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

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

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 2013, together with the comparative figures for the corresponding period in 2012 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2013

		Unaudited six months ended 30 September	
		2013	2012
	Note	***HK$'000***	*HK$'000*
Revenue	*3*	**26,879**	33,254
Cost of sales		**(6,402)**	(8,483)
Gross profit		**20,477**	24,771
Realised gain on investments at fair value through profit or loss, net	*3*	**5,192**	2,447
Other income, net	*4*	**246**	206
Other gains, net	*5*	**568**	3,356
Other loss – fair value loss on derivative financial liabilities		**(84,385)**	–
Selling and distribution costs		**(19,635)**	(25,034)
General and administrative expenses		**(22,241)**	(8,962)
Share-based payment expenses		**(15,495)**	–
Operating loss		**(115,273)**	(3,216)
Finance income, net	*6*	**3,016**	706
Loss before taxation	*7*	**(112,257)**	(2,510)
Income tax credit	*8*	**130**	4
Loss for the period		**(112,127)**	(2,506)

		Unaudited six months ended 30 September	
		2013	2012
	Note	***HK$'000***	*HK$'000*
Attributable to:			
Equity holders of the Company		**(111,648)**	(1,496)
Non-controlling interests		**(479)**	(1,010)
		(112,127)	(2,506)
Loss per share	*9*		
Basic loss per share *(HK cents)*		**(3.79)**	(0.06)
Diluted loss per share *(HK cents)*		**(3.13)**	(0.06)
Dividends	*10*	**–**	–

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2013

	Unaudited six months ended 30 September 2013	
	2013	2012
	HK$'000	*HK$'000*
Loss for the period	**(112,127)**	(2,506)
Other comprehensive income for the period, net of tax		
Exchange difference on translation of operations of overseas subsidiary	**147**	–
Other comprehensive income for the period, net of tax	**147**	–
Total comprehensive loss for the period	**(111,980)**	(2,506)
Attributable to:		
Equity holders of the Company	**(111,501)**	(1,496)
Non-controlling interests	**(479)**	(1,010)
Total comprehensive loss for the period	**(111,980)**	(2,506)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2013

	Note	**Unaudited 30 September 2013 *HK$'000***	Audited 31 March 2013 *HK$'000*
Non-current assets			
Plant and equipment	*11*	**10,023**	3,828
Available-for-sale financial assets		**35,457**	–
Non-current deposits		**3,980**	1,838
		49,460	5,666
Current assets			
Inventories		**875**	873
Debtors, deposits and prepayments	*12*	**201,491**	27,882
Amount due from a related company		**251**	248
Investments at fair value through profit or loss		**76,627**	50,292
Current income tax recoverable		**21**	21
Cash and cash equivalents		**186,035**	189,922
		465,300	269,238
Current liabilities			
Creditors, deposits and accruals	*13*	**9,596**	7,831
Amount due to non-controlling interests		**24,749**	25,586
Amount due to a related Company		**2**	2
Derivative financial liabilities		**–**	9,947
Current income tax liabilities		**–**	193
Obligation under finance lease		**1,356**	–
		35,703	43,559
Net current assets		**429,597**	225,679
Total assets less current liabilities		**479,057**	231,345
Capital and reserves			
Share capital	*14*	**33,046**	23,751
Reserves		**402,550**	175,004
Shareholders' funds		**435,596**	198,755
Non-controlling interests		**(9,021)**	(8,542)
Total equity		**426,575**	190,213
Non-current liabilities			
Obligation under finance lease		**3,516**	–
Convertible bonds	*15*	**47,989**	40,155
Deferred income tax liabilities		**977**	977
		52,482	41,132
Total equity and non-current liabilities		**479,057**	231,345

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 are consistent with those of the annual financial statements for the year ended 31 March 2013, as described in those annual financial statements.

New standards and amendments to existing standards that are effective for the first time for the financial year beginning 1 April 2013 and are relevant to the Group's operations:

HKAS 1 (Amendment)	Presentation of items of other comprehensive income
HKAS 19 (2011)	Employee benefits
Hong Kong Financial Reporting Standards ("HKFRS") 7 (Amendment)	Disclosure – offsetting financial assets and financial liabilities
HKFRS 10	Consolidated financial statements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurements
Annual improvements projects (2011)	Improvements to HKFRSs published in June 2012

Except as described below, the application of the above new and amendment in the current interim period has had no material effect on the amounts reported or disclosed in this condensed consolidated interim financial information.

HKFRS 13 Fair value measurement

HKFRS 13 establishes a single source of guidance under HKFRS for all fair value measurements. HKFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under HKFRS when fair value is required or permitted. The application of HKFRS 13 has not materially impacted the fair value measurements carried out by the Group.

HKAS 1 (Amendment) Presentation of financial statements

The amendments to HKAS 1 introduce a grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The adoption of these amendments only affected presentation and had no impact on this condensed consolidated interim financial information.

The following new standards and amendments to existing standards relevant to the Group have been issued but are not effective for the financial year beginning 1 April 2013 and have not been early adopted.

HKFRS 9	Financial instruments[2]
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory effective date and transition disclosures[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities[1]
HKAS 32 (Amendment)	Financial instruments: Presentation – Offsetting financial assets and financial liabilities[1]
HKAS 36 (Amendment)	Impairment of assets[1]

(1) Effective for the Group for annual period beginning on 1 April 2014

(2) Effective for the Group for annual period beginning on 1 April 2015

The Group plans to adopt the above new/revised standards and amendments to existing standards when they become effective and are expected to have no material impact to the Group's financial statements.

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.

Reportable segment information is presented below:

For the six months ended 30 September 2013

	Food and beverages – restaurants and bars business *HK$'000*	**Securities trading business** *HK$'000*	**Total** *HK$'000*
Segment revenue			
Group revenue	**26,879**	**–**	**26,879**
Realised gain on investments at fair value through profit or loss, net	**–**	**5,192**	**5,192**
Segment (loss)/profit	**(977)**	**5,548**	**4,571**
Included in segment (loss)/profit are:			
Depreciation of plant and equipment	**(977)**	**–**	**(977)**
Unrealised gain on investments at fair value through profit or loss, net	**–**	**274**	**274**
Dividends income from investments at fair value through profit or loss	**–**	**294**	**294**
Segment assets	**13,783**	**59,006**	**72,789**
Included in segment assets are:			
Additions to non-current assets (other than financial instruments and deferred income tax assets)	**1,485**	**–**	**1,485**

The Group had no inter-segment sales for the periods ended 30 September 2013 and 2012.

For the six months ended 30 September 2012

	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

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

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Segment profit	**4,571**	3,672
Unallocated corporate income	**–**	18
Unallocated corporate expenses	**(20,073)**	(6,906)
Fair value loss on derivative financial liabilities	**(84,385)**	–
Share-based payment expenses	**(15,495)**	–
Finance income	**9,860**	708
Finance costs	**(6,735)**	(2)
Loss before taxation	**(112,257)**	(2,510)

Geographical information

Both in current and prior period, the Group's operations in food and beverages business and securities trading business are carried out in Hong Kong.

4 OTHER INCOME, NET

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Sponsorship income from suppliers	**36**	–
Others	**210**	206
	246	206

5 OTHER GAINS, NET

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Unrealised gain on investments at fair value through profit or loss, net	**274**	2,642
Dividends income from investments at fair value through profit or loss	**294**	696
Exchange gain, net	**–**	18
	568	3,356

6 FINANCE INCOME, NET

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Interest income from bank deposits	**527**	6
Interest income from loans receivable	**9,038**	702
Effective interest income on convertible bond – loan receivable component	**295**	–
Interest expenses on bank borrowings	**(1,235)**	(2)
Effective interest expenses on convertible bonds – liability component *(note 15)*	**(5,609)**	–
	3,016	706

7 LOSS BEFORE TAXATION

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging/(crediting) the following:		
Cost of inventories recognised as expenses	**6,402**	8,483
Depreciation of plant and equipment	**994**	2,335
Amortisation of trademarks	**–**	26
Gain on disposal of plant and equipment	**–**	(262)
Staff costs	**10,370**	11,541
Operating lease payments in respect of leasing of		
– Premises		
– under minimum lease payments	**5,383**	5,588
– under contingent rent	**772**	975
– Equipment	**94**	90

8 INCOME TAX CREDIT

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Current income tax		
Overseas	**30**	–
Over-provision in prior periods	**(160)**	–
	(130)	–
Deferred income tax		
Origination and reversal of temporary differences	**–**	(4)
Income tax credit	**(130)**	(4)

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

Overseas taxation in prior period including Australia 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

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 period.

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Loss attributable to owners of the Company	**(111,648)**	(1,496)
	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares in issue *(thoudands)*	**2,943,078**	2,375,095
Basic loss per share *(HK cents)*	**(3.79)**	(0.06)

(b) Diluted loss per share

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. The Company has two categories of dilutive potential ordinary shares: share options and convertible bonds.

During the period ended 30 September 2013, share options were granted by the Company which have potential dilutive effect on its ordinary shares.

During the period ended 30 September 2013, the Company issued convertible bonds which have potential dilutive effect on its ordinary shares (note 15). 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.

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Loss attributable to owners of the Company	**(111,648)**	(1,496)
Interest expense on convertible bonds *(net of tax)*	**4,684**	–
	(106,964)	(1,496)

	Number of shares	Number of shares
	'000	*'000*
Weighted average number of ordinary shares in issue *(thoudands)*	**2,943,078**	2,375,095
Adjustments for:		
– Assumed conversion of convertible bonds *(thousands)*	**380,030**	–
– Assumed share options exercised *(thousands)*	**93,952**	–
Weighted average number of ordinary shares for diluted loss per share *(thousands)*	**3,417,060**	2,375,095
Diluted loss per share *(HK cents)*	**(3.13)**	(0.06)

10 DIVIDENDS

The board ("Board") of Directors has resolved not to declare any interim dividend for the six months ended 30 September 2013 (2012: nil).

11 PLANT AND EQUIPMENT

For the six months ended 30 September 2013, the Group acquired plant and equipment at a cost of HK$7,190,000 (HK$241,000 for the six months ended 30 September 2012), including the acquired motor vehicle with a net carrying value amounted to HK$5,667,000 (For the six months ended 30 September 2012: Nil) held under a finance lease. This asset is pledged to secure the Group's obligation under a finance lease.

12 DEBTORS, DEPOSITS AND PREPAYMENTS

	As at 30 September 2013	As at 31 March 2013
	HK$'000	*HK$'000*
Trade debtors (A)	**284**	636
Loans receivable (B)	**176,694**	1,581
Other debtors, deposits and prepayments	**24,513**	12,984
Convertible bond – loan receivable component	**–**	12,681
	201,491	27,882

(A) Trade debtors

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.

As at 30 September 2013 and 31 March 2013, all the trades debtors are aged under 60 days based on due date.

(B) Loans Receivable

The loans receivable are due from independent third parties, which are unsecured. The carrying amounts are denominated in HK$ and approximate their fair values.

13 CREDITORS, DEPOSITS AND ACCRUALS

	As at 30 September 2013	As at 31 March 2013
	HK$'000	*HK$'000*
Trade creditors	**2,061**	2,198
Other creditors, deposits and accruals	**7,535**	5,633
	9,596	7,831

As at 30 September 2013 and 31 March 2013, all the trade creditors are aged under 60 days based on invoice date.

14 SHARE CAPITAL

	Number of shares	
	'000	*HK$'000*
Authorised ordinary shares:		
At 31 March 2013, 1 April 2013 of HK$0.01 per share	3,500,000	35,000
Increase on 3 September 2013 *(note (i))*	7,000,000	70,000
At 30 September 2013 of HK$0.01 per share	10,500,000	105,000
Issued and fully paid ordinary shares:		
At 31 March 2013 and 1 April 2013 of HK$0.01 per share	2,375,095	23,751
Issue of shares *(note (ii))*	475,000	4,750
Issue of shares on conversion of convertible bonds *(note (iii))*	454,545	4,545
At 30 September 2013 of HK$0.01 per share	3,304,640	33,046

Notes:

(i) On 3 September 2013, the authorized share capital of the Company was increased from HK$35 million to HK$105 million by the creation of an additional 7,000,000,000 ordinary shares of HK$0.01 each which rank pari passu with the existing shares in all respects.

(ii) The Company allotted and issued 475,000,000 new shares to independent third parties on 28 May 2013. The proceeds of the issue of shares before expenses amounted to HK$142,500,000. The net proceeds of the issue of shares amounted to HK$140,953,000 after deducting the expenses of the issue.

(iii) On 26 June 2013, the convertible bonds in the aggregate amounted to HK$100,000,000 were converted into 454,545,454 ordinary shares of HK$0.01 each at the fixed conversion price of HK$0.22 per share.

15 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 28 March 2013 and at a total principal value of HK$100,000,000 on 31 May 2013 to four independent third parties (the "bondholders"). The convertible bonds will mature at 27 March 2018 and 30 May 2018 respectively at its principal amount or can be converted into 909,090,908 shares at the bondholder's option at rate of HK$0.22 per share.

On 26 June 2013, 454,545,454 conversion shares were allotted and issued to two bondholders pursuant the exercise of conversion rights attaching to the convertible bonds issued on 28 March 2013 and 31 May 2013 respectively.

The fair values of the remaining convertible bonds was HK$156,413,000 based on the valuations by an independent valuer as at 28 March 2013 and 31 May 2013 respectively. 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.

	Liability component *HK$'000*	**Equity conversion component** *HK$'000*	**Total** *HK$'000*
Cash received on 28 March 2013	100,000	–	100,000
Fair values of derivative financial liabilities	9,939	–	9,939
Fair values of convertible bonds issued on 28 March 2013	109,939	–	109,939
Legal and professional fee paid	(212)	–	(212)
Equity conversion component	(69,676)	69,676	–
Fair value at 28 March 2013 *(note)*	40,051	69,676	109,727
Effective interest expenses	104	–	104
At 31 March 2013	40,155	69,676	109,831
Cash received on 31 May 2013	100,000	–	100,000
Fair values of derivative financial liabilities	94,332	–	94,332
Fair values of convertible bonds issued on 31 May 2013	194,332	–	194,332
Legal and professional fee paid	(212)	–	(212)
Equity conversion component	(147,172)	147,172	–
Fair value at 31 May 2013 *(note)*	46,948	147,172	194,120
Total fair values before effective interest expenses and ordinary shares conversion	87,103	216,848	303,951
Effective interest expenses *(note 6)*	5,609	–	5,609
Converted into ordinary shares	(44,723)	(108,424)	(153,147)
At 30 September 2013	47,989	108,424	156,413

Note:

As at the 30 September 2013, the fair value of the unlisted bond component of the convertible bonds that were issued on 28 March 2013 and 31 May 2013 are calculated using cash flows discounted at a rate based on the discount rate of 23.5% and 20% respectively (31 March 2013: 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$.

16 CONTINGENT LIABILITIES

As at 30 September 2013, 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$27 million during the six months ended 30 September 2013. This represents a decrease of 18% on HK$33 million achieved in the same period last year. There was a loss attributable to the Company's equity holders of HK$112 million, compared to HK$1 million in last year. The loss during the period was mainly due to the fair value loss on derivative financial liabilities and the share-based payment expenses.

Loss per share amounted to HK3.79 cents during the six months ended 30 September 2013, compared with HK0.06 cents for the same period last year.

Food and Beverages

The food and beverages segment generated a revenue of HK$27 million during the period under review. This was 18% lower than the amount for the corresponding period last year. The segment reported a decrease of loss to HK$1 million (2012: HK$2 million) for the six months period ended 30 September 2013. The restaurants and bars and kiosks of the Group are operated by 3 subsidiaries (collectively, the "World Pointer Group"). As of 30 September 2013, the World Pointer Group operated five 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 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 account, maintenance of premises of restaurants and bars, and repairs and decorations up to 15 February 2014 under a management agreement.

Securities Trading

During the period, the Group has substantial performance in the securities trading business. The Group recorded a realised gain on investments at fair value through profit or loss of HK$5 million (2012: HK$2 million) and reported a profit of HK$6 million (2012: HK$6 million) during the period under review.

Completion of the Issue of HK$200 Million 2% Convertible Bonds under Specific Mandate and Allotment and Issue of Conversion Shares

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") entered into a subscription agreement with the Company in respect of the issue of and subscription for the convertible bonds in the aggregate principal amount of HK$150 million (the "First Subscription Agreements"). On 17 October 2012, after trading hours, Mr. Lei Chong (the "Subscriber 4") entered into a subscription agreement with the Company 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 Agreements 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 Agreements 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 (as defined below) 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 Agreements, 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.

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 issued on 28 March 2013 and 31 May 2013 to the Subscriber 2 and the Subscriber 1 respectively.

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 (the "Share Option Scheme") 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 respectively.

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 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 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. 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 respectively.

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 (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 is expected to be despatched to the Shareholders on or before 31 December 2013.

Details of the Proposed Issue of the New Convertible Bonds and the Warrants were disclosed in the announcements of the Company dated 20 June 2013, 19 July 2013, 30 August 2013, 30 September 2013 and 14 November 2013 respectively.

Connected transaction-Proposed Issue of Convertible Bonds and Warrants under Specific Mandate

On 28 June 2013, after trading hours, Wincon Capital Investment Limited ("Wincon"), the controlling shareholder (as defined in the Listing Rules) of the Company, as the subscriber and the Company entered into a subscription agreement (the "Wincon 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 Wincon Convertible Bonds and the Wincon Warrants"). The Wincon 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 Wincon Convertible Bonds and the Wincon Warrants is expected to be despatched to the Shareholders on or before 31 December 2013.

Details of the Proposed Issue of the New Wincon Convertible Bonds and the Wincon Warrants were disclosed in the announcements of the Company dated 28 June 2013, 19 July 2013, 30 August 2013, 30 September 2013 and 14 November 2013 respectively.

Proposed Offer made by the Company to Elemental Minerals Limited and the Elemental Lead Investment

On 1 July 2013, the Company entered into (1) a bid implementation agreement with Elemental Minerals Limited ("Elemental") pursuant to which the Company agreed to make an off-market takeover offer to acquire all the issued shares of Elemental (the "Elemental Shares") at AUD0.66 per Elemental share (the "Proposed Offer"); and (2) pre-bid purchase agreements with the key shareholders of Elemental (together, the "Proposed Acquisition"), together with other documents including documents relating to the financing of the Proposed Acquisition. The Company also announced that on 1 July 2013, the Company and Elemental entered into the Elemental Share Placement Agreement and the Dingyi Convertible Note Facility (i.e. the Elemental Lead Investment, as defined and mentioned with details in the Company's announcements dated 13 August 2013, 12 September 2013, 15 October 2013 and 15 November 2013, respectively (the "Elemental Lead Investment Announcements")) pursuant to which the Company agreed to make a lead investment in Elemental to provide Elemental with interim working capital for its business during the offer period for the Proposed Offer. The completion of the Elemental Share Placement took place on 30 August 2013. 14,676,163 Elemental Placement Shares have been issued to the Company at a price of AUD0.3407 (approximately HK$2.41) per Elemental Placement Share pursuant to the terms and conditions of the Elemental Share Placement Agreement. The Elemental Placement Shares issued to the Company represent approximately 4.84% of the total issued share capital of Elemental as enlarged by such issue.

As set out in the Elemental Lead Investment Announcements, the circular in respect of the Elemental Lead Investment containing, among other things, (i) further details of the Elemental Lead Investment; (ii) the Competent Person's Report; and (iii) the Valuation Report (together, the "Circular") is expected to be despatched to the Shareholders on or before 31 December 2013.

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 Acquisition constitutes a very substantial acquisition for the Company and is therefore subject to the approval by the Shareholders at a special general meeting of the Company by way of poll under the Listing Rules. The announcement relating to the Proposed Acquisition has been submitted to the Stock Exchange for vetting and will be published by the Company as soon as practicable.

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 (i.e. Elemental) 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 its potash project and is actively proceeding the aforesaid possible acquisition, details of which are set out in the paragraph headed "Proposed offer made by the Company to Elemental Minerals Limited and the Elemental Lead Investment" in this announcement. The Company is also exploring the investment opportunities in other mining projects.

FINANCIAL REVIEW

Shareholders' Equity and Financial Ratios

As at 30 September 2013, the Group's net assets attributable to equity holders of the Company amounted to HK$436 million (31 March 2013: HK$199 million), an increase of HK$237 million. Such increases were mainly caused by issued of new shares of HK$141 million, the issuance of convertible bonds equity conversion component of HK$147 million, granted of share options of HK$16 million, issued of new shares on conversion of convertible bonds of HK$45 million less the loss attributable to equity holders of HK$112 million.

As at 30 September 2013, total debt to equity ratio was 0.12 (31 March 2013: 0.21) and net debt to equity ratio were zero (31 March 2013: Nil) which were expressed as a percentage of total convertible bonds and finance lease obligations and net convertible bonds and finance lease obligations respectively, over the total equity of HK$427 million (31 March 2013: HK$190 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 2013 (2012: Nil).

EMPLOYEES AND REMUNERATION POLICIES

The Group employed 80 full-time staffs under its subsidiaries as at 30 September 2013. Total staff costs amounted to HK$10,370,000 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 2013.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with the code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules throughout the six months ended 30 September 2013, save as disclosed below.

Code provision A.6.7 of the CG Code requires that the independent non-executive directors should attend general meeting and develop a balanced understanding of the views of the Shareholders. During the period, Mr. Cheng Xiusheng and Mr. Sun Dongsheng did not attend the Company's annual general meeting held on 3 September 2013 due to other business engagements.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted 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 2013.

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 2013.

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 2013 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 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 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, 25 November 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.