167,349
Interest-bearing loans, unsecured	<u>22,700,000</u>	<u>10,000,000</u>
	411,290,235	230,401,743
Less: Amount classified as current liabilities	<u>(210,944,796)</u>	<u>(122,790,000)</u>
Amount classified as non-current liabilities	<u><u>200,345,439</u></u>	<u><u>107,611,743</u></u>
The carrying amounts of above borrowings are repayable:		
Within one year	210,944,796	122,790,000
More than one year but not exceeding two years	101,075,546	17,263,567
More than two years but not exceeding five years	89,277,095	38,257,921
More than five years	<u>9,992,798</u>	<u>52,090,255</u>
	<u><u>411,290,235</u></u>	<u><u>230,401,743</u></u>

16. SHARE CAPITAL

	Number of ordinary share of HK\$0.05 each	Nominal value <i>HK\$</i>
Authorised:		
At 1 January 2017, 31 December 2017 and 31 December 2018	<u>4,000,000,000</u>	<u>200,000,000</u>
Issued and fully paid:		
At 1 January 2017	1,107,020,000	55,351,000
Issue of shares under the Open Offer (<i>Note a</i>)	<u>110,702,000</u>	<u>5,535,100</u>
At 1 January 2018	1,217,722,000	60,886,100
Issue of shares under placement of shares (<i>Note b</i>)	<u>19,000,000</u>	<u>950,000</u>
At 31 December 2018	<u><u>1,236,722,000</u></u>	<u><u>61,836,100</u></u>

Notes:

- (a) On 26 April 2017, the Company announced that it proposed to raise not less than approximately HK\$62 million and not more than approximately HK\$66 million before expenses by issuing not less than 110,702,000 offer shares and not more than 117,792,552 offer shares at the subscription price of HK\$0.56 per offer share on the basis of one offer share for every ten existing shares held on the record date (the “**Open Offer**”). On 26 April 2017, the Company entered into an underwriting agreement with an underwriter (the “**Underwriter**”) pursuant to which the Open Offer was fully underwritten by the Underwriter.

On 13 June 2017, upon the completion of the Open Offer, the Company issued 110,702,000 new ordinary shares of HK\$0.05 each at a subscription price of HK\$0.56 for a total consideration, before related expenses, of approximately HK\$62 million. Details and results of the Open Offer were set out in the Company’s announcements dated 27 April 2017 and 9 May 2017 and prospectus dated 19 May 2017.

- (b) On 27 September 2018, the Company issued 19,000,000 new ordinary shares at a subscription price of HK\$10.525 per subscription share for a total cash consideration of HK\$199,975,000. The premium on the issue of shares amounted to approximately HK\$193,226,000, net of share issue expenses.

17. NET GAIN (LOSS) ON DISPOSALS OF SUBSIDIARIES

During the year ended 31 December 2018, the Group disposed of its entire equity interest in Grand Dragon Investment Development Limited together with its subsidiaries, Radiant Top Limited, China Investment Fund International Securities Limited, More Best Inc Limited, China Investment Fund International Currency Exchange Limited and China Investment Fund International Financial Advisory Limited to independent third parties for an aggregate consideration of HK\$110,355,200, resulting in a gain on disposal of HK\$67,214,139.

The aggregate net assets of the subsidiaries at the date of disposal were as follows:

	<i>HK\$</i>
Equity instrument at FVTOCI	43,025,299
Cash and cash equivalents	10,115,762
Other payable	<u>(10,000,000)</u>
Net assets disposal of	43,141,061
Total considerations	<u>(110,355,200)</u>
Net gain on disposals	<u><u>67,214,139</u></u>

An analysis of net inflows of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	<i>HK\$</i>
Net cash inflow arising on disposal:	
Cash consideration received	110,355,200
Cash and cash equivalents disposed of	<u>(10,115,762)</u>
	<u><u>100,239,438</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in investment in both listed and unlisted securities.

From the beginning of 2018, the Donald Trump Administration triggered a trade war with the rest of the world by imposing tariffs on imported washing machines and solar panels in January and then on imported steel and aluminum in March. A trade war between the US and China broke out in July, after the US imposed tariffs on US\$50 billion, which quickly jumped to US\$250 billion, worth of Chinese goods. China immediately retaliated with similar tariff levels on US products. The trade war has greatly destabilised the global economy. In addition, the US left the Iran Nuclear Deal and threatened to sanction any firm that does business with Iran, which could make the global crude oil market highly volatile. Given such precarious investment environment, the Directors have taken prudent strategies to manage our portfolio.

FINANCIAL REVIEW

For the year ended 31 December 2018, the Group recorded a net gain of approximately HK\$128,556,000 (2017: a net loss of approximately HK\$155,077,000). The turnaround of the result with a profit for the year as compared to a loss in the previous year was primarily due to:

- an increase in dividend income from the Group's investments and realised gain on disposal of equity instruments at fair value through other comprehensive income ("FVTOCI"). This was attributable to the Group's investment in China Investment Holdings Limited ("CIHL"), a company incorporated in Cayman Islands and principally engaged in financial and management services outside Hong Kong, comprising shares with dividend entitlement. During the year ended 31 December 2018, the Company received a total of HK\$36,328,872 in dividend income which had been declared and approved by CIHL in March 2018 and June 2018. Based on the unaudited financial information of CIHL received by the Group, during the period from its incorporation in July 2017 to October 2018, CIHL had net profits of approximately HK\$53,000,000. In view of the escalating trade conflict between the U.S. and China causing uncertainty in the global financial markets, the Group's disposed of its 15% shareholding in CIHL to an independent third party in December 2018 for a consideration of HK\$15,000,000 and resulted in a realised gain of disposal of equity instruments at FVTOCI.

- an increase in net realised gain on disposal of financial assets at fair value through profit or loss (“FVTPL”) by approximately HK\$21,459,000 from approximately HK\$2,202,000 to approximately HK\$23,661,000 which was mainly attributable to the Group’s investments in listed securities.
- an unrealised gain on financial assets at FVTPL of approximately HK\$128,200,000 (2017: net unrealised loss on financial assets at FVTPL of approximately HK\$41,183,000) which was mainly attributable to the revaluation gain of listed securities.
- a net gain on disposals of subsidiaries of approximately HK\$67,214,000 (2017: a net loss on disposals of subsidiaries of approximately HK\$10,478,000).

SECURITIES INVESTMENTS

The Board exercised caution while actively managing its investment portfolio in accordance with the Company’s investment objective and policy for the best interests for our shareholders.

Investment in listed securities

As at 31 December 2018, the Group held listed securities classified under financial assets at FVTPL of approximately HK\$226,127,000 (2017: approximately HK\$34,309,000).

Investment in unlisted securities

As at 31 December 2018, the Group’s investment in unlisted securities classified under equity instrument at FVTOCI consisted of 15% shareholding in China Investment Fund International Securities Limited (“CIFIS”) of approximately HK\$2,302,000. CIFIS is incorporated in Hong Kong and principally engaged in the securities business. In 2017, the Group held available-for-sale financial assets of approximately HK\$43,175,000, which were disposed during the year 2018.

INVESTMENT PORTFOLIO

We divide our strategy into three categories, namely long-term holding investment, mid-term private equity and venture capital and short-term trading of securities and other financial instruments. The main two sectors of our investments during the year 2018 were e-commerce & internet services and finance industry.

Details of all investments of the Group as at 31 December 2018 are summarised as below:

At 31 December 2018

Listed Securities

Name of investee companies	Place of incorporation	Particulars of issued shares held	Proportion of investee's capital owned	Cost <i>HK\$</i>	Market value <i>HK\$</i>	Accumulated unrealised gain/(loss) recognised <i>HK\$</i>	Dividend received/receivable during the year <i>HK\$</i>	% of gross assets of the Company
At 31 December 2018								
Listed equity securities in Hong Kong								
Smartac Group China Holdings Limited	Cayman Islands	197,000,000	3.50%	32,422,085	177,300,000	144,877,915	—	21.68%
The Hong Kong and China Gas Company Limited	Hong Kong	620,000	Less than 0.01%	9,958,940	10,044,000	85,060	—	1.23%
Hong Kong Exchanges and Clearing Limited	Hong Kong	88,000	Less than 0.01%	19,874,840	19,940,800	65,960	—	2.44%
Tencent Holdings Limited	Cayman Islands	30,000	Less than 0.01%	8,967,960	9,420,000	452,040	—	1.15%
				<u>71,223,825</u>	<u>216,704,800</u>	<u>145,480,975</u>		
Listed equity securities in The People's Republic of China ("PRC")								
Irico Display Devices Co., Ltd.	PRC	1,880,000	0.05%	18,797,786	9,422,099	(9,375,687)	—	1.15%
				<u>90,021,611</u>	<u>226,126,899</u>	<u>136,105,288</u>		

Unlisted Securities

Name of investee company	Place of incorporation	Proportion of investee's capital owned	Cost <i>HK\$</i>	Fair value <i>HK\$</i>	Accumulated fair value adjustment <i>HK\$</i>	Net assets attributable to the Company <i>HK\$'000</i>	Dividend received/receivable during the year <i>HK\$</i>	% of gross assets of the Company
At 31 December 2018								
China Investment Fund International Securities Limited ("CIFIS")	Hong Kong	15%	1,764,706	2,302,207	537,501	1,271	—	0.28%

At 31 December 2017

Name of investee company	Place of incorporation	Particulars of issued shares held	Proportion of investee's capital owned	Cost HK\$	Market value HK\$	Accumulated unrealised gain/(loss) recognised HK\$	Dividend received/receivable during the year HK\$	% of gross assets of the Company
<i>Listed equity securities in Hong Kong</i>								
Zhidao International (Holdings) Limited	Cayman Islands	30,360,000	1.53%	38,248,211	14,724,600	(23,523,611)	—	5.21%
<i>Listed equity securities in PRC</i>								
Irico Display Devices Co., Ltd.	PRC	270,000	0.04%	2,320,906	2,337,334	16,428	—	0.83%
Tianma Bearing Group Co., Ltd.	PRC	800,022	0.07%	10,309,315	7,945,751	(2,363,564)	—	2.81%
Youngy Co., Ltd	PRC	240,000	0.13%	12,639,198	9,301,607	(3,337,591)	—	3.29%
<i>Private equity securities</i>								
Galaxy Automotive MS Inc.	Republic of Vanuatu		29%	27,975,000	7,190,000	(20,785,000)	—	2.55%
Mountain Gold Holdings Inc.	Republic of Vanuatu		6.4%	50,000,000	35,835,299	(14,164,701)	—	12.69%
Name of unlisted option contracts				Cost HK\$	Fair value HK\$	Accumulated unrealised loss recognised HK\$		% of gross assets of the Company
Unlisted option contract (399006.SZ)				11,581,386	4,748,815	(6,832,571)		1.68%
Unlisted option contract (159915.SZ)				3,357,432	1,376,777	(1,980,655)		0.49%
				<u>14,938,818</u>	<u>6,125,592</u>	<u>(8,813,226)</u>		

DIVIDEND

During the board meeting held on 28 February 2019, the Board recommended a final dividend of HK\$0.02 per share for the year ended 31 December 2018 to the shareholders. Subject to the approval of the shareholders at the forthcoming annual general meeting and subject to further disclosure as appropriate in respect of the book closure date, record date and payment date, the proposed 2018 final dividend is expected to be distributed to the shareholders on or before 31 May 2019. There will be no scrip dividend option for the 2018 final dividend. The proposed dividend has not been provided for in the consolidated financial statements for the year ended 31 December 2018.

Going forward

Given the fluctuation in the worldwide financial markets, the Board will continue to identify any investment opportunities and manage the investment portfolio in accordance with the Company's investment objective and policy with a view of gaining good investment yields for our shareholders. The Board will monitor market development closely with a view of identifying attractive and long-term investment opportunities.

SUMMARY OF MATERIAL LEGAL PROCEEDINGS INVOLVING THE COMPANY

High Court Action 796 of 2016

A Writ of Summons with an Indorsement of Claim dated 29 March 2016 has been issued in the High Court of Hong Kong in High Court action 796 of 2016 by Yang Yan as plaintiff against the Company and Grand Dragon Investment Development Limited ("**Grand Dragon**") as defendants whereby the plaintiff is claiming against the defendants for the forfeiture of deposit for HK\$10,000,000 paid by the defendants in relation to the defendants' failure to commence the process of due diligence of the target Company, despite repeated requests, and thus has wrongfully repudiated the agreement. Grand Dragon was disposed of in March 2018 and is no longer part of the Group. The Company and Grand Dragon have counterclaimed against the plaintiff (which action has been consolidated with HCA 796 of 2016) for, *inter alia*, an order for the return of the payment of HK\$10,000,000 to the defendants. The parties have recently agreed the procedural timetable for the matter to proceed to trial, and the parties will exchange Lists of Documents shortly. The Company intends to continue to strenuously defend the above proceedings.

LIQUIDITY AND FINANCIAL RESOURCES

The Group had cash and cash equivalents of approximately HK\$304,217,000 as at 31 December 2018 (2017: approximately HK\$138,447,000), representing approximately 37.2% (2017: approximately 49.0%) of the Group's total assets. As at 31 December 2018, the Group had long-term debts which are unsecured interest-bearing loan notes and unsecured interest-bearing bonds in an aggregate amount of approximately HK\$200,345,000 (2017: approximately HK\$107,612,000).

Apart from the long-term debts, the Group had short-term debts consisting of unsecured interest-bearing bonds and unsecured loans at approximately HK\$210,945,000 (2017: approximately HK\$122,790,000).

The Group's gearing ratio, being the total debts divided by equity attributable to owners of the Company, was approximately 111.5% as at 31 December 2018 (2017: approximately 505.8%).

COMMITMENTS

There were no capital commitments as at 31 December 2018 (2017: Nil).

PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2018, there were no charges on the Group's assets and the Group did not have any material contingent liabilities (2017: Nil).

FOREIGN EXCHANGE EXPOSURE

Most of the business transactions of the Group are denominated in Hong Kong dollars and Renminbi. The management of the Group will closely monitor fluctuations in these currencies and take appropriate actions when needed. As at 31 December 2018, the Group did not engage in currency hedging nor did it adopt any formal hedging activities. For the year ended 2018, the Group had financial assets of HK\$16,892,246 (2017: HK\$26,393,492) which was denominated in Renminbi ("RMB"). The Group currently does not have any foreign currency hedging currency policy. However, the Group monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

Except for disclosed in note 17 to this announcement, there was no other material acquisition or disposal of subsidiaries by the Group.

CAPITAL STRUCTURE

The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). During the year, the movement in the Company’s share capital is as follows:

On 27 September 2018, 19,000,000 shares were issued by the Company as a result of a placing agreement dated 7 September 2018. The 19,000,000 shares were issued at a price of HK\$10.525 each, giving the Company gross proceeds of approximately HK\$199,975,000.

PROSPECTS

Although the US and China declared a 90-day halt on the new tariffs in November, the impact of the trade war on global economy is obvious. The IMF lowered its projected global economic growth rate to 3.7% for both 2018 and 2019. China’s GDP growth rate declined from 6.8% in the first quarter of 2018 to 6.4% in the fourth quarter. The Federal Reserve is still expected to hike interest rate two times in 2019, which could tighten the dollar liquidity furthermore. Under such highly uncertain economic environment, the Directors will take prudent strategies to manage our investment portfolio.

COMPLIANCE WITH THE APPLICABLE LAW AND REGULATIONS

In relation to human resources, during 2018 the Company has in all material respects complied with the requirements of the ordinances relating to disability, sex, family status and race discrimination, as well as the Employment Ordinance, the Minimum Wage Ordinance and ordinances relating to occupational safety of employees of the Group.

On the corporate level, during 2018 the Group has in all material respects complied with the applicable requirements under the Companies Law (Revised) under the laws of the Cayman Islands, the Rules Governing the Listing of Securities on the Stock Exchange, the Companies Ordinance and the Securities and Futures Ordinance under the laws of Hong Kong.

EMPLOYEES

As at 31 December 2018, the Company had 31 employees (2017: 30), including executive Directors, non-executive Directors and independent non-executive Directors. The Group’s remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of individual employees. During the year, the Group has generally maintained good relationship with its employees.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the year ended 31 December 2018, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

CORPORATE GOVERNANCE CODE

For the year ended 31 December 2018, the Company has complied with the code provision of the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange.

AUDIT COMMITTEE

The Audit Committee currently comprises solely of independent non-executive Directors only, namely, Ms. Jing Siyuan (chairman), Mr. Zhang Aimin and Mr. Zhang Qiang. The composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules.

The Audit Committee is mainly responsible for overseeing the Company's financial reporting system and internal control procedures; making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of the resignation or dismissal of such auditors; and reviewing the interim and annual reports and accounts of the Company.

The Audit Committee meets regularly to review the financial reporting process and internal controls of the Group. The Audit Committee has reviewed the accounting policies and practices adopted by the Group and discussed internal controls and financial reporting matters with management of the Company, including a review of the consolidated financial statements of the Group for the year ended 31 December 2018.

The Group's 2018 audited financial statements had been duly reviewed by the Audit Committee with the auditor and in relation to which the members of the Audit Committee unanimously recommended for approval by the Board. The Audit Committee has concluded that it is satisfied with the professional performance of HLM CPA Limited ("HLM") as the auditor of the Company and therefore recommends to the Board that HLM be re-appointed as the auditor of the Company, which will be put forward for Shareholders approve the AGM.

With the consent of the Audit Committee, the Board hereby confirms that, in the preparation of the 2018 consolidated financial statements of the Company, the Directors, both collectively and individually applied such degree of skill, care and diligence as may reasonably be expected of under the Rule 3.08 of the Listing Rules.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises of one executive Director, Mr. Zhang Xi and two independent non-executive Directors, namely, Mr. Zhang Aimin (chairman) and Ms. Jing Siyuan.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's policy and structure for remuneration of all the Directors and senior management of the Company and making recommendations to the Board on the remuneration packages of individual executive Director and senior management.

NOMINATION COMMITTEE

The Nomination Committee currently comprises of one executive Director, Mr. Luk Hong Man, Hammond and two independent non-executive Directors, namely, Ms. Jing Siyuan (chairman) and Mr. Zhang Aimin.

The Nomination Committee is mainly responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; assessing the independence of the independent non-executive Directors; and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

The Nomination Committee formulated the Board diversity policy and the Company has adopted the Board diversity policy in August 2013. The Company recognises and embraces the benefits of diversity in Board members. Selection of Board members will be based on a range of diversified perspectives, including but not limited to gender, age, ethnicity, cultural and educational background, or professional experience. All Board appointments will be based on merit and the needs of the Company's business while taking into account diversity. The Nomination Committee also monitors the implementation of this policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under this policy.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the website of the Company at www.dyf.com.hk. The Company's annual report for the year ended 31 December 2018 will in due course be published on the same websites and despatched to the Company's shareholders.

SCOPE OF WORK OF HLM

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2018 as set out in this announcement have been agreed by the Group's auditor, HLM, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLM in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLM on this annual results announcement.

By Order of the Board
China Ding Yi Feng Holdings Limited
Luk Hong Man, Hammond
Executive Director

Hong Kong, 28 February 2019

As at the date of this announcement, the executive Directors are Mr. Luk Hong Man, Hammond and Mr. Zhang Xi; the non-executive Directors are Mr. Sui Guangyi, Mr. Leung Ka Fai, Mr. Wang Mengtao and Ms. Ma Xiaoqiu; and the independent non-executive Directors are Ms. Jing Siyuan, Mr. Zhang Aimin and Mr. Zhang Qiang.