DINGYI GROUP INVESTMENT LIMITED
鼎億集團投資有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

INTERIM RESULTS

The directors (the "Directors") of Dingyi Group Investment Limited (the "Company") hereby announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2012, together with the comparative figures for the corresponding period in 2011 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2012

		Unaudited six months ended 30 September	
		2012	2011
	Note	***HK$'000***	*HK$'000*
Continuing operations			
Revenue	*3*	**33,254**	33,670
Cost of sales		**(8,483)**	(7,776)
Gross profit		**24,771**	25,894
Realised gain on investments at fair value through profit or loss, net		**2,447**	–
Other income, net	*4*	**206**	385
Other gains/(losses), net	*5*	**3,356**	(530)
Selling and distribution costs		**(25,034)**	(27,700)
Administrative expenses		**(8,962)**	(9,832)
Operating loss		**(3,216)**	(11,783)
Finance income, net	*6*	**706**	3
Loss before taxation	*7*	**(2,510)**	(11,780)
Income tax credit/(expenses)	*8*	**4**	(878)
Loss for the period from continuing operations		**(2,506)**	(12,658)

		Unaudited six months ended 30 September	
		2012	2011
	Note	***HK$'000***	*HK$'000*
Discontinued operations			
Profit for the period from discontinued operations	*11*	**–**	410
Loss for the period		**(2,506)**	(12,248)
Attributable to:			
Equity holders of the Company		**(1,496)**	(15,438)
Non-controlling interests		**(1,010)**	3,190
		(2,506)	(12,248)
Loss per share			
From continuing operations			
– Basic and diluted *(HK cents per share)*	*9*	**(0.06)**	(0.49)
From discontinued operations			
– Basic and diluted *(HK cents per share)*	*9*	**–**	(0.16)
Total basic and diluted *(HK cents per share)*		**(0.06)**	(0.65)
Dividends	*10*	**–**	108,376

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

	Unaudited six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
Loss for the period	**(2,506)**	(12,248)
Other comprehensive (loss)/income for the period, net of tax		
Exchange difference on translation of operations of overseas subsidiaries	**–**	(1,495)
Exchange difference released upon disposal of operations of overseas subsidiaries	**–**	(171)
Gain on deemed disposal of subsidiaries	**–**	4,003
Other comprehensive income for the period, net of tax	**–**	2,337
Total comprehensive loss for the period	**(2,506)**	(9,911)
Attributable to:		
Equity holders of the Company	**(1,496)**	(11,143)
Non-controlling interests	**(1,010)**	1,232
Total comprehensive loss for the period	**(2,506)**	(9,911)

Note: Items shown within other comprehensive income have no tax effect.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2012

	Note	Unaudited 30 September 2012 HK$'000	Audited 31 March 2012 HK$'000
Non-current assets			
Property, plant and equipment	*12*	**5,337**	7,619
Intangible assets		**–**	26
Non-current deposits		**8,468**	8,872
		13,805	16,517
Current assets			
Inventories		**1,106**	1,306
Debtors, deposits and prepayments	*13*	**43,293**	20,436
Investments at fair value through profit or loss		**54,260**	43,410
Current income tax recoverable		**107**	60
Cash and cash equivalents		**71,734**	103,869
		170,500	169,081
Current liabilities			
Creditors, deposits and accruals	*14*	**9,404**	8,937
Amount due to non-controlling interests		**25,643**	24,893
Current income tax liabilities		**160**	160
		35,207	33,990
Net current assets		**135,293**	135,091
Total assets less current liabilities		**149,098**	151,608
Capital and reserves			
Share capital	*15*	**23,751**	23,751
Reserves		**133,777**	135,273
Shareholders' funds		**157,528**	159,024
Non-controlling interests		**(8,430)**	(7,420)
Total equity		**149,098**	151,604
Non-current liabilities			
Deferred income tax liabilities		**–**	4
Total equity and non-current liabilities		**149,098**	151,608

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

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

2 PRINCIPAL ACCOUNTING POLICIES

Except as described below, the accounting policies applied in these interim financial statements are consistent with those of the annual financial statements for the year ended 31 March 2012, as described in those annual financial statements which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

Exceptional items are disclosed and described separately in the financial information where it is necessary to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Adoption of new/revised HKFRSs

There are no amended standards or interpretations that are effective for the first time for the Group's financial year beginning 1 April 2012 and are relevant to the Group's operations that could be expected to have a material impact on the Group.

The following new and revised standards and amendments to existing standards relevant to the Group have been issued, but are not effective for the financial year beginning 1 April 2012 and the Group has not early adopted them:

HKFRS 7 (Amendment), 'Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities' (effective for annual period starting from 1 January 2013).

HKFRS 9, 'Financial Instruments' (effective for annual period starting from 1 January 2015).

HKFRS 7 and HKFRS 9 (Amendments), 'Mandatory Effective Date and Transition Disclosures' (effective for annual period starting from 1 January 2015).

HKFRS 10, 'Consolidated Financial Statements' (effective for annual period starting from 1 January 2013).

HKFRS 12, 'Disclosure of Interests in Other Entities' (effective for annual period starting from 1 January 2013).

HKFRS 13, 'Fair Value Measurements' (effective for annual period starting from 1 January 2013).

HKAS 1 (Amendment), 'Presentation of Financial Statements' (effective for annual period starting from 1 July 2012).

HKAS 27, 'Separate Financial Statements' (effective for annual period starting from 1 January 2013).

HKAS 32 (Amendment), 'Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities' (effective for annual period starting from 1 January 2014).

3 REPORTABLE SEGMENTS

Reportable segments are identified and reported in the manner consistent with internal reports that are regularly reviewed by the chief operating decision-marker (the Executive Directors collectively) in order to assess performance and allocate resources. The chief operating decision-maker accesses the performance of the reportable segments based on the revenue and profit/loss presented.

The Group has two reportable segments (i) food and beverages including restaurants and bars business and (ii) securities trading business. Segment revenue is measured in a manner consistent with that in the consolidated income statement, except that it also included the Group's share of revenue of associates on a proportionate consolidated basis in prior period.

Reportable segment information is presented below:

For the six months ended 30 September 2012

	Continuing operations		
	Food and beverages – restaurants and bars business *HK$'000*	**Securities trading business** *HK$'000*	**Total** *HK$'000*
Segment revenue			
Group revenue	**33,254**	**–**	**33,254**
Realised gain on investments at fair value through profit or loss, net	**–**	**2,447**	**2,447**
Segment (loss)/profit	**(2,113)**	**5,785**	**3,672**
Included in segment (loss)/profit are:			
Depreciation of plant and equipment	**(2,327)**	**–**	**(2,327)**
Amortisation of trademarks	**(26)**	**–**	**(26)**
Unrealised gain on investments at fair value through profit or loss, net	**–**	**2,642**	**2,642**
Dividends income from investments at fair value through profit or loss	**–**	**696**	**696**
Segment assets	**16,278**	**30,303**	**46,581**
Included in segment assets are:			
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**241**	**–**	**241**

The Group had no inter-segment sales for the periods ended 30 September 2012 and 2011.

For the six months ended 30 September 2011

	Continuing operations	Discontinued operations	
	Food and beverages – restaurants and bars business	Food and beverages – restaurants and bars business	Total
	HK$'000	*HK$'000*	*HK$'000*
Revenue			
Group revenue	33,670	252,292	285,962
Share of revenue from external customers derived by associates	–	46,528	46,528
Segment revenue	33,670	298,820	332,490
Segment (loss)/profit	(2,714)	11,915	9,201
Included in segment (loss)/profit are:			
Share of results of associates	–	(2,744)	(2,744)
Depreciation of plant and equipment	(2,753)	(8,581)	(11,334)
Impairment loss on plant and equipment	(518)	–	(518)
Amortisation of trademarks	(157)	(793)	(950)
Amortisation of favourable lease	–	(1,482)	(1,482)
Impairment loss of available-for-sale investments	–	(2,129)	(2,129)
Gain on financial assets at fair value through profit or loss, net	–	5,103	5,103
Segment assets	58,805	–	58,805
Included in segment assets are:			
Additions to non-current assets (other than financial instruments and deferred income tax assets)	733	19,794	20,527

Reconciliation of segment profit to loss before taxation is provided as follows:

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
Segment profit	**3,672**	9,201
Loss on disposal of interests in subsidiaries	**–**	(8,529)
Unallocated corporate income	**18**	67
Unallocated corporate expenses	**(6,906)**	(9,135)
Finance income	**708**	520
Finance costs	**(2)**	(169)
Loss before taxation	**(2,510)**	(8,045)

Geographical information

In current period, the Group's operations in food and beverages business and securities trading business are carried out in Hong Kong. In prior period, the Group's operation in food and beverages business was carried out in Hong Kong, Australia and Macau.

In prior period, the associates' operations in food and beverages business were carried out in Hong Kong, Singapore and Mainland China.

Segment revenue by geographical market (including the Group's share of revenue of associates) are shown in below:

	Segment revenue by geographical market						
	Six months ended 30 September 2012			Six months ended 30 September 2011			
	Company and subsidiaries	**Total**		Company and subsidiaries	Associates	Total	
	HK$'000	***HK$'000***	*%*	*HK$'000*	*HK$'000*	*HK$'000*	*%*
Hong Kong	**33,254**	**33,254**	**100**	185,632	43,920	229,552	69
Singapore	**–**	**–**	**–**	–	1,366	1,366	–
Mainland China	**–**	**–**	**–**	–	1,242	1,242	–
Australia	**–**	**–**	**–**	62,592	–	62,592	19
Macau	**–**	**–**	**–**	37,738	–	37,738	12
	33,254	**33,254**	**100**	285,962	46,528	332,490	100

4 OTHER INCOME, NET

	Continuing Operations		Discontinued Operations		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Management fee income from an associate	**–**	–	**–**	626	**–**	626
Gross rental income from a property less direct operating expenses	**–**	–	**–**	33	**–**	33
Others	**206**	385	**–**	1,555	**206**	1,940
	206	385	**–**	2,214	**206**	2,599

5 OTHER GAINS/(LOSSES), NET

	Continuing Operations		Discontinued Operations		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Gain on investments at fair value through profit or loss, net						
– Realised	**–**	–	**–**	1	**–**	1
– Unrealised	**2,642**	–	**–**	5,102	**2,642**	5,102
Dividends income from investments at fair value through profit or loss	**696**	–	**–**	–	**696**	–
Exchange gain/(loss), net	**18**	(12)	**–**	(148)	**18**	(160)
Impairment loss on available-for-sale investment	**–**	–	**–**	(2,129)	**–**	(2,129)
Impairment loss on property, plant and equipment	**–**	(518)	**–**	–	**–**	(518)
Loss on disposal of interests in subsidiaries (a)	**–**	–	**–**	(8,529)	**–**	(8,529)
	3,356	(530)	**–**	(5,703)	**3,356**	(6,233)

(a) Disposal of interests in subsidiaries

On 17 June 2011, the Group entered into an agreement to dispose of its entire equity interest in Sharp Rise Limited and its subsidiaries (collectively, the "Sharp Rise Group") to Chevalier International Holdings Limited ("CIHL"). The completion of the disposal took place on 28 September 2011, upon which the Sharp Rise Group ceased to be subsidiaries of the Group.

	HK$'000
Total consideration satisfied by:	
Cash received	241,996
Professional fees and expenses	(1,990)
	240,006
Net assets disposed of:	
Property, plant and equipment	82,973
Goodwill	54,877
Trademarks	17,909
Favourable leases	8,043
Interests in associates	53,754
Available-for-sale investments	3,276
Non-current deposits	16,686
Deferred income tax assets	2,890
Inventories	7,171
Debtors, deposits and prepayments	33,101
Amounts due from fellow subsidiaries	26,876
Amounts due from associates	225
Amounts due from non-controlling interests	1,604
Investments assets at fair value through profit or loss	31,555
Cash and cash equivalents	52,644
Creditors, deposits and accruals	(64,877)
Amounts due to CIHL	(258)
Deferred income	(225)
Dividend payable to non-controlling interests	(9,094)
Financial liabilities at fair value through profit or loss	(24,549)
Deferred income tax liabilities	(682)
Current income tax liabilities	(2,328)
Non-controlling interests	(42,865)
Net assets at the date of disposal	248,706
Exchange fluctuation reserve released upon disposal	(171)
	248,535
Loss on disposal of interests in subsidiaries	(8,529)

6 FINANCE INCOME, NET

	Continuing Operations		Discontinued Operations		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest income from bank deposits	**6**	3	**–**	517	**6**	520
Interest income from loans receivable	**702**	–	**–**	–	**702**	–
Interest expenses on bank borrowings	**(2)**	–	**–**	(169)	**(2)**	(169)
	706	3	**–**	348	**706**	351

7 LOSS BEFORE TAXATION

	Continuing Operations		Discontinued Operations		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss before taxation has been arrived at after charging/(crediting) the following:						
Cost of inventories recognised as expenses	**8,483**	7,776	**–**	59,340	**8,483**	67,116
Depreciation of property, plant and equipment	**2,335**	2,753	**–**	8,581	**2,335**	11,334
Impairment loss on plant and equipment	**–**	518	**–**	–	**–**	518
Amortisation of trademarks	**26**	157	**–**	793	**26**	950
Amortisation of favourable leases	**–**	–	**–**	1,482	**–**	1,482
Gain on disposal of plant and equipment	**(262)**	–	**–**	–	**(262)**	–
Staff costs	**11,541**	12,616	**–**	93,767	**11,541**	106,383
Share option – value of consultancy service received	**–**	5,558	**–**	–	**–**	5,558
Operating lease payments in respect of leasing of						
– Premises						
– under minimum lease payments	**5,588**	7,167	**–**	34,490	**5,588**	41,657
– under contingent rent	**975**	–	**–**	499	**975**	499
– Equipment	**90**	44	**–**	229	**90**	273

8 INCOME TAX (CREDIT)/EXPENSES

	Continuing Operations		Discontinued Operations		Total	
	Six months ended 30 September		Six months ended 30 September		Six months ended 30 September	
	2012	2011	**2012**	2011	**2012**	2011
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current income tax						
Hong Kong	**–**	(127)	**–**	1,624	**–**	1,497
Overseas	**–**	–	**–**	1,574	**–**	1,574
	–	(127)	**–**	3,198	**–**	3,071
Deferred income tax						
Origination and reversal of temporary differences	**(4)**	1,005	**–**	127	**(4)**	1,132
Income tax (credit)/expenses	**(4)**	878	**–**	3,325	**(4)**	4,203

Hong Kong profits tax is calculated at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits after offsetting losses brought forward of each individual company.

Overseas taxation in prior period including Australia, Macau, Singapore and Mainland China taxation was calculated based on the rates applicable in the relevant jurisdiction on the estimated assessable profits.

9 LOSS PER SHARE

(a) Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company as set out below by the weighted average number of 2,375,095,170 ordinary shares (2011: 2,375,095,170 ordinary shares) in issue during the period.

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
Continuing operations	**(1,496)**	(11,548)
Discontinued operations	**–**	(3,890)
	(1,496)	(15,438)

(b) Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares granted under the Company's share option scheme/arrangement. There is no dilutive instrument for the six months ended 30 September 2012.

For the period ended 30 September 2011, there was no dilutive instrument as all the share options had been cancelled on 15 July 2011 following a deed of termination entered by the Company and counterparties.

10 DIVIDENDS

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
Special dividend of Nil cents (2011: HK4.6 cents) per share	**–**	108,376

The board ("Board") of Directors has resolved not to declare any interim dividend for the six months ended 30 September 2012 and 30 September 2011.

The 2011/12 special dividend of HK4.6 cents per share, totalling HK$108,376,000 was approved at the special general meeting held on 19 September 2011 and paid on 30 September 2011.

11 DISCONTINUED OPERATIONS

The disposal of entire equity interest in the Sharp Rise Group was completed on 28 September 2011. The operations of the food and beverage business carried out by the Sharp Rise Group up to the date of disposal were presented in the condensed consolidated financial statements of the Group as discontinued operations in prior period.

The results and cash flows of the discontinued operations included in the condensed consolidated income statement and the condensed consolidated statement of cash flows are set out below.

	Note	Six months ended 30 September 2011
		HK$'000
Revenue	*3*	252,292
Cost of sales		(59,340)
Gross profit		192,952
Other income, net	*4*	2,214
Other losses, net	*5*	(5,703)
Selling and distribution costs		(181,134)
Administrative expenses		(2,198)
Operating profit		6,131
Share of results of associates		(2,744)
		3,387
Finance income	*6*	517
Finance costs	*6*	(169)
Finance income, net	*6*	348
Profit before taxation	*7*	3,735
Income tax expense	*8*	(3,325)
Profit for the period from discontinued operations		410
Net cash generated from operating activities		22,596
Net cash used in investing activities		(19,714)
Net cash used in financing activities		(1,145)
Net cash generated from discontinued operations		1,737

12 PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 September 2012, the Group acquired property, plant and equipment at a cost of HK$241,000 (HK$20,027,000 for the six months ended 30 September 2011), disposed of property, plant and equipment with a carrying value of HK$188,000 (HK$83,044,000 for the six months ended 30 September 2011, including a carrying value of HK$82,973,000 being disposed of in relation to the Group's disposal of the Sharp Rise Group and recorded a decrease in exchange realignment of HK$763,000).

13 DEBTORS, DEPOSITS AND PREPAYMENTS

	As at 30 September 2012	As at 31 March 2012
	HK$'000	*HK$'000*
Trade debtors	**449**	460
Loans receivable	**33,277**	10,167
Other debtors, deposits and prepayments	**9,567**	9,809
	43,293	20,436

The Group has established different credit policies for customers in each of its core businesses. The credit period granted to trade debtors ranges from 30 – 45 days except for sales of food and beverages at restaurants and bars, which are mainly on cash basis.

The ageing analysis of trade debtors based on due date is as follows:

	As at 30 September 2012	As at 31 March 2012
	HK$'000	*HK$'000*
0 – 60 days	**449**	460

14 CREDITORS, DEPOSITS AND ACCRUALS

	As at 30 September 2012	As at 31 March 2012
	HK$'000	*HK$'000*
Trade creditors	**2,839**	3,354
Other creditors, deposits and accruals	**6,565**	5,583
	9,404	8,937

The ageing analysis of trade creditors based on invoice date is as follows:

	As at 30 September 2012	As at 31 March 2012
	HK$'000	*HK$'000*
0 – 60 days	**2,839**	3,354

15 SHARE CAPITAL

	Number of shares *'000*	*HK$' 000*
Authorized ordinary shares:		
At 1 April 2011 of HK$0.05 per share	3,500,000	175,000
Cancellation	–	(140,000)
At 31 March 2012, 1 April 2012 and 30 September 2012 of HK$0.01 per share	3,500,000	35,000
Issued and fully paid ordinary shares:		
At 1 April 2011 of HK$0.05 per share	2,375,095	118,755
Cancellation	–	(95,004)
At 31 March 2012, 1 April 2012 and 30 September 2012 of HK$0.01 per share	2,375,095	23,751

During the prior period, the Company reduced the authorized and issued share capital through cancellation of the authorized and paid up capital to the extent of HK$0.04 each from HK$0.05 to HK$0.01 amounted to HK$140,000,000 and HK$95,004,000 respectively.

16 CONTINGENT LIABILITIES

As at 30 September 2012, the Group had no contingent liabilities (31 March 2012: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's revenue from its continuing operations amounted to HK$33.25 million during the six months ended 30 September 2012. This represents a decrease of 1% on HK$33.67 million achieved in the same period last year. There was a loss attributable to the Company's equity holders of HK$1 million, compared to HK$15 million in last year.

Loss per share amounted to HK0.06 cents during the six months ended 30 September 2012, compared with HK0.65 cents for the same period last year.

Food and Beverages

The continuing food and beverages segment achieved a revenue of HK$33.25 million during the period under review. This was 1% lower than the amount for the corresponding period last year. The segment reported a decrease of loss to HK$2 million (2011: HK$3 million) for the six months period ended 30 September 2012. The restaurants and bars and kiosks of the Group are operated by 3 subsidiaries (collectively, the "World Pointer Group"). As of 30 September 2012, the World Pointer Group operated six restaurants and bars and three kiosks including but not limited to Watermark, The Boathouse, Pier 7 Café & Bar and Café de Paris (Soho) in Hong Kong.

Cafe Deco Holdings Limited, a former subsidiary of the Group, provides certain back-office support services to the restaurants and bars and kiosks of the World Pointer Group such as maintaining books of account, maintenance of premises of restaurants and bars, and repairs and decorations up to 15 February 2014 under a management agreement.

Securities Trading

The Group commenced its securities trading business in the second half period of the year ended 31 March 2012. During the current period, the Group recorded a realised gain on investments at fair value through profit or loss of HK$2 million (2011: nil) and reported a profit of HK$6 million (2011: nil) during the period under review.

Strategy and Outlook

Apart from the existing businesses of food and beverages and securities trading, 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 Company's equity holders' values. The Group has been exploring a few investment opportunities. Since early 2012, the Company has been negotiating with a mining company with principal place of business in Africa in respect of the possible acquisition of a strategic shareholding interest by stages in this mining company and is actively negotiating the principal terms of the aforesaid possible acquisition. The Company is also exploring the investment opportunities in other mining projects.

FINANCIAL REVIEW

Shareholders' Equity and Financial Ratios

As at 30 September 2012, the Group's net assets attributable to equity holders of the Company amounted to HK$158 million (31 March 2012: HK$159 million), a decrease of 0.9%. Such decrease was mainly caused by the loss attributable to equity holders of HK$1 million.

As at 30 September 2012, total debt to equity ratio and net debt to equity ratio were zero (31 March 2012: zero) which were expressed as a percentage of total borrowings and net borrowings respectively, over the total equity of HK$149 million (31 March 2012: HK$152 million).

As at 30 September 2012, the Group had no bank borrowings (31 March 2012: nil). Cash and deposits at bank amounted to HK$72 million (31 March 2012: HK$104 million).

Contingent Liabilities

At the end of the reporting period, the Group had no contingent liabilities.

Capital Commitment

At the end of the reporting period, the Group had no capital commitments.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 September 2012 (2011: nil).

EVENTS AFTER THE REPORTING PERIOD

The Company and the three subscribers entered into 3 subscription agreements in respect of the issue of and subscription for the 2% convertible bonds in an aggregate principal amount of HK$150 million due 2017 on 12 October 2012 and the Company and another subscriber entered into an additional subscription agreement in respect of the issue of and subscription for the 2% convertible bond in an aggregate principal amount of HK$50 million due 2017 on 17 October 2012 (collectively, the "Agreements"). Based on the initial conversion price of HK$0.22 per conversion share, a total of 909,090,908 conversion shares will be issued and allotted upon exercise of the conversion rights attaching to the convertible bonds in full. At the special general meeting held on 20 November 2012, the Agreements and transactions contemplated thereunder (the "Subscriptions") were approved by the shareholders of the Company (the "Shareholders"). Details of the Subscriptions were set out in the announcements of the Company dated 12 October 2012, 17 October 2012 and 20 November 2012 and the circular of the Company dated 2 November 2012.

EMPLOYEES AND REMUNERATION POLICIES

The Group employed 108 full-time staffs under its subsidiaries as at 30 September 2012. Total staff costs amounted to HK$11,541,000 for the period under review. The remuneration policies are reviewed periodically on the basis of the nature of job, market trend, company performance and individual performance. Other staff benefits include bonuses awarded on a discretionary basis, medical schemes, retirement schemes and employees' share option scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the six months ended 30 September 2012.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions as set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the Company's code of conduct regarding Directors' securities transactions. Following a specific enquiry, each of the Directors confirmed that he has complied with the Model Code throughout the six months ended 30 September 2012.

AUDIT COMMITTEE

During the period, the audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls, risk management systems of the Group and financial reporting matters including the review of the unaudited condensed consolidated financial statements for the six months ended 30 September 2012.

PUBLICATION OF INTERIM RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The interim results announcement of the Company for the six months ended 30 September 2012 is published on the websites of the Stock Exchange and the Company at http://www.hkexnews.hk and http://www.dingyi.hk respectively. The interim report of the Company for the six months ended 30 September 2012 containing all applicable information required by the Listing Rules will be despatched to the Shareholders and published on the above websites in due course.

APPRECIATION

I would like to take this opportunity to express our sincere appreciation of the support from our customers, suppliers and Shareholders. I would also like to thank my fellow Directors for their valuable contribution and the staff members of the Group for their commitment and dedicated services throughout the period under review.

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

Hong Kong, 22 November 2012

As at the date of this announcement, the Board comprises Mr. Li Kwong Yuk (Chairman), Mr. Su Xiaonong (Chief Executive Officer) and Mr. Cheung Sze Ming as executive Directors; and Mr. Cheng Xiusheng, Mr. Sun Dongsheng and Mr. Chow Shiu Ki as independent non-executive Directors.