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 2014

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of DINGYI GROUP INVESTMENT LIMITED (the "**Company**") hereby announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2014, together with the comparative figures in 2013, summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2014

	NOTES	**2014** ***HK$'000***	2013 *HK$'000* (Restated)
Continuing operations			
Turnover	*3*	**174,184**	58,697
Revenue	*3*	**42,725**	2,924
Cost of sales		**(15,151)**	–
Gross profit		**27,574**	2,924
Other income	*5*	**7,988**	8,115
Realised gain on the disposal of held for trading investments		**12,013**	4,823
Fair value gain on initial recognition of available-for-sale financial assets		**18,092**	–
Gain arising from changes in fair value of derivative financial assets, net		**2,830**	38
Loss arising from changes in fair value of derivative financial liabilities		**(84,385)**	(19,886)
Impairment loss on available-for-sale financial assets		**(30,323)**	–
Selling and distribution costs		**(1,118)**	–
General and administrative expenses		**(75,320)**	(23,729)
Finance costs	*6*	**(15,547)**	(106)

	NOTES	2014 HK$'000	2013 HK$'000 (Restated)
Loss before taxation	*7*	**(138,196)**	(27,821)
Income tax expense	*8*	**(1,466)**	(1,050)
Loss for the year from continuing operations		**(139,662)**	(28,871)
Discontinued operations			
Loss for the year from discontinued operations	*9*	**(907)**	(2,342)
Loss for the year		**(140,569)**	(31,213)
Loss for the year attributable to the owners of the Company			
– from continuing operations		**(139,662)**	(28,871)
– from discontinued operations		**(462)**	(1,220)
Loss for the year attributable to the owners of the Company		**(140,124)**	(30,091)
Loss for the year attributable to non-controlling interests			
– from discontinued operations		**(445)**	(1,122)
		(140,569)	(31,213)
Loss per share	*11*		
Basic and diluted loss per share *(HK cents per share)*			
– from continuing operations		**4.47**	1.22
– from discontinued operations		**0.01**	0.05
		4.48	1.27

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2014

	2014	2013
	HK$'000	*HK$'000*
Loss for the year	**(140,569)**	(31,213)
Other comprehensive (expense) income for the year		
Items that may be reclassified to profit or loss:		
Exchange difference arising on translation of overseas operations	**(223)**	146
Total comprehensive expense for the year	**(140,792)**	(31,067)
Total comprehensive expense for the year attributable to:		
The owners of the Company	**(140,347)**	(29,945)
Non-controlling interests	**(445)**	(1,122)
	(140,792)	(31,067)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	NOTE	31/3/2014 HK$'000	31/3/2013 HK$'000 (Restated)	1/4/2012 HK$'000 (Restated)
Non-current assets				
Plant and equipment		**8,379**	3,828	7,619
Available-for-sale financial assets		**23,226**	–	–
Intangible asset		**–**	–	26
Non-current deposits and prepayments	12	**3,527**	1,838	8,872
		35,132	5,666	16,517
Current assets				
Inventories		**7,924**	873	1,306
Debtors, deposits and prepayments	12	**44,211**	13,620	10,269
Loan receivables	13	**252,719**	1,581	10,167
Convertible bond receivables	14	**70,713**	12,681	–
Amount due from a related company		**248**	248	–
Held for trading investments		**34,158**	25,265	18,448
Derivative financial assets		**5,684**	25,027	24,962
Current income tax recoverable		**–**	21	60
Cash and cash equivalents		**40,725**	189,922	103,869
		456,382	269,238	169,081
Non-current assets classified as held-for-sale		**17,250**	–	–
		473,632	269,238	169,081
Current liabilities				
Creditors, deposits and accruals	15	**12,116**	7,831	8,937
Amount due to non-controlling interests		**–**	25,586	24,893
Derivative financial liabilities		**–**	9,947	–
Amounts due to related companies		**3,933**	2	–
Current income tax liabilities		**2,504**	193	160
Obligation under a finance lease		**1,385**	–	–
		19,938	43,559	33,990
Liabilities associated with non-current assets classified as held-for-sale		**35,643**	–	–
		55,581	43,559	33,990

	NOTE	31/3/2014 HK$'000	31/3/2013 HK$'000 (Restated)	1/4/2012 HK$'000 (Restated)
Net current assets		**418,051**	225,679	135,091
Total assets less current liabilities		**453,183**	231,345	151,608
Capital and reserves				
Share capital		**33,046**	23,751	23,751
Reserves		**373,843**	175,004	135,273
Equity attributable to the owners of the Company		**406,889**	198,755	159,024
Non-controlling interests		**(8,987)**	(8,542)	(7,420)
Total equity		**397,902**	190,213	151,604
Non-current liabilities				
Obligation under a finance lease		**2,816**	–	–
Convertible bonds	*16*	**52,328**	40,155	–
Deferred income tax liabilities		**137**	977	4
		55,281	41,132	4
		453,183	231,345	151,608

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

1. BASIS OF PREPARATION

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("**new and revised HKFRSs**") issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 1	First-time Adoption of HKFRSs – Government Loans
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (revised 2011)	Employee Benefits
HKAS 27 (revised 2011)	Separate Financial Statements
HKAS 28 (revised 2011)	Investments in Associates and Joint Ventures
HK(IFRIC*) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

* IFRIC represents the International Financial Reporting Interpretation Committee.

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as a "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis — the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to HKFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKFRS 7 for the first time in the current year. The amendments to HKFRS 7 require entities to disclose information about recognised financial instruments that are set off in accordance with HKAS 32 Financial Instruments: Presentation and recognised financial instruments that are subject to an enforceable master netting agreement or similar agreement, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The amendments to HKFRS 7 have been applied retrospectively. As the Group does not have any offsetting arrangements or any master netting agreements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (revised 2011) and HKAS 28 (revised 2011) together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding the transitional guidance. HKAS 27 (revised 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 replaces the parts of HKAS 27 Consolidated and Separate Financial Statements that deal with consolidated financial statements and HK (SIC)-Int 12 Consolidation – Special Purpose Entities. HKFRS 10 changes the definition of control such that an investor controls an investee if and only if it has (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

As a result of the initial application of HKFRS 10, the directors of the Company made an assessment whether the Group has control over its investees at the date of initial application and concluded that the application of HKFRS 10 does not result in any change in control conclusions.

HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements for both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions within the scope of HKFRS 2 Share-based Payment, leasing transactions within the scope of HKAS 17 Leases and measurements that have some similarities to fair value but are not fair value.

HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

HKFRS 13 has been applied prospectively as of the beginning of the annual period and resulted in additional disclosure in the consolidated financial statements. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

New Hong Kong Companies Ordinance

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) (the "**New Companies Ordinance**") come into operation as from the Group's first financial year commencing on or after 3 March 2014 in accordance with section 358 of the New Companies Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the New Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the New Companies Ordinance. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

3. TURNOVER AND REVENUE

Turnover

Turnover represents the aggregate of sales of food and beverages, service income, metal trading income, interest income from provision of loan financing and net sales proceeds from the disposal of held for trading investments during the year. The following is an analysis of the Group's turnover from continuing operations:

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Sales of food and beverages	**1,258**	–
Metal trading income	**14,700**	–
Interest income from provision of loan financing	**26,473**	2,228
Net sales proceeds from the disposal of held for trading investments	**131,753**	56,469
	174,184	58,697

The following is an analysis of the Group's revenue from continuing operations:

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Revenue represents amounts received and receivable from:		
Sales of food and beverages	**1,258**	–
Metal trading income	**14,700**	–
Interest income from provision of loan financing	**26,473**	2,228
Dividend income from held for trading investments	**294**	696
	42,725	2,924

An analysis of the Group's revenue by segments is set out in note 4.

4. SEGMENT INFORMATION

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 (executive directors) in order to assess performance and allocate resources. The chief operating decision-maker assesses the performance of the reportable segments based on the revenue and profit/loss presented. No operating segments identified by the chief operating decision-maker have been aggregated in arriving at the reportable segments of the Group.

The Group has five reportable and operating segments (i) securities trading business; (ii) trading of wine business; (iii) food and beverages – restaurant business; (iv) loan financing business and (v) metal trading business, which the segments of (ii) and (v) is newly operated during the year ended 31 March 2014. Segment revenue is measured in a manner consistent with that in the consolidated statement of profit or loss.

During the current year, loan financing business was identified as a reportable and operating segment because loan financing business is one of principal activity of the Group and the chief operating decision-maker believes that such reporting better reflects the segments' performance based on the respective nature of relevant operating units. Accordingly, the comparative information for the year ended 31 March 2013 and as at 31 March 2013 have been restated to conform with the current year's presentation.

An operating segment regarding food and beverages – restaurant and bars business in Hong Kong was discontinued during the year ended 31 March 2014. The segment information reported on the following for the year ended 31 March 2013 does not include any amounts for these discontinued operations, which are described in more details in note 9.

Segment revenue and results

The following is an analysis of the Group's turnover, revenue and results from continuing operations by reportable and operating segment:

Year ended 31 March 2014

	Securities trading business *HK$'000*	Trading of wine business *HK$'000*	Food and beverages – restaurant business *HK$'000*	Loan financing business *HK$'000*	Metal trading business *HK$'000*	Total *HK$'000*
Turnover	**131,753**	**–**	**1,258**	**26,473**	**14,700**	**174,184**
Revenue						
External revenue	**294**	**–**	**1,258**	**26,473**	**14,700**	**42,725**
Realised gain on the disposal of held for trading investments	**12,013**	**–**	**–**	**–**	**–**	**12,013**
Segment profit (loss)	**12,673**	**–**	**(7,331)**	**26,473**	**(4,738)**	**27,077**
Interest income						**3,279**
Finance costs						**(15,547)**
Loss arising from changes in fair value of derivative financial liabilities						**(84,385)**
Fair value gain on initial recognition of available-for-sale financial assets						**18,092**
Impairment loss on available-for-sale financial assets						**(30,323)**
Gain arising from changes in fair value of derivative financial assets, net						**2,830**
Unallocated corporate income						**3,880**
Unallocated corporate expenses						**(63,099)**
Loss before taxation						**(138,196)**

Year ended 31 March 2013

	Securities trading business *HK$'000* (Restated)	Loan financing business *HK$'000* (Restated)	Total *HK$'000* (Restated)
Turnover	56,469	2,228	58,697
Revenue			
External revenue	696	2,228	2,924
Realised gain on the disposal of held for trading investments	4,823	–	4,823
Segment profit	12,633	2,228	14,861
Interest income			829
Finance costs			(106)
Loss arising from changes in fair value of derivative financial liabilities			(19,886)
Gain arising from changes in fair value of derivative financial assets, net			38
Unallocated corporate income			59
Unallocated corporate expenses			(23,616)
Loss before taxation			(27,821)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/loss represents the profit earned by/loss from each segment without allocation of central administration costs, directors' emoluments, interest income, exchange gain/loss, loss arising from changes in fair value of derivative financial liabilities, fair value gain on initial recognition of available-for-sale financial assets, impairment loss on available-for-sale financial assets, gain arising from changes in fair value of derivative financial assets, net, finance costs, depreciation of certain plant and equipment. This is the measure reported to the chief operating decision-maker for the purposes of resources allocation and performance assessment.

Segment assets and liabilities

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

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Segment assets		
Securities trading business	**34,264**	30,009
Trading of wine business	**7,250**	–
Food and beverages – restaurant business	**4,830**	13,529
Loan financing business	**252,719**	1,581
Metal trading business	**19,811**	–
Total segment assets	**318,874**	45,119
Assets relating to discontinued operation	**17,250**	–
Unallocated corporate assets	**172,640**	229,785
Total consolidated assets	**508,764**	274,904
Segment liabilities		
Securities trading business	**1,047**	1,136
Trading of wine business	**–**	–
Food and beverages – restaurant business	**7,186**	31,014
Loan financing business	**–**	–
Metal trading business	**24**	–
Total segment liabilities	**8,257**	32,150
Liabilities relating to discontinued operation	**35,643**	–
Other unallocated liabilities	**66,962**	52,541
Total consolidated liabilities	**110,862**	84,691

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain plant and equipment, available-for-sale financial assets, certain deposits and prepayment, convertible bond receivables, amount due from a related company, derivative financial assets, current income tax recoverable and certain cash and cash equivalents; and

- all liabilities are allocated to operating segments other than certain deposit and accruals, derivative financial liabilities, amounts due to related companies, certain current income tax liabilities, obligation under a finance lease and convertible bonds.

Other segment information

For the year ended 31 March 2014

Continuing operations

	Securities trading business *HK$'000*	Trading of wine business *HK$'000*	Food and beverages – restaurant business *HK$'000*	Loan financing business *HK$'000*	Metal trading business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:							
Additions to non-current assets (other than available-for-sale financial assets)	–	–	158	–	107	5,712	5,977
Depreciation of plant and equipment	–	–	188	–	11	601	800
Amounts regularly provided to the chief operating decision-maker but not included in the measure of segment profit or loss or segment assets:							
Interest income	–	–	–	–	–	(3,279)	(3,279)
Finance costs	–	–	–	–	–	15,547	15,547
Share-based payment expenses	–	–	–	–	–	15,311	15,311
Income tax (credit) expense	(89)	–	–	–	–	1,555	1,466

For the year ended 31 March 2013

Continuing operations

	Securities trading business *HK$'000*	Loan financing business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Amounts included in the measure of segment profit or loss or segment assets:				
Additions to non-current assets (other than available-for-sale financial assets)	–	–	30	30
Depreciation of plant and equipment	–	–	21	21
Amounts regularly provided to the chief operating decision-maker but not included in the measure of segment profit or loss or segment assets:				
Interest income	–	–	(829)	(829)
Finance costs	–	–	106	106
Income tax expense	972	–	78	1,050

Geographical information

The Group's operations are located on Hong Kong and the PRC.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of the operations. Information about the Group's non-current assets (excluding available-for-sale financial assets) is presented based on the geographical location of the assets.

	Revenue from external customers Year ended		**Non-current assets**	
	31/3/2014	31/3/2013	**31/3/2014**	31/3/2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**26,767**	2,924	**8,690**	5,666
PRC	**15,958**	–	**3,216**	–
	42,725	2,924	**11,906**	5,666

The Group had no inter-segment sales for the years ended 31 March 2014 and 2013.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group is as follows:

	2014	2013
	HK$'000	*HK$'000*
Customer A[1]	**14,700**	N/A

[1] Revenue from metal trading business

5. OTHER INCOME

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Sub-underwriting commission *(note)*	**3,877**	–
Effective interest income on convertible bond receivables	**2,012**	766
Bank interest income	**1,267**	63
Gain arising from changes in fair value of held for trading investments	**829**	7,227
Exchange gain	**–**	59
Others	**3**	–
	7,988	8,115

Note: The amount represented sub-underwriting commission income received for acting as a sub-underwriter for the right issue of China Merchant Bank, a company listed in the Hong Kong Stock Exchange, during the year ended 31 March 2014.

6. FINANCE COSTS

	2014	2013
	HK$'000	*HK$'000*
		(Restated)
Continuing operations		
Interest on bank borrowings wholly repayable within five years	**5,183**	2
Effective interest expense on convertible bonds *(note 16)*	**10,271**	104
Interest expenses on a finance lease	**93**	–
	15,547	106

7. LOSS BEFORE TAXATION

Loss before taxation from continuing operations has been arrived at after charging:

	2014	2013
	HK$'000	*HK$'000*
Directors' emoluments	**10,377**	2,018
Other staff costs (excluding directors' emoluments)	**2,293**	856
Share-based payments expenses (excluding directors' emoluments)	**1,696**	–
Retirement benefits scheme contributions (excluding directors' emoluments)	**57**	32
Total staff costs	**14,423**	2,906
Cost of inventories recognised as an expense	**15,151**	–
Auditors' remuneration	**1,450**	1,452
Depreciation of plant and equipment	**800**	21
Operating lease payments in respect of leasing of premises under minimum lease payments	**2,742**	–
Exchange loss	**458**	–
Share-based payments expenses granted to consultants *(note)*	**5,537**	–

Note: It represents share options granted to external consultants in exchange for services rendered to the Group.

8. INCOME TAX EXPENSE

	2014	2013
	HK$'000	*HK$'000*
Continuing operations		
Current income tax		
Hong Kong	**2,466**	–
Overseas	**–**	77
	2,466	77
Over-provision of tax in prior years		
Hong Kong	**(160)**	–
Deferred income tax		
Current year	**(840)**	973
Income tax expenses	**1,466**	1,050

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits after offsetting tax losses brought forward from previous year of each individual company for the year ended 31 March 2014. No provision for Hong Kong Profits Tax has been made for the year ended 31 March 2013 as the Group did not have any assessable profit subject to Hong Kong Profits Tax for the year ended 31 March 2013.

Overseas profit tax including Australia and Mainland China taxation which were calculated based on the rates applicable in the relevant jurisdiction on the estimated assessable profits. No provision for overseas profit tax has been made for the year ended 31 March 2014 as the Group did not have any assessable profit subject to overseas profit tax for the year ended 31 March 2014.

Pursuant to the laws and regulations of the British Virgin Islands (the "**BVI**") and Bermuda, the Group is not subject to any income tax in the BVI and Bermuda.

9. DISCONTINUED OPERATIONS

On 30 December 2013, World Pointer Limited, a wholly-owned subsidiary of the Group, issued a written notice (the "**Notice**") to CL Holdings Limited, the non-controlling interests of Eastech Limited, Giant Ocean (H.K.) Limited and Grand Concept (Hong Kong) Limited (together, the "**World Pointer Group Companies**"), and notified CL Holdings Limited that World Pointer Limited would exercise a put option ("**WP Put Option**") to sell to CL Holdings Limited all (but not part only) of the 51% interests in the issued share capital for each of the World Pointer Group Companies (the "**WP Option Shares**") at an aggregate cash consideration of HK$25,000,000. If the Group did not exercise the WP Put Option, CL Holdings Limited had a put option ("**CL Put Option**"), granted by World Pointer at the grant date of the WP Put Option, to sell the remaining 49% interests in the issued share capital of World Pointer Group Companies to World Pointer Limited with exercise period from 1 January 2014 to 15 January 2014. The directors of the Company exercised the WP Put Option on 30 December 2013 in consideration of the WP Put Option is in-the-money and can maximum the return for the shareholders of the Group. The Notice has a six-month notice period which will expire on 30 June 2014, and the completion of the sale and purchase of the WP Option Shares was taken place on 4 July 2014. The directors of the Company expect that there is a gain on disposal of the World Pointer Group Companies of approximately HK$9,562,000.

The operations of the restaurants and bar business carried out by World Pointer Group Companies up to the reporting period end date are presented in the consolidated financial statements of the Group as discontinued operations for the year ended 31 March 2014 as the disposal constitutes a major line of geographical area of operation in Hong Kong. The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognised.

The loss for the year from the discontinued operations is set out below. The comparative figures in the consolidated statement of profit or loss have been restated to re-present the World Pointer Group Companies operation as a discontinued operation.

	Year ended 31 March 2014	Year ended 31 March 2013
	HK$'000	*HK$'000*
Turnover	**62,337**	67,048
Revenue	**62,337**	67,048
Cost of sales	**(14,979)**	(16,744)
Gross profit	**47,358**	50,304
Other income	**574**	291
Selling and distribution costs	**(40,320)**	(44,095)
General and administrative expenses	**(8,498)**	(8,842)
Loss before taxation	**(886)**	(2,342)
Income tax expense	**(21)**	–
Loss for the year from discontinued operations	**(907)**	(2,342)
Loss for the year from discontinued operations attributable to:		
– The owners of the Company	**(462)**	(1,220)
– Non-controlling interests	**(445)**	(1,122)
Loss for the year from discontinued operations	**(907)**	(2,342)

	Year ended 31 March 2014 HK$'000	Year ended 31 March 2013 HK$'000
Loss for the year from discontinued operation include the followings:		
Other staff costs	**17,073**	18,707
Retirement benefits scheme contributions	**676**	779
Total staff costs	**17,749**	19,486
Cost of inventories recognised as an expenses	**14,979**	16,744
Auditors' remuneration	**155**	148
Depreciation of plant and equipment	**1,987**	3,427
Amortisation of intangible assets	**–**	26
Loss on disposals of plant and equipment	**–**	26
Operating lease payments in respect of leasing of premises under		
– minimum lease payments	**10,877**	10,918
– contingent rent	**2,387**	2,231
Net cash generated from operating activities	**5,951**	505
Net cash (used in) generated from investing activities	**(1,826)**	348
Net cash generated from discontinued operations	**4,125**	853

The carrying amounts of assets and liabilities related to World Pointer Group Companies as at 31 March 2014 have been presented separately in the consolidated statement of financial position as held for sale.

10. DIVIDENDS

No dividends was paid or proposed during the year ended 31 March 2014, nor has any dividend been proposed since the end of the reporting period (2013: nil).

11. LOSS PER SHARE

For continuing and discontinued operations

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

Loss	**2014**	2013
	HK$'000	*HK$'000*
Loss for the year attributable to the owners of the Company	**140,124**	30,091
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**3,123,364**	2,375,095

For continuing operations

The calculation of the basic and diluted loss per share from continuing operations attributable to the owners of the Company is based on the following data:

Loss figures are calculated as follows:

	2014	2013
	HK$'000	*HK$'000*
Loss from for the year attributable to the owners of the Company	**140,124**	30,091
Less: loss for the year from discontinued operations	**(462)**	(1,220)
Loss for the purpose of basic and diluted loss per share from continuing operations	**139,662**	28,871

The denominators used are the same as those detailed above for both basic and diluted loss per share.

From discontinued operations

Basic and diluted loss per share for the discontinued operations is HK0.01 cents per share (2013: HK0.05 cents per share), based on the loss for the year from the discontinued operations of HK$462,000 (2013: HK$1,220,000) and the denominators detailed above for both basic and diluted loss per share.

Diluted loss per share is same as basic loss per share for the years ended 31 March 2014 and 2013. The computation of diluted loss per share does not assume the exercise of the Company's share options and conversion of the Company's outstanding convertible loan notes since their exercise would result in a decrease in loss per share for both years.

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	2014	2013
	HK$'000	*HK$'000*
Trade debtors	**16,938**	636
Other debtors, deposits and prepayment	**5,800**	14,822
Put Option receivable	**25,000**	–
	47,738	15,458
Analysed for reporting purposes:		
Non-current assets	**3,527**	1,838
Current assets	**44,211**	13,620
	47,738	15,458

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 60 days (2013: 30 to 45 days) except for sales of food and beverages at restaurant and bars, which are mainly on cash basis.

The following is an aged analysis of trade debtors presented based on the invoice date at the end of reporting period which approximate the respective revenue recognition dates.

	2014	2013
	HK$'000	*HK$'000*
Within 60 days	**7,918**	636
61 days to 120 days	**2,813**	–
121 days to 180 days	**6,207**	–
	16,938	636

Trade debtors' balances that were neither past due nor impaired mainly relate to individuals or companies that have been the Group's customers for more than six months with no history of default in the past.

Included in the Group's trade debtors balance are debtors with aggregate carrying amount of approximately HK$9,020,000 (2013: nil) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group did not hold any collateral over these balances.

Ageing of trade receivables which are past due but not impaired

	2014	2013
	HK$'000	*HK$'000*
Within 60 days	**2,813**	–
61 days to 120 days	**6,207**	–
	9,020	–

13. LOAN RECEIVABLES

The loans receivables are due from independent third parties, which are unsecured and repayable from June 2014 to January 2015. The interest rates on the loans receivable are ranging from 5.6% to 30% per annum (2013: 5.6%).

The following is an ageing analysis of loan receivables presented based on the loan drawn down date at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
Within 90 days	**52,919**	81
91 days to 180 days	**32,000**	–
181 days to 365 days	**167,800**	1,500
	252,719	1,581

The Group's loan financing customers included in the loan receivables are due for settlement at the date specified in the respective loan agreements.

As at 31 March 2014 and 2013, none of the loan receivables is past due and individually determined to be impaired or related to customers in financial difficulties. Consequently, no specific provision for impairment is recognised as at the end of each reporting period. The Group does not hold any collateral over these balances.

14. CONVERTIBLE BOND RECEIVABLES

On 22 January 2014, the Group has subscribed convertible bonds issued by Elemental Mineral Limited for an aggregated principal amount of approximately HK$68,597,000 (equivalent to AUD10,000,000). The convertible bonds – loan receivable component is interest bearing at 7% per annum, denominated in AUD and will mature on 30 September 2014.

As at 31 March 2014, the carrying amount of the loan receivable component is calculated using cash flows discounted at a rate based on the discounted rate of 13.6%.

On 6 September 2012, the Group entered into a secured converting loan agreement to subscribe for a convertible bond issued by Stone Resources Australia Limited ("**SRAL**"). The convertible bond – loan receivable component is interest bearing at 11% per annum, denominated in AUD and was early redeemed on 19 August 2013.

As at 31 March 2013, the carrying amount of the loan receivable component is calculated using cash flows discounted at a rate based on the discounted rate of 11.2%.

15. CREDITORS, DEPOSITS AND ACCRUALS

	2014	2013
	HK$'000	*HK$'000*
Trade creditors	**280**	2,198
Other creditors, deposits and accruals	**11,836**	5,633
	12,116	7,831

As at 31 March 2014 and 2013, all trade creditors aged within 60 days based on the invoice date at the end of reporting period.

The average credit term on trade creditors is 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

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 and 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 909,090,000 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 and HK$194,332,000 were valued by an independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, as at 28 March 2013 and 31 May 2013 respectively. The convertible bonds comprise a liability component and an equity conversion component.

On 26 June 2013, the convertible bonds with principal amounts of 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.

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 the owners of the Company.

The convertible bonds issued on 28 March 2013 recognised in the consolidated statement of financial position are as follows:

	HK$'000
Cash received	100,000
Fair values of derivative financial liabilities	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 at 28 March 2013	40,051

The convertible bonds issued on 31 May 2013 recognised in the consolidated statement of financial position at issue date are as follows:

	HK$'000
Cash received	100,000
Fair values of derivative financial liabilities	94,332
Fair values of convertible bonds issued on 31 May 2013	194,332
Less: Legal and professional fee paid	(212)
Less: Equity conversion component	(147,172)
Liability component on initial recognition at 31 May 2013	46,948

The movement of liability component of convertible bonds is as follows:

	HK$'000
Liability component on initial recognition at 28 March 2013	40,051
Add: Effective interest expense *(note 6)*	104
Liability component at 31 March 2013	40,155
Add: Liability component on initial recognition at 31 May 2013	46,948
Add: Effective interest expense *(note 6)*	10,271
Less: Converted into ordinary shares	(45,046)
Liability component at 31 March 2014	52,328

Note:

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 the owners of the Company.

The convertible bonds – liability component are classified under non-current liabilities.

17. COMPARATIVE FIGURES

Certain comparative figures had been reclassified to conform to current year's presentation. The directors of the Company consider that the following reclassification in the consolidated statement of profit or loss, consolidated statement of financial position and consolidated statement of cash flows are more meaningful in view of the significant items to the Group:

(i) Bank interest income of approximately HK$63,000, loan interest income and effective interest income on convertible bonds receivables of approximately HK$766,000 have been reclassified from finance income to other income in the consolidated statement of profit or loss.

(ii) Loan interest income of approximately HK$2,228,000 has been reclassified from finance income to revenue in the consolidated statement of profit or loss.

(iii) Gain from changes in fair value of held for trading investments of approximately HK$7,227,000 has been reclassified from other gain/(loss), net to other income in the consolidated statement of profit or loss.

(iv) Gain from changes in fair value of derivative financial assets of approximately HK$38,000 has been reclassified from other gain/(loss), net to gain arising from changes in fair value of derivative financial assets, net in the consolidated statement of profit or loss.

(v) Dividend income on investments held for trading of approximately HK$696,000 has been reclassified from other gain/(loss), net to revenue in the consolidated statement of profit or loss.

(vi) Exchange gain of approximately HK$59,000 has been reclassified from other gain/(loss), net to other income in the consolidated statement of profit or loss.

(vii) The diluted loss per share has been restated assuming that no Company's share options and conversion of the Company's outstanding convertible loan notes would be exercised as resulting in a decrease in loss per share.

(viii) The loan receivable component of the convertible bond of approximately HK$12,681,000 has been reclassified from debtors, deposits and prepayments to convertible bond receivables in the consolidated statement of financial position.

(ix) Held for trading investments of approximately HK$25,265,000 have been reclassified from investment at fair value through profit or loss to held for trading investments in the consolidated statement of financial position.

(x) Derivative financial instrument of WP Put Option of approximately HK$25,000,000 and the conversion option component of convertible bond of approximately HK$27,000 have been reclassified from investment at fair value through profit or loss to derivative financial assets in the consolidated statement of financial position.

(xi) Increase in amount due from a related company of approximately HK$248,000 has been reclassified from operating activities to investing activities in the consolidated statement of cash flows.

As the reclassification materially affects the consolidated statement of financial position, the comparative information as at the beginning of the comparative period (i.e. 1 April 2012) is disclosed.

DIVIDEND

The Board has resolved not to recommend any final dividend for the year ended 31 March 2014 (2013: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's revenue from its continuing operations during the year under review amounted to HK$43 million or HK$40 million more than the restated value during the previous year. There was a loss for the year attributable to the Company's owners of HK$140 million (2013: HK$30 million) which includes a fair value loss on derivative financial liabilities amounted to HK$84 million (2013: HK$20 million) and the share-based payment expenses of HK$15 million (2013: nil).

The basic and diluted loss per share on ongoing operations was HK4.47 cents, compared with loss per share of HK1.22 cents last year, while the overall loss per share for the year was HK4.48 cents (2013: HK1.27 cents).

Food and Beverages

The continuing and discontinued food and beverages segment achieved a total revenue of HK$64 million during the year under review. This was 5% lower than the total amount for last year. The segment reported a loss of HK$8 million for the current year (2013: HK$2 million). Out of the total revenue, HK$62 million was contributed by the discontinued operations of the restaurants and bars and kiosks of the Group which are operated by 3 subsidiaries ("**World Pointer Group**"). The remaining revenue of HK$2 million was contributed by the restaurant in Beijing, PRC that was acquired on 1 January 2014.

As of 31 March 2014, 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, provided certain back-office support services to the restaurants and bars and kiosks under World Pointer Group such as maintaining books of account, maintenance of premises of restaurants and bars, and repairs and decorations up to 4 July 2014 under a management agreement and an extension letter.

Securities Trading Business

During the year, the Group has achieved 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$12 million (2013: HK$4.8 million) and reported a profit of HK$12.7 million (2013: HK$12.6 million) during the year under review.

Trading of Wine

In order to diversify the food and beverages business, the Group has purchased certain quantities of fine wines amounted to HK$7 million recently. The stocks will be offered to sell when the market prices are favorable such that the Group can obtain a good return on the trading. At present, the stocks are kept in the wine cellar situated in Hong Kong.

Loan Financing

As the Group had surplus funds, in order to earn a higher interest income compared with the interest that may be earned by making Hong Kong dollar time deposits with banks in Hong Kong, the Group has advanced monies to independent third parties, which are unsecured and the interest rates on the loans receivable are raising from 5.6% to 30% per annum.

During the year, the interest income from provision of loan financing amounted to HK$26 million as compared to that of last year of HK$2 million.

Metal Trading

During the year under review, the Group has commenced metal trading through a wholly-owned subsidiary in PRC. The revenue from metal trading was amounted to HK$15 million (2013: nil). The goods traded were mainly steel and its components for construction purpose. The Group considered that such metal trading could enhance revenue generation in the PRC.

Increase in Authorised Share Capital

Pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held 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 at par, each ranking *pari passu* with the existing shares in all respects.

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. During the year, 500,000 share options were forfeited.

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 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 aggregate nominal value of the placing shares under the Placing will be HK$4,750,000. The closing price of the Company's shares quoted on the Stock Exchange on the last trading date on entering into the Placing Agreement on 25 April 2013, was HK$0.37 per share. 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. The net proceeds from the Placing is intended to be used for funding the partial payment of the Proposed Offer or other possible future investments. The net price raised per Share upon the completion of the Placing is approximately HK$0.297 per Share. 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.

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**"). Upon the exercise in full of the conversion rights attaching to the convertible bonds at the conversion price of HK$0.22 per conversion share, a total of 681,818,181 conversion shares will be issued. The closing price of the Company's shares quoted on the Stock Exchange on the last trading date on entering into the First Subscription Agreements on 12 October 2012, was HK$0.207 per share. 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**"). Upon the exercise in full of the conversion rights attaching to the convertible bonds at the conversion price of HK$0.22 per conversion share, a total of 227,272,727 conversion shares will be issued. The closing price of the Company's shares quoted on the Stock Exchange on the last trading date on entering into the Second Subscription Agreement on 17 October 2012, was HK$0.235 per share.

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**").

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. On 12 July 2013, Subscriber 4 transferred the convertible bonds in the principal amount of HK$50 million to Subscriber 2.

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 respectively and the circular issued by the Company dated 2 November 2012.

The net proceeds from the issue of the convertible bonds are approximately HK$199.5 million, which are used to finance the operations of the Group especially the securities trading and loan financial businesses and as the general working capital of the Group. The Directors confirmed that the net proceeds from the issue of the convertible bonds have been applied in accordance with its intended uses.

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 as issuer 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.

The subscription of the Proposed Issue of the New Convertible Bonds and the Warrants was conditional upon, among others, the Proposed Offer being unconditional. The Proposed Offer subsequently lapsed on 31 March 2014 and the Proposed Issue of the New Convertible Bonds and the Warrants also lapsed accordingly.

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, 14 November 2013, 31 December 2013, 28 February 2014, 30 April 2014, 30 June 2014 and 30 September 2014 respectively.

Connected Transaction – Proposed Issue of Convertible Bonds 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 as issuer 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**"). On 12 December 2014, Wincon had confirmed to the Company in writing that it would not exercise or transfer any of the warrants which may be issued pursuant to the Subscription Agreement if such warrants are issued to it, and it would not pursue any action against the Company for damages or other remedies if the Company does not issue such warrants to it. In view of such written confirmation provided by Wincon, the Company would not seek to issue the warrants as contemplated under the Subscription Agreement. The Wincon Subscription Agreement and the transactions contemplated thereunder, including the allotment and issue of the conversion shares under a specific mandate of the Company, are subject to the approval by the Independent 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. The total net proceeds are originally intended to be used for funding the partial payment of the Proposed Offer or other possible further investments. Although the Proposed Offer subsequently lapsed on 31 March 2014 and it might no longer be necessary for Wincon to maintain its status as the controlling shareholder following the lapse of the Proposed Issue of the New Convertible Bonds and the Warrants, as the Shares have been suspended for trading since 2 July 2014, it is difficult for the Company to raise such substantial fund from third party investors through placing or issue of convertible notes without a prevailing trading price for pricing reference. As Wincon is still willing to inject such a substantial funding to the Company, the Directors consider that it is in the interests of the Company and the Shareholders to capture this funding so as to fuel the future development of the Group.

The estimated net proceeds of the issue of New Wincon Convertible Bonds (after deducting the fees and expenses) will be approximately HK$619.5 million, which are intended to be used as to approximately HK$472.5 million for funding the new financing and financial leasing business of the Group, as to approximately HK$60 million for the acquisition of further Elemental Shares and as to HK$87 million for other possible future investments.

A circular containing, among other things, details about the Proposed Issue of the New Wincon Convertible Bonds is expected to be despatched to the Shareholders on or before 31 December 2014.

Details of the Proposed Issue of the New Wincon Convertible Bonds were disclosed in the announcements of the Company dated 28 June 2013, 19 July 2013, 30 August 2013, 30 September 2013, 14 November 2013, 31 December 2013, 28 February 2014, 24 April 2014, 30 April 2014, 30 June 2014 and 30 September 2014, respectively.

Proposed Offer Made by the Company to Elemental Minerals Limited and the Elemental Lead Investment and the Early Redemption for Elemental Convertible Notes

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, 15 November 2013, 23 December 2013, 31 December 2013, 22 January 2014, 28 February 2014, 30 April 2014, 19 May 2014, 20 June 2014, 30 June 2014, 30 September 2014 and 14 November 2014 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. On 22 January 2014, Elemental had drawn the Dingyi Convertible Note Facility for an aggregate amount of AUD10 million (approximately HK$70.7 million), following the satisfaction of the conditions precedent to the Dingyi Convertible Note Facility. Up to 29,351,335 new Elemental Shares will be allotted and issued if all of the Elemental Convertible Notes subscribed by Elemental are converted.

As set out in the Elemental Lead Investment Announcements, the circular in respect of the Elemental Lead Investment is expected to be despatched to the Shareholders on or before 31 December 2014.

Elemental is an advanced mining exploration and development company listed on the Australian 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. On 17 March 2014, the Listing Committee of the Stock Exchange informed the Company of its decision to uphold the Stock Exchange decision that the Proposed Acquisition was a reverse takeover under Rule 14.06(6) of the Listing Rules, and its further decision that the enlarged group should be treated as a new listing applicant and that the Proposed Acquisition was an attempt to list Elemental in circumvention of the listing requirements for mineral assets under Chapter 18 of the Listing Rules. Taking into consideration the time and costs required for the Company to proceed with the Proposed Acquisition as a reverse takeover, the Board considered that it was in the interest of the Group not to extend the offer period for the Proposed Offer and, accordingly, allowed the Proposed Offer to lapse, i.e. on 31 March 2014.

On 16 May 2014, the Company received an early redemption notice (the "**Early Redemption Notice**") from Elemental in accordance with the Dingyi Convertible Note Facility, pursuant to which Elemental had given notice to the Company that after the expiration of 30 days from the date of the Early Redemption Notice, it would redeem 10,000,000 Elemental Convertible Notes and pay the amount outstanding on those notes together with any interest accrued up to the date of the Early Redemption Notice.

On 20 June 2014, the Company received from Elemental a sum of AUD10.3 million (approximately HK$75.1 million), being the amount outstanding on those notes together with the interest accrued and the Company no longer held any Elemental Convertible Notes.

Acquisition of a Restaurant in Beijing, PRC

On 30 December 2013, the Group entered into an agreement to acquire 100% equity interest of a company ("**Beijing Restaurant**") which is engaged in catering services including food and beverage in Beijing, PRC at a cash consideration of HK$5,000,000. The Beijing restaurant offers luxury Chinese-style cuisine. The Group believed that such a food and dining concept is gaining popularity in large cities like Beijing in the PRC, and that the acquisition would provide an attractive opportunity for the Group to start the restaurant and catering business in the PRC.

Exercise of the World Pointer Put Option

On 30 December 2013, World Pointer Limited ("**World Pointer**"), a wholly-owned subsidiary of the Company, exercised the option to sell all of the 51% interests in the issued share capital the World Pointer Group at an aggregate cash consideration of HK$25,000,000. The completion of the sale and purchase of the option shares took place on 4 July 2014 and the consideration was paid to the Company on the same day.

Details of the exercise of the World Pointer put option were disclosed in the circular of the Company dated 25 February 2011 and the announcements of the Company dated 30 December 2013 and 4 July 2014.

Events after Reporting Period

(I) Formation of Joint Venture on Financial Leasing Business

On 21 August 2014, the Company entered into the joint venture agreement with an independent third party, Joy Well Investments Limited ("**JWIL**"), to form a joint venture ("**Joint Venture Company**") for the development and operation of the financial leasing business. Upon completion of the transaction, the Joint Venture Company will be owned as to 62.5% by the Company and 37.5% by JWIL. The parties would invest up to an aggregate RMB400,000,000 (approximately HK$504 million) into the Joint Venture Company, of which RMB250,000,000 (approximately HK$315 million) will be contributed by the Company according to its shareholding percentage.

Details of the above transaction were disclosed in the announcements of the Company dated 31 August 2014, 10 September 2014, 30 September 2014, 17 October 2014 and 25 November 2014.

(II) The Extension of Loan Repayment Date

On 3 September 2014, Easy Prestige Limited ("**Easy Prestige**"), an indirect wholly-owned subsidiary of the Company, entered into a supplemental agreement with Mr. Yang Dongjun ("**Mr. Yang**"), a third party independent of the Company and its connected persons (as defined in the Listing Rules), pursuant to which Easy Prestige agreed to extend the repayment date to 31 December 2014 under the previous loan agreement in relation to an advance amounted to HK$58,000,000 and adjust the interest rate to 1% per month in consideration for the right to forfeit and cancel the convertible bonds issued by the Company to Mr. Yang in case of any default in payment.

Details of the transactions were disclosed in the announcements of the Company dated 21 August 2014 and 3 September 2014.

(III) Change of Auditors

On 30 October 2014, Messrs. PricewaterhouseCoopers ("**PricewaterhouseCoopers**") tendered their resignation as auditors of the Group.

On 4 November 2014, SHINEWING (HK) CPA Limited has been appointed as the auditors of the Group to fill the vacancy left by the resignation of PricewaterhouseCoopers and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

Details of the above change of auditors were disclosed in the announcements of the Company dated 30 October 2014 and 4 November 2014.

Strategy and Outlook

Apart from the existing businesses of securities trading, food and beverages, wine trading, loan financing and metal trading, and the formation of joint venture for the development and operation of the financial leasing business subsequent to the balance sheet date, 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.

FINANCIAL REVIEW

As at 31 March 2014, the Group's net assets attributable to equity holders of the Company amounted to HK$407 million (2013: HK$199 million), an increase of 105% or HK$208 million when compared with 2013. Such net increase was mainly due to the issuance of ordinary shares on placing, the issuance of shares upon conversion of convertible bonds and the loss attributable to equity holders. At the end of the reporting year, the Group has no bank borrowing (2013: nil) and had obligation under a finance lease amounted to HK$4 million (2013: nil). Cash and bank balances amounted to HK$41 million (2013: HK$190 million).

As at 31 March 2014, total debt to equity ratio was 0.14 (31 March 2013: 0.21) and net debt to equity ratio was 0.04 (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$398 million (31 March 2013: HK$190 million).

On 25 April 2013, the Company entered into a placing agreement with the Placing Agent to place a maximum of 475,000,000 placing shares at a price of HK$0.30 per placing share. The Placing was successfully completed on 28 May 2013. The net proceeds from the Placing are approximately HK$140.9 million. Out of the net proceeds, the Company utilized around HK$12 million on the professional fees for the proposed acquisition of Elemental, the share placement of AUD5 million (approximately HK$36 million) in Elemental and the convertible note of AUD10 million (approximately HK$72 million) issued by Elemental. The remaining proceeds of approximately HK$20.9 million have been placed in an interest bearing account with a financial institution. The Directors confirmed that the net proceeds from the Placing have been applied in accordance with its intended uses.

Contingent Liabilities

As at 31 March 2014, the Group had no contingent liabilities.

Capital Commitment

As at 31 March 2014, the Group had no capital commitments.

Charges on the Group's Assets

As at 31 March 2014, the Group had pledged its asset with net book value of HK$5 million (31 March 2013: nil) to secure finance lease obligations.

FOREIGN EXCHANGE EXPOSURE

Most of the Group's assets are denominated in HKD, RMB, USD and AUD. Considering the exchange rate between these currencies is relatively stable, the Group believed that the corresponding exposure to RMB, USD and AUD exchange rate fluctuation was relatively limited. The Group does not undertake any derivative financial instruments or hedging instruments. The Group will constantly review the economic situation and its foreign currency risk profile, continues to actively monitor foreign exchange exposure to minimize the impact of any adverse currency movement.

TREASURY POLICIES

The Group adopts conservative treasury policies in cash and financial management. To achieve better risk control and minimize cost of funds, the Group's treasury activities are centralized. Cash is generally placed in short-term deposits mostly denominated in Hong Kong or US dollars or Renminbi or Australian dollars. The Group's liquidity and financing requirements are frequently reviewed. In anticipating new investments, the Group will consider new financing while maintaining an appropriate level of gearing.

EMPLOYEES AND REMUNERATION POLICIES

The Group employed 123 full-time staff under its subsidiaries globally as at 31 March 2014. Total staff costs amounted to HK$32 million for the year ended 31 March 2014. 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 the 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 year ended 31 March 2014.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules (the "**Model Code**") as its code of conduct for securities transactions by Directors during the year. The Company has made specific enquiries to all the Directors and they have confirmed they have complied with the required standard set out in the Model Code throughout the year ended 31 March 2014.

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 2014 except for certain deviations disclosed below.

Rule 3.10(1) of the Listing Rules provides that every board of directors of a listed issuer must include at least three independent non-executive directors. Moreover, Rule 3.21 of the Listing Rules provides that the audit committee of a listed issuer must comprise a minimum of three members. Further, Rule 3.25 of the Listing Rules provides that a listed issuer must establish a remuneration committee which comprises a majority of independent non-executive directors. Subsequent to the resignation of Mr. Cheng Xiusheng ("**Mr. Cheng**") on 24 January 2014, the number of Independent Non-executive Directors and the members of an audit committee of the Company (the "**Audit Committee**") fell below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules and the required composition of a remuneration committee of the Company (the "**Remuneration Committee**") fell below the requirements under Rule 3.25 of the Listing Rules.

On 12 December 2014, the Board has appointed Mr. Cao Kuangyu ("**Mr. Cao**") as an Independent Non-executive Director and a member of the Audit Committee and the Remuneration Committee. Following Mr. Cao's appointment, the Company has fully complied with the requirements of Rules 3.10(1), 3.21 and 3.25 of the Listing Rules.

Pursuant to Rules 13.46(2) and 13.49(1) of the Listing Rules, the Company is required to publish the announcement in relation to its preliminary annual results for the year ended 31 March 2014 (the "**2014 Annual Results**") on a date not later than three months after the end of the financial year of the Company, i.e. on or before 30 June 2014; and despatch its annual report for the year ended 31 March 2014 (the "**2014 Annual Report**") on a date not more than four months after the end of the financial year of the Company, i.e. on or before 31 July 2014; and under Rule 13.49(6) of the Listing Rules, publish the announcement in relation to its preliminary interim results for the six months ended 30 September 2014 (the "**2014 Interim Results**") on a date not later than two months after the end of the period of the Company, i.e.

on or before 30 November 2014. However due to the Company's previous auditors, Messrs. PricewaterhouseCoopers, required additional time to complete their audit works on the voluminous documents and the subsequent changes in auditors of the Company, the Company was unable to publish the 2014 Annual Results and 2014 Interim Results and despatch the 2014 Annual Report within the prescribed time limit as set out in the relevant Listing Rules. The Board acknowledges that the delay in publication of the results and report had constituted a non-compliance with Rules 13.46(2), 13.49(1) and 13.49(6) of the Listing Rules.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with the relevant code provisions in the CG Code.

As at 31 March 2014, the Audit Committee comprises two Independent Non-executive Directors, namely Mr. Chow Shiu Ki (chairman of the Audit Committee), 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 2014, the Audit Committee met twice with the auditors of the Company. Details of the duties and responsibilities of the Audit Committee were disclosed in the "Terms of Reference of Audit Committee" which has been published on the websites of the Stock Exchange and the Company on 29 March 2012.

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 2014.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Group for the year ended 31 March 2014 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 2014 containing all applicable information required by the Listing Rules will be despatched to the Shareholders and published on the above websites on or before 31 December 2014.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 2 July 2014 pending the release of the announcements of the 2014 Annual Results and the 2014 Interim Results. An application has been made by the Company for resumption of trading in the shares on the Stock Exchange with effect from 9:00 a.m. on 15 December 2014.

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 of
DINGYI GROUP INVESTMENT LIMITED
Li Kwong Yuk
Chairman and Executive Director

Hong Kong, 12 December 2014

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. Sun Dongsheng, Mr. Chow Shiu Ki and Mr. Cao Kuangyu as Independent Non-executive Directors.