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 2013

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of DINGYI GROUP INVESTMENT LIMITED (the "**Company**") hereby announces the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2013, together with the comparative figures in 2012, summarised as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2013

	Note	**2013** ***HK$'000***	2012 *HK$'000*
Continuing operations			
Revenue	*4*	**67,048**	70,983
Cost of sales		**(16,744)**	(17,191)
Gross profit		**50,304**	53,792
Realised gain on investments at fair value through profit or loss, net		**4,823**	1,718
Other income, net	*5*	**291**	582
Other gains/(losses), net	*6*	**8,020**	(1,790)
Other loss – fair value loss on derivative financial liabilities	*15*	**(19,886)**	–
Other loss – impairment loss on goodwill		**–**	(7,551)
Selling and distribution costs		**(45,273)**	(53,697)
General and administrative expenses		**(31,393)**	(18,136)
Operating loss		**(33,114)**	(25,082)
Finance income		**3,057**	207
Finance costs		**(106)**	(1)
Finance income, net	*7*	**2,951**	206
Loss before taxation	*8*	**(30,163)**	(24,876)
Income tax expenses	*9*	**(1,050)**	(982)
Loss for the year from continuing operations		**(31,213)**	(25,858)

	Note	2013 HK$'000	2012 HK$'000
Discontinued operations			
Profit for the year from discontinued operations	10	**–**	785
Loss for the year		**(31,213)**	(25,073)
Attributable to:			
Equity holders of the Company		**(30,091)**	(24,325)
Non-controlling interests		**(1,122)**	(748)
		(31,213)	(25,073)
Dividends	11	**–**	108,376
Loss per share	12		
Basic loss per share *(HK cents per share)*			
From continuing operations		**(1.27)**	(0.88)
From discontinued operations		**–**	(0.15)
		(1.27)	(1.03)
Diluted loss per share *(HK cents per share)*			
From continuing operations		**(1.26)**	(0.88)
From discontinued operations		**–**	(0.15)
		(1.26)	(1.03)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	2013	2012
	HK$'000	*HK$'000*
Loss for the year	**(31,213)**	(25,073)
Other comprehensive income/(loss) for the year, net of tax		
Exchange difference on translation of operations of overseas subsidiaries	**146**	(1,495)
Exchange difference released upon disposal of operations of overseas subsidiaries	**–**	(171)
Other comprehensive income/(loss) for the year, net of tax	**146**	(1,666)
Total comprehensive loss for the year	**(31,067)**	(26,739)
Attributable to:		
Equity holders of the Company	**(29,945)**	(25,051)
Non-controlling interests	**(1,122)**	(1,688)
Total comprehensive loss for the year	**(31,067)**	(26,739)

Note:

Items shown within other comprehensive income/(loss) for the year have no tax effect.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2013

	Note	2013 HK$'000	2012 HK$'000
Non-current assets			
Plant and equipment		**3,828**	7,619
Intangible asset		**–**	26
Non-current deposits	*13*	**1,838**	8,872
		5,666	16,517
Current assets			
Inventories		**873**	1,306
Debtors, deposits and prepayments	*13*	**27,882**	20,436
Amount due from a related company		**248**	–
Investments at fair value through profit or loss		**50,292**	43,410
Current income tax recoverable		**21**	60
Cash and cash equivalents		**189,922**	103,869
		269,238	169,081
Current liabilities			
Creditors, deposits and accruals	*14*	**7,831**	8,937
Amount due to non-controlling interest		**25,586**	24,893
Derivative financial liabilities	*15*	**9,947**	–
Amount due to a related company		**2**	–
Current income tax liabilities		**193**	160
		43,559	33,990
Net current assets		**225,679**	135,091
Total assets less current liabilities		**231,345**	151,608
Capital and reserves			
Share capital		**23,751**	23,751
Reserves		**175,004**	135,273
Shareholders' funds		**198,755**	159,024
Non-controlling interest		**(8,542)**	(7,420)
Total equity		**190,213**	151,604
Non-current liabilities			
Convertible bonds	*16*	**40,155**	–
Deferred income tax liabilities		**977**	4
		41,132	4
Total equity and non-current liabilities		**231,345**	151,608

Notes

1 BASIS OF PREPARATION

These consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including convertible bonds) at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2 CHANGES IN ACCOUNTING POLICIES

(i) New/revised HKFRS effective in the financial year beginning 1 April 2012

No new/revised HKFRS or HKFRS interpretations that are effective for the first time for the financial year beginning 1 April 2012 and are relevant to the Group's operations have had a material impact on the Group.

(ii) New standards, revised standards and amendments to existing standards which have been issued but are not effective for the financial year beginning 1 April 2012 and have not been early adopted

- Hong Kong Accounting Standard "HKAS" 1 (Amendment) 'Presentation of financial Statements – Presentation of Items of Other Comprehensive Income' *(1)*
- HKAS 19 (Amendment) 'Employee Benefits' *(2)*
- HKAS 27 (2011) 'Separate Financial Statements' *(2)*
- HKAS 28 (2011) 'Investments in Associates and Joint Ventures' *(2)*
- HKAS 32 (Amendment) 'Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities' *(3)*
- HKFRS 1 (Amendment) 'Government Loans' *(2)*

- HKFRS 7 (Amendment) 'Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities' (2)

- HKFRS 9 'Financial Instruments' (4)

- HKFRS 7 and 9 (Amendments) 'Mandatory Effective Date and Transition Disclosures' (4)

- HKFRS 10 'Consolidated Financial Statements' (2)

- HKFRS 11 'Joint Arrangements' (2)

- HKFRS 10, 11 and 12 (Amendments) 'Transition Guidance' (2)

- HKFRS 12 'Disclosure of Interests in Other Entities' (2)

- HKFRS 13 'Fair Value Measurement' (2)

- Annual Improvements 2011 (2)

(1) *Effective for the Group for annual periods beginning on or after 1 July 2012.*
(2) *Effective for the Group for annual periods beginning on or after 1 April 2013.*
(3) *Effective for the Group for annual periods beginning on or after 1 April 2014.*
(4) *Effective for the Group for annual periods beginning on or after 1 April 2015.*

The Group has assessed that the adoption of HKFRS 10 will not have any significant impact on the Group as all subsidiaries within the Group satisfy the requirements of control under HKFRS 10 and no new subsidiaries will be identified under the new guidance.

The Group is in the process of making an assessment on the impact of the reminder of these new/revised standards and amendments to existing standards and does not anticipate that their adoption will result in any material impact on the Group's results of operations and financial position taken as a whole. The Group intends to adopt the above new/revised standards and amendments to existing standards when they become effective.

3 REPORTABLE SEGMENTS

Reportable segments are identified and reported in the manner consistent with internal reports to the Group 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 includes the Group's share of revenue of associates on a proportionate consolidated basis.

Reportable segment information is presented below.

Year ended 31 March 2013

	Continuing operations		
	Food and beverages-restaurants and bars business *HK$'000*	**Securities trading business** *HK$'000*	**Total** *HK$'000*
Revenue			
Group revenue	**67,048**	**–**	**67,048**
Realised gain on investments at fair value through profit or loss, net	**–**	**4,823**	**4,823**
Segment (loss)/profit	**(2,342)**	**12,633**	**10,291**
Included in segment (loss)/profit are:			
Depreciation of plant and equipment	**(3,427)**	**–**	**(3,427)**
Amortisation of trademarks	**(26)**	**–**	**(26)**
Unrealised gain on investments at fair value through profit or loss	**–**	**7,227**	**7,227**
Segment assets	**13,529**	**37,259**	**50,788**
Included in reportable segment assets:			
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**337**	**–**	**337**
Segment liabilities	**31,014**	**1,136**	**32,150**

Year ended 31 March 2012

	Continuing operations			Discontinued operations	
	Food and beverages-restaurants and bars business *HK$'000*	Securities trading business *HK$'000*	Sub-total *HK$'000*	Food and beverages-restaurants and bars business *HK$'000*	Total *HK$'000*
Revenue					
Group revenue	70,983	–	70,983	252,292	323,275
Share of revenue from external customers derived by associates	–	–	–	65,223	65,223
	70,983	–	70,983	317,515	388,498
Realised gain on investments at fair value through profit or loss, net	–	1,718	1,718	–	1,718
Segment (loss)/profit	(11,420)	409	(11,011)	10,572	(439)
Included in segment (loss)/profit are:					
Share of results of associates	–	–	–	(2,744)	(2,744)
Depreciation of property, plant and equipment	(5,151)	–	(5,151)	(8,585)	(13,736)
Impairment loss on plant and equipment	(518)	–	(518)	–	(518)
Impairment loss on goodwill	(7,551)	–	(7,551)	–	(7,551)
Amortisation of trademarks	(314)	–	(314)	(793)	(1,107)
Amortisation of favourable leases	–	–	–	(1,482)	(1,482)
Gain/(loss) on investments at fair value through profit or loss, net					
– Realised	–	–	–	1	1
– Unrealised	–	(1,271)	(1,271)	5,102	3,831
Segment assets	17,283	35,463	52,746	–	52,746
Included in reportable segment assets:					
Additions to non-current assets (other than financial instruments and deferred income tax assets)	1,218	–	1,218	19,293	20,511
Segment liabilities	32,452	160	32,612	–	32,612

Reconciliation of reportable segment profit/(loss) to (loss)/profit before taxation is provided as follows:

	Continuing operations		Discontinued operations		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment profit/(loss)	**10,291**	(11,011)	**–**	10,572	**10,291**	(439)
Finance income	**3,057**	207	**–**	517	**3,057**	724
Finance costs	**(106)**	(1)	**–**	(169)	**(106)**	(170)
Unallocated corporate income	**38**	105	**–**	5,208	**38**	5,313
Unallocated corporate expenses	**(23,557)**	(14,176)	**–**	(4,380)	**(23,557)**	(18,556)
Fair value loss on derivative financial liabilities	**(19,886)**	–	**–**	–	**(19,886)**	–
Loss on disposal of interests in subsidiaries	**–**	–	**–**	(7,638)	**–**	(7,638)
(Loss)/profit before taxation	**(30,163)**	(24,876)	**–**	4,110	**(30,163)**	(20,766)

Reportable segment assets and liabilities are reconciled to total assets and liabilities as follows:

	2013	2012
	HK$'000	*HK$'000*
Reportable segment assets	**50,788**	52,746
Cash and cash equivalents	**180,027**	89,805
Investments at fair value through profit or loss	**25,027**	24,962
Loans receivable	**1,581**	10,167
Convertible bond – loan receivable component	**12,681**	–
Other unallocated assets	**4,800**	7,918
Total assets	**274,904**	185,598

	2013	2012
	HK$'000	*HK$'000*
Reportable segment liabilities	**32,150**	32,612
Deferred income tax liabilities	**–**	4
Derivative financial liabilities	**9,947**	–
Convertible bonds – liability component	**40,155**	–
Other unallocated liabilities	**2,439**	1,378
Total liabilities	**84,691**	33,994

Geographical information

The Group's operation in food and beverages business is carried out in Hong Kong (2012: Hong Kong, Australia and Macau). The securities trading business is carried out wholly in Hong Kong.

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

	Continuing operations			Discontinued operations			Total		
Year ended 31 March 2013	**Company and subsidiaries**	**Associates**	**Total**	**Subsidiaries**	**Associates**	**Total**	**Company and subsidiaries**	**Associates**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
Hong Kong	**67,048**	**–**	**67,048**	**–**	**–**	**–**	**67,048**	**–**	**67,048**

	Continuing operations			Discontinued operations			Total		
Year ended 31 March 2012	Company and subsidiaries	Associates	Total	Subsidiaries	Associates	Total	Company and subsidiaries	Associates	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong	70,983	–	70,983	151,962	61,967	213,929	222,945	61,967	284,912
Australia	–	–	–	62,592	–	62,592	62,592	–	62,592
Macau	–	–	–	37,738	–	37,738	37,738	–	37,738
Singapore	–	–	–	–	1,901	1,901	–	1,901	1,901
Mainland China	–	–	–	–	1,355	1,355	–	1,355	1,355
	70,983	–	70,983	252,292	65,223	317,515	323,275	65,223	388,498

The Group had no inter-segment sales for the years ended 31 March 2013 and 2012.

No customer accounted for 10% or more of the total revenue for the years ended 31 March 2013 and 2012.

As at years ended 31 March 2013 and 2012, the Group's non-current assets (excluding financial instruments and deferred income tax assets) are located in Hong Kong.

4 REVENUE

	Continuing operations		Discontinued operations		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue represents amounts received and receivable from:						
Sales of food and beverages	**62,044**	69,589	**–**	235,278	**62,044**	304,867
Service income	**5,004**	1,394	**–**	16,587	**5,004**	17,981
Franchise income	**–**	–	**–**	427	**–**	427
	67,048	70,983	**–**	252,292	**67,048**	323,275

5 OTHER INCOME, NET

	Continuing operations		Discontinued operations		Total	
	2013	2012	**2013**	2012	**2013**	2012
	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
Management fee income from an associate	**–**	–	**–**	626	**–**	626
Sponsorship income from suppliers	**165**	248	**–**	–	**165**	248
Others	**126**	334	**–**	1,588	**126**	1,922
	291	582	**–**	2,215	**291**	2,797

6 OTHER GAINS/(LOSSES), NET

	Continuing operations		Discontinued operations		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Gain/(loss) on investments at fair value through profit or loss, net						
– Unrealised	**7,265**	(1,271)	**–**	5,102	**7,265**	3,831
Dividend income on investments at fair value through profit or loss	**696**	–	**–**	–	**696**	–
Impairment loss on available-for-sale investment	**–**	–	**–**	(2,645)	**–**	(2,645)
Impairment loss on plant and equipment	**–**	(518)	**–**	–	**–**	(518)
Exchange gains/(losses), net	**59**	(1)	**–**	(148)	**59**	(149)
	8,020	(1,790)	**–**	2,309	**8,020**	519

7 FINANCE INCOME, NET

	Continuing operations		Discontinued operations		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Interest income from bank deposits	**63**	40	**–**	517	**63**	557
Interest income from loans receivable	**2,228**	167	**–**	–	**2,228**	167
Effective interest income on convertible bonds – loan receivable component	**766**	–	**–**	–	**766**	–
Interest expenses on bank borrowings	**(2)**	(1)	**–**	–	**(2)**	(1)
Interest expenses on dividend payable to non-controlling interests	**–**	–	**–**	(169)	**–**	(169)
Effective interest expense on convertible bonds – liability component *(Note 16)*	**(104)**	–	**–**	–	**(104)**	–
	2,951	206	**–**	348	**2,951**	554

8 LOSS BEFORE TAXATION

	Continuing operations		Discontinued operations		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Loss before taxation has been arrived at after charging/(crediting) the following:						
Auditors' remuneration	**1,600**	2,449	**–**	481	**1,600**	2,930
Depreciation of property, plant and equipment	**3,448**	5,154	**–**	8,585	**3,448**	13,739
Amortisation of trademarks	**26**	314	**–**	793	**26**	1,107
Amortisation of favourable leases	**–**	–	**–**	1,482	**–**	1,482
Net loss/(gain) on disposals of plant and equipment	**26**	220	**–**	(1)	**26**	219
Operating lease payments in respect of leasing of premises under						
– minimum lease payments	**10,918**	12,459	**–**	34,490	**10,918**	46,949
– contingent rent	**2,231**	1,915	**–**	499	**2,231**	2,414
Staff costs	**22,392**	23,670	**–**	97,475	**22,392**	121,145
Legal and professional fees	**10,804**	3,530	**–**	–	**10,804**	3,530
Share options – value of consultancy services received	**–**	5,558	**–**	–	**–**	5,558
Entertainment expenses	**4,028**	2,058	**–**	–	**4,028**	2,058
Travelling and accommodation	**2,476**	709	**–**	–	**2,476**	709
Management fees	**7,851**	3,327	**–**	–	**7,851**	3,327

9 INCOME TAX EXPENSES

	Continuing operations		Discontinued operations		Total	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Current income tax						
Hong Kong	**–**	160	**–**	1,376	**–**	1,536
Overseas	**77**	–	**–**	1,574	**77**	1,574
	77	160	**–**	2,950	**77**	3,110
Deferred income tax						
Origination and reversal of temporary differences	**973**	822	**–**	375	**973**	1,197
Income tax expenses	**1,050**	982	**–**	3,325	**1,050**	4,307

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits after offsetting losses brought forward of each individual company.

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

10 DISCONTINUED OPERATIONS

The results and cash flows of the discontinued operations for the year ended 31 March 2012 included in the consolidated income statement and the consolidated statement of cash flows are set out below:

	Note	Sharp Rise Group *(note)* 2012 *HK$'000*
Revenue	*4*	252,292
Cost of sales		(59,340)
Gross profit		192,952
Other income, net	*5*	2,215
Other gains, net	*6*	2,309
Other loss – loss on disposal of interests in subsidiaries		(7,638)
Selling and distribution costs		(181,134)
Administrative expenses		(2,198)
Operating profit		6,506
Share of results of associates		(2,744)
Finance income, net	*7*	348
Profit before taxation	*8*	4,110
Income tax expenses	*9*	(3,325)
Profit for the year from discontinued operations		785

Note:

On 17 June 2011, the Group entered into an agreement to dispose of its entire equity interest in the Sharp Rise Limited and its subsidiaries (together the "**Sharp Rise Group**") to Chevalier International Holdings Limited ("**CIHL**"). The disposal was completed on 28 September 2011. The operations of the restaurants and bar business carried out by Sharp Rise Group up to the date of disposal are presented in the consolidated financial statements of the Group as discontinued operations for the year ended 31 March 2012. After the disposal of the Sharp Rise Group, the continuing operations include the operations of 5 restaurants and bars and 3 kiosks as at the year ended 31 March 2013.

11 DIVIDENDS

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.

No other dividend have been proposed by the Directors for the years ended 31 March 2013 and 2012.

12 LOSS PER SHARE

(a) Basic loss per share

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 ordinary shares in issue during the year.

	2013	2012
	HK$'000	*HK$'000*
Loss for the year from continuing operations	**(30,091)**	(20,809)
Loss for the year from discontinued operations	**–**	(3,516)
	(30,091)	(24,325)
	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares in issue *(thousands)*	**2,375,095**	2,375,095
Basic loss per share *(HK cents)*		
– Continuing operations	**(1.27)**	(0.88)
– Discontinued operations	**–**	(0.15)

(b) Diluted loss per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options and convertible bonds.

During the year ended 31 March 2012, share options which were outstanding before they were terminated had no dilutive effect on loss per share for the year.

During the year ended 31 March 2013, the Company issued convertible bonds which have potential dilutive effect on its ordinary shares. The convertible bonds are assumed to have been converted into ordinary shares, and the net loss is adjusted to eliminate the interest expense less the tax effect.

	2013	2012
	HK$'000	*HK$'000*
Loss attributable to owners of the Company	**(30,091)**	(20,809)
Interest expense on convertible bonds (net of tax)	**87**	–
	(30,004)	(20,809)
Loss from discontinued operations attributable to owners of the Company	**–**	(3,516)
	(30,004)	(24,325)
Weighted average number of ordinary shares in issue *(thousands)*	**2,375,095**	2,375,095
Adjustments for:		
– Assumed conversion of convertible bonds *(thousands)*	**4,981**	–
Weighted average number of ordinary shares for diluted earnings per share *(thousands)*	**2,380,076**	2,375,095
Diluted loss per share *(HK cents)*		
– Continuing operations	**(1.26)**	(0.88)
– Discontinued operations	**–**	(0.15)

13 DEBTORS, DEPOSITS AND PREPAYMENTS

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Trade debtors	**636**	460
Loans receivable	**1,581**	10,167
Other debtors, deposits and prepayments	**14,822**	18,681
Convertible bonds		
– loan receivable component	**12,681**	–
	29,720	29,308
Analysed for reporting purposes:		
Non-current assets	**1,838**	8,872
Current assets	**27,882**	20,436
	29,720	29,308

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

As at 31 March 2013 and 2012, all the trade debtors are aged under 60 days based on due date.

14 CREDITORS, DEPOSITS AND ACCRUALS

	The Group	
	2013	2012
	HK$'000	*HK$'000*
Trade creditors	**2,198**	3,354
Other creditors, deposits and accruals	**5,633**	5,583
	7,831	8,937

As at 31 March 2013 and 2012, all the trade creditors are aged under 60 days based on invoice date.

15 DERIVATIVE FINANCIAL LIABILITIES

On 12 October 2012, the Group entered into subscription agreements to issue convertible bonds at a total principal amount of HK$200,000,000 to four independent third parties (the "**Subscribers**") with a coupon rate of 2% per annum and a 5-year maturity from the issuance date for the purposes of financing the future expansion of mining business in Africa and as general working capital.

Following the approval by shareholders of the Company in a special general meeting on 20 November 2012 (the "**Shareholders Approval Date**"), contractual provisions in relation to issuance of convertible bonds according to the subscription agreements were established, and derivative financial liabilities were recognised.

The initial fair values of the derivative financial liabilities were assessed at HK$59,946,000 and were reassessed at 31 March 2013, amounted to HK$19,886,000, resulting in a net amount of fair value loss totalling to HK$19,886,000 being recognised under "Other Loss" in the consolidated income statement.

During the year ended 31 March 2013, convertible bonds at principal of HK$100,000,000 were issued, and the related portion of the derivative financial liabilities, at fair values of HK$9,939,000, was derecognised *(Note 16)*.

The fair values of the derivative financial liabilities were valued by an independent valuer under Binomial Option Pricing Model.

The movement in derivative financial liabilities recognised in the statement of financial position is as follows:

	HK$'000
Beginning balances	–
Fair value loss	19,886
Less: Derecognition upon issuance of convertible bonds *(Note 16)*	(9,939)
Balances at 31 March 2013	9,947

16 CONVERTIBLE BONDS

The Group issued convertible bonds with a coupon rate of 2% per annum at a total principal value of HK$100,000,000 on the 28 March 2013 to two independent third parties (the "**bondholders**"). The convertible bonds will mature on 27 March 2018 at their principal amounts or can be converted into 454,545,454 shares at the bondholder's option at rate of HK$0.22 per share.

The fair values of the convertible bonds of HK$109,939,000 were valued by an independent valuer as at 28 March 2013. The convertible bonds comprise a liability component and an equity conversion component.

The fair values of the unlisted bond component were calculated by using a market interest rate of similar non-extendable and non-convertible bonds. The fair values of the convertible bonds were valued by using the Binomial Option Pricing Model. The residual amount, representing the value of the equity conversion component, is included in the convertible bond-equity conversion reserve under equity attributable to equity holders of the Company.

The convertible bonds recognised in the consolidated statement of financial position are as follows:

	HK$'000
Cash received	100,000
Fair values of derivative financial liabilities *(Note 15)*	9,939
Fair values of convertible bonds issued on 28 March 2013	109,939
Less: Legal and professional fee paid	(212)
Less: Equity conversion component	(69,676)
Liability component on initial recognition on 28 March 2013 *(Note)*	40,051
Add: Effective interest expense *(Note 7)*	104
Liability component at 31 March 2013	40,155

Note:

The fair value of the unlisted bond component of the convertible bonds as at 31 March 2013 is calculated using cash flows discounted at a rate based on the discount rate of 23.7%.

The convertible bonds – liability component are classified under non-current liabilities. The carrying amounts of convertible bonds – liability component are denominated in HK$.

17 CONTINGENT LIABILITIES

As at 31 March 2013 and 2012, the Group had no significant contingent liabilities.

18 CAPITAL COMMITMENTS

As at 31 March 2013 and 2012, the Group had no significant capital commitments.

DIVIDEND

The Board has resolved not to declare any interim and final dividend for the year ended 31 March 2013 (2012: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The revenue from the Group's ongoing operations during the year under review amounted to HK$67 million, which was 6% or HK$4 million less than what was achieved during the previous year. There was a loss attributable to the Company's equity holders of HK$30 million (2012: HK$24 million) which includes a fair value loss on derivative financial liabilities amounted to HK$20 million (2012: nil).

The basic loss per share on ongoing operations was HK1.27 cents, compared with loss per share of HK0.88 cents last year, while the overall loss per share for the year was HK1.27 cents (2012: HK1.03 cents).

Food and Beverages

The continuing food and beverages segment generated a revenue of HK$67 million during the year under review. This was 6% lower than the amount for last year. The segment reported a loss of HK$2 million for the current year (2012: HK$11 million). The restaurants and bars and kiosks of the Group are operated by 3 subsidiaries (the "**World Pointer Group**"). As of 31 March 2013, the World Pointer Group operated 5 restaurants and bars and 3 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 general administrative and management services to the restaurants and bars and kiosks under the World Pointer Group such as operation management, preparation of books of accounts, maintenance of premises of restaurants and bars, and repairs and decorations up to 15 February 2014 under a management agreement.

Securities Trading Business

During the year, the Group has substantial performance in the securities trading business. All the securities traded are shares listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). This segment recorded a realized gain on investments at fair value through profit or loss of HK$4.8 million (2012: HK$1.7 million) and reported a profit of HK$12.6 million (2012: HK$0.4 million) during the year under review.

Events after Reporting Period

i Completion of the Issue of HK$200 Million 2% Convertible Bonds under Specific Mandate

On 12 October 2012, after trading hours, each of Mr. Li Xuan (the "**Subscriber 1**"), Mr. Leung Chiu (the "**Subscriber 2**") and Mr. Yang Dongjun (the "**Subscriber 3**") and the Company entered into a subscription agreement in respect of the issue of and subscription for the convertible bonds in the aggregate principal amount of HK$150 million (the "**First Subscription Agreement**"). On 17 October 2012, after trading hours, Mr. Lei Chong (the "**Subscriber 4**") entered into a subscription agreement in respect of the issue of and subscription for the convertible bond in a principal amount of HK$50 million (the "**Second Subscription Agreement**").

Completion of the issue of and subscription for the convertible bonds in the principal amount of HK$50 million each by the Subscriber 2 and the Subscriber 3 under the First Subscription Agreement took place on 28 March 2013 (the "**First Completion**").

On 31 May 2013, the issue of and subscription for the convertible bonds in the principal amount of HK$50 million each by the Subscriber 1 under the First Subscription Agreement and by the Subscriber 4 under the Second Subscription Agreement was completed (the "**Second Completion**"). The net proceeds from the issue of the convertible bonds to the Subscriber 1 and the Subscriber 4, are approximately HK$99.95 million, which are placed in an interest bearing account with a financial institution pending for funding the partial payment of the Proposed Offer or other possible future investments, for financing the development of the Group and for using as the general working capital of the Group.

Details of the First Subscription Agreement, the Second Subscription Agreement, the First Completion and the Second Completion were disclosed in the announcements of the Company dated 12 October 2012, 17 October 2012, 20 November 2012, 31 December 2012, 31 January 2013, 28 March 2013 and 31 May 2013 and the circular issued by the Company dated 2 November 2012.

ii A Non-binding indicative incomplete proposal made by the Company to Elemental Minerals Limited

On 11 April 2013, after trading hours, the Company has made an indicative, non-binding, incomplete and conditional proposal to Elemental Minerals Limited ("**Elemental**") which could result in a cash offer being made by the Company to acquire all the issued shares of Elemental (the "**Elemental Shares**") for an offer price of AUD0.66 (equivalent to approximately HK$5.3832) per Elemental Share (the "**Proposed Offer**") if it were to proceed to a formal offer. Elemental is an advanced mining exploration and development company dual listed on the Australian Stock Exchange and the Toronto Stock Exchange. It is currently developing the Sintoukola potash project located in the Republic of Congo. The Proposed Offer or any offer to be made by the Company, if made, may constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.

On the same date, the Company also entered into an exclusivity and cost reimbursement deed with Elemental (the "**Exclusivity Deed**"), pursuant to which Elemental (i) must not have any discussions or negotiations relating to other potential competing proposals; and (ii) must ensure its representatives or related organizations do not directly or indirectly solicit or initiate inquiries, proposals or discussion regarding any potential competing proposals, within the maximum period from the date of the Exclusivity Deed to 11 May 2013 (unless extended), Elemental has also agreed the arrangement for the cost reimbursement.

On 13 May 2013, the Company and Elemental have mutually agreed to extend the exclusivity period from 11 May 2013 to 31 May 2013 (unless further extended).

On 30 May 2013, the Company and Elemental have further mutually agreed to extend the Exclusivity Period from 31 May 2013 to 30 June 2013 (unless further extended) in order to enable Elemental and the Company to finalize the outstanding due matters, comply with the regulatory requirements and facilitate further negotiation.

Details of the Proposed Offer were disclosed in the announcements of the Company dated 11 April 2013, 13 May 2013 and 30 May 2013.

iii *Grant of Share Options*

On 19 April 2013 and 26 April 2013, the Board granted 85,050,000 share options and 20,000,000 share options respectively to the eligible employees/eligible participants as defined in the share option scheme adopted by the Company on 21 September 2012 at an exercise price of HK$0.375 per share.

Details of the above grant of share options were disclosed in the announcements of the Company dated 19 April 2013, 26 April 2013 and 3 May 2013.

iv *Placing of New Shares under General Mandate*

On 25 April 2013, after the trading hours, Kingston Securities Limited (the "**Placing Agent**") and the Company entered into a placing agreement (the "**Placing Agreement**"), pursuant to which the Company has conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 475,000,000 placing shares at a price of HK$0.30 per placing share to not fewer than six placees (the "**Placees**") who and whose ultimate beneficial owners, if any, are third parties independent of and are not connected with the Company and its connected persons (as defined in the Listing Rules) (the "**Placing**"). The net proceeds from the Placing, after deducting related placing commission and other related expenses in connection with the Placing, is approximately HK$140.9 million, which placed in an interest bearing account with a financial institution pending for funding the partial payment of the Proposed Offer or other possible future investments. The Placing was successfully completed on 28 May 2013.

Details of the Placing were disclosed in the announcements of the Company dated 25 April 2013, 2 May 2013 and 28 May 2013.

v Proposed Issue of 5% Convertible Bonds and Warrants Due 2015 under Specific Mandate

On 20 June 2013, after trading hours, Hantang Resources Investment Limited（漢唐資源投資有限公司）(“**Hantang**”) as the subscriber and the Company entered into a subscription agreement (the “**Subscription Agreement**”) in respect of the issue of and subscription for the convertible bonds in the aggregate principal amount not exceeding HK$620,000,000 at an initial conversion price of HK$0.33 per conversion share and the warrants in the aggregate principal amount of HK$155,000,000 at an exercise price of HK$0.35 per warrant share, respectively (the “**Proposed Issue of the New Convertible Bonds and the Warrants**”). The Subscription Agreement and the transactions contemplated thereunder, including the allotment and issue of the conversion shares and the warrant shares under a specific mandate of the Company, are subject to the approval by the Shareholders at a special general meeting of the Company.

The estimated net proceeds of the issue of the convertible bonds (after deducting the fees and expenses) will be approximately HK$619.5 million and the exercise in full of the warrants will result in further net proceeds of approximately HK$155 million. The total net proceeds are intended to be used for funding the partial payment of the Proposed Offer or other possible further investments.

A circular containing, among other things, details about the Proposed Issue of the New Convertible Bonds and the Warrants will be despatched to the Shareholders on or before 19 July 2013.

Details of the Proposed Issue of the New Convertible Bonds and the Warrants were disclosed in the announcement of the Company dated 20 June 2013.

vi Allotment and Issue of Conversion Shares

On 26 June 2013, 227,272,727 conversion shares were allotted and issued to each of the Subscriber 1 and the Subscriber 2 pursuant the exercise of conversion rights attaching to the convertible bonds (the “**Convertible Bonds**”) issued on 28 March 2013 and 31 May 2013 to the Subscriber 2 and the Subscriber 1 respectively.

Details of the Convertible Bonds were disclosed in the circular issued by the Company dated 2 November 2012.

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

As at 31 March 2013, the Group's net assets attributable to equity holders of the Company amounted to HK$199 million (2012: HK$159 million), an increase of 25% or HK$40 million when compared with 2012. Such increase was mainly caused by the issuance of convertible bonds equity conversion component of HK$70 million less the loss attributable to equity holders of HK$30 million. At the end of the reporting year, the Group had no bank borrowing (2012: nil). Cash and bank balances amounted to HK$190 million (2012: HK$104 million).

EMPLOYEES AND REMUNERATION POLICIES

The Group employed 77 full-time staff under its subsidiaries globally as at 31 March 2013. Total staff costs amounted to HK$22 million for the year ended 31 March 2013. 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, medical schemes, retirement schemes and share options scheme.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There was no purchase, sale or redemption of listed securities of the Group during the year ended 31 March 2013.

CORPORATE GOVERNANCE

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 contained in Appendix 14 of the Listing Rules (the "**CG Code**"). In the opinion of the Directors, the Company has complied with all code provisions of the CG Code during the year ended 31 March 2013 except for the deviations from the code provisions A.5.2(a) and A.6.7 as explained below:

Code provision A.5.2(a) stipulates that the nomination committee of the Company (the "**Nomination Committee**") should review the structure, size and composition (including the skills, knowledge and experience) of the board at least annually and make recommendations on any proposed changes to the board to complement the issuer's corporate strategy. During the year ended 31 March 2013, no Nomination Committee meeting was held due to the fact that the structure, size and composition of the Board had been reviewed by the time the Nomination Committee was established on 29 March 2012 and there was no change in the Board composition during the year. The Company therefore considers holding the Nomination Committee meeting during the year ended 31 March 2013 is not necessary.

Code provision A.6.7 stipulates that independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. During the year ended 31 March 2013, Mr. Cheng Xiusheng and Mr. Sun Donsheng did not attend the Company's annual general meeting held on 21 September 2012 and the Company's special general meeting held on 20 November 2012 due to other business engagements.

AUDIT COMMITTEE

An audit committee of the Company (the "**Audit Committee**") was established with written terms of reference and the same has been revised in order to comply with the relevant code provisions of the CG Code.

As at 31 March 2013, the Audit Committee comprises three independent non-executive Directors, namely Mr. Chow Shiu Ki (chairman of the Audit Committee), Mr. Cheng Xiusheng and Mr. Sun Dongsheng.

The principal responsibilities of the Audit Committee are to review and provide supervision over the financial reporting system and internal control procedures of the Group and to review the Company's annual report and accounts and the interim report and to provide advices and comments thereon to the Board.

During the year ended 31 March 2013, the Audit Committee met twice with the auditor of the Company. Details of the duties and responsibilities of the Audit Committee were disclosed in the "Term of Reference of Audit Committee" which has been published on the websites of the Stock Exchange and the Company on 29 March 2012.

During the year ended 31 March 2013, the Audit Committee 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 audited financial statements of the Group for the year ended 31 March 2013.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Group for the year ended 31 March 2013 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 2013 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 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, 27 June 2013

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.