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 2015

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 2015, together with the comparative figures in 2014, summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2015

	NOTES	**2015** **HK$'000**	2014 *HK$'000*
Continuing operations			
Revenue	*3*	**28,815**	42,725
Cost of sales		**(4,026)**	(15,151)
Gross profit		**24,789**	27,574
Other income	*5*	**6,010**	7,159
Realised gain on the disposal of held for trading investments		**12,448**	12,013
(Loss) gain arising from changes in fair value of held for trading investments		**(99,361)**	829
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		**1,728**	2,830
Realised gain on derivative financial assets		**4,412**	–
Loss arising from changes in fair value of derivative financial liabilities		**(618,633)**	(84,385)
Impairment loss on available-for-sale financial assets		**(2,656)**	(30,323)
Write off of goodwill arising on acquisition of a subsidiary		**–**	(5,817)
Gain on disposal of subsidiaries		**9,562**	–
Selling and distribution costs		**(5,069)**	(1,118)
General and administrative expenses		**(67,967)**	(69,503)
Finance costs	*6*	**(12,136)**	(15,547)

	NOTES	2015 HK$'000	2014 HK$'000
Loss before tax	*7*	**(746,873)**	(138,196)
Income tax expense	*8*	**(142)**	(1,466)
Loss for the year from continuing operations		**(747,015)**	(139,662)
Discontinued operations			
Loss for the year from discontinued operations	*9*	**(306)**	(907)
Loss for the year		**(747,321)**	(140,569)
Loss for the year attributable to the owners of the Company			
– from continuing operations		**(724,207)**	(139,662)
– from discontinued operations		**(156)**	(462)
Loss for the year attributable to the owners of the Company		**(724,363)**	(140,124)
Loss for the year attributable to non-controlling interests			
– from continuing operations		**(22,808)**	–
– from discontinued operations		**(150)**	(445)
Loss for the year attributable to non-controlling interests		**(22,958)**	(445)
		(747,321)	(140,569)
Loss per share	*11*		
Basic and diluted loss per share (HK cents per share)			
– from continuing operations		**21.915**	4.471
– from discontinued operations		**0.005**	0.015
		21.920	4.486

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	HK$'000	*HK$'000*
Loss for the year	**(747,321)**	(140,569)
Other comprehensive income (expense) for the year		
Items that may be reclassified subsequently to profit or loss:		
Fair value gain on available-for-sale financial assets	**1,183**	–
Exchange difference arising on translation of overseas operations	**(1,233)**	(223)
	(50)	(223)
Total comprehensive expense for the year	**(747,371)**	(140,792)
Total comprehensive expense for the year attributable to:		
The owners of the Company	**(723,947)**	(140,347)
Non-controlling interests	**(23,424)**	(445)
	(747,371)	(140,792)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2015

	NOTES	31/3/2015 HK$'000	31/3/2014 HK$'000
Non-current assets			
Plant and equipment		**9,831**	8,379
Available-for-sale financial assets		**65,839**	23,226
Non-current deposits and prepayments	*12*	**1,813**	3,527
		77,483	35,132
Current assets			
Inventories		**7,850**	7,924
Debtors, deposits and prepayments	*12*	**17,541**	44,211
Loan receivables	*13*	**95,555**	252,719
Convertible bond receivables	*14*	**–**	70,713
Amount due from a related company		**–**	248
Held for trading investments		**118,945**	34,158
Derivative financial instruments		**1,728**	5,684
Cash and cash equivalents		**194,020**	40,725
		435,639	456,382
Non-current assets classified as held-for-sale		**–**	17,250
		435,639	473,632
Current liabilities			
Margin loans payable		**14,038**	–
Creditors, deposits and accruals	*15*	**10,979**	12,116
Amounts due to related companies		**311**	3,933
Derivative financial instruments		**618,633**	–
Current income tax liabilities		**2,743**	2,504
Obligation under a finance lease		**1,443**	1,385
		648,147	19,938
Liabilities associated with non-current assets classified as held-for-sale		**–**	35,643
		648,147	55,581

	NOTES	31/3/2015 HK$'000	31/3/2014 HK$'000
Net current (liabilities) assets		**(212,508)**	418,051
Total assets less current liabilities		**(135,025)**	453,183
Capital and reserves			
Share capital		**33,046**	33,046
Reserves		**(317,260)**	373,843
Equity attributable to the owners of the Company		**(284,214)**	406,889
Non-controlling interests		**69,899**	(8,987)
Total equity		**(214,315)**	397,902
Non-current liabilities			
Obligation under a finance lease		**1,373**	2,816
Convertible bonds	*16*	**77,917**	52,328
Deferred income tax liabilities		**–**	137
		79,290	55,281
		(135,025)	453,183

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

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 (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**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.

The consolidated financial statements have been prepared on a going concern basis notwithstanding that the Group had incurred net current liabilities and net liabilities of approximately HK$212,508,000 and HK$284,214,000 respectively as at 31 March 2015 and incurred loss of approximately HK$747,321,000 for the year ended 31 March 2015. In the opinion of the directors of the Company, the liquidity of the Group can be maintained within the next twelve months from the end of the reporting period by taking into consideration of the net current liabilities and net liabilities of the Group were caused by the derivative financial liabilities of approximately HK$618,633,000 which represented an option to entitle the holders to subscribe for convertible bond to be issued with a maturity date within twelve months after 31 March 2015. Such derivative financial liabilities shall not have any cash outflow to the Group.

The directors of the Company consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within the next twelve months from the end of the reporting period. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND NEW HONG KONG COMPANIES ORDINANCE

In the current year, the Group has applied the following new and revised HKFRSs, which include HKFRSs, Hong Kong Accounting Standards ("**HKAS(s)**"), amendments and Interpretations ("**Int(s)**"), issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
Hong Kong (IFRS Interpretations Committee) ("**HK(IFRIC)**") – Int 21	Levies

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 32 Offsetting Financial Assets and Financial Liabilities

The Group has applied amendments to HKAS 32 Offsetting Financial Assets and Financial Liabilities for the first time in the current year. The amendments to HKAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied amendments to HKAS 36 Recoverable Amount Disclosures for Non-Financial Assets for the first time in the current year. The amendments to HKAS 36 require disclosures on additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. If the recoverable amount is fair value less costs of disposal, an entity shall disclose the level of the fair value hierarchy within which the fair value measurement of the asset or cash generating unit is categorised in its entirety. The Group is required to make additional disclosures for Level 2 and Level 3 of the fair value hierarchy:

- a description of the valuation techniques used to measure the fair value less costs of disposals. If there is any change in valuation techniques, the fact and the reason should also be disclosed;

- each key assumption on which management has based its determination of fair value less costs of disposal;

- the discount rates used in the current and previous measurement if fair value less costs of disposal is measured using a present value technique.

The amendments have been applied retrospectively. The directors of the Company consider that the application of the amendments to HKAS 36 has had no material impact on the disclosures in the Group's consolidated financial statements.

Part 9 of Hong Kong Companies Ordinance (Cap. 622)

In addition, the annual report requirements of Part 9 "Accounts and Audit" of the Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year. As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9 (2014)	Financial Instruments[4]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle[2]
Amendments to HKAS 1	Disclosure Initiative[2]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[1]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[2]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception[2]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[2]

[1] *Effective for annual periods beginning on or after 1 July 2014.*

[2] *Effective for annual periods beginning on or after 1 January 2016.*

[3] *Effective for annual periods beginning on or after 1 January 2017.*

[4] *Effective for annual periods beginning on or after 1 January 2018.*

The directors of the Company anticipate that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 and includes the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 to incorporate all the requirements of HKFRS 9 that were issued in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described below:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The directors of the Company anticipate that the adoption of HKFRS 9 (2014) in the future may have significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 Revenue from Contracts with Customers

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Thus, HKFRS 15 introduces a model that applies to contracts with customers, featuring a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised. The five steps are as follows:

i) Identify the contract with the customer;

ii) Identify the performance obligations in the contract;

iii) Determine the transaction price;

iv) Allocate the transaction price to the performance obligations; and

v) Recognise revenue when (or as) the entity satisfies a performance obligation.

HKFRS 15 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations when it becomes effective.

HKFRS 15 will become effective for annual periods beginning on or after 1 January 2017 with early application permitted. The directors of the Company anticipate that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

Annual Improvements to HKFRSs 2010 – 2012 Cycle

The Annual Improvements to HKFRSs 2010-2012 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to HKFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of HKFRS 9 or HKAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to HKFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to HKFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 16 and HKAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2010-2012 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvements to HKFRSs 2011 – 2013 Cycle

The Annual Improvements to HKFRSs 2011-2013 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011-2013 Cycle will have a material effect on the Group's consolidated financial statements.

Annual Improvement to HKFRSs 2012 – 2014 Cycle

The Annual Improvements to HKFRSs 2012-2014 Cycle include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 5 clarify that changing from one of the disposal methods (i.e. disposal through sale or disposal through distribution to owners) to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in HKFRS 5. Besides, the amendments also clarify that changing the disposal method does not change the date of classification.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The amendments to HKAS 19 clarify that the market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

HKAS 34 requires entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments to HKAS 34 clarify that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report. The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The directors of the Company do not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2012-2014 Cycle will have a material effect on the Group's consolidated financial statements.

Amendments to HKAS 16 and HKAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 prohibit the use of revenue-based depreciation methods for property, plant and equipment under HKAS 16. The amendments to HKAS 38 introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be rebutted only in the following limited circumstances:

i) when the intangible asset is expressed as a measure of revenue;

ii) when a high correlation between revenue and the consumption of the economic benefits of the intangible assets could be demonstrated.

The amendments to HKAS 16 and HKAS 38 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As the Group use straight-line method for depreciation of property, plant and equipment, the directors of the Company do not anticipate that the application of the amendments to HKAS 16 and HKAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to HKAS 27 Equity Method in Separate Financial Statements

The amendments to HKAS 27 allow an entity to apply the equity method to account for its investments in subsidiaries, joint ventures and associates in its separate financial statements. As a result of the amendments, the entity can choose to account for these investments either:

i) at cost;

ii) in accordance with HKFRS 9 (or HKAS 39); or

iii) using the equity method as described in HKAS 28.

The amendments to HKAS 27 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied retrospectively.

As the Company does not have any investment in associates or joint ventures, the directors of the Company do not anticipate that the application of these amendments to HKAS 27 will have a material impact on the Group's consolidated financial statements.

Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments provide guidance on addressing the acknowledged inconsistency between the requirements in HKFRS 10 and those in HKAS 28, in dealing with the sale or contribution of assets between an investor and its joint venture and associate. An investing entity is required to recognise the gain or loss arising from selling or contributing assets that constitutes or contains a business to a joint venture or associate in full. An investing entity is required to recognise the gain or loss arising from selling or contributing assets that does not constitute or contain a business to a joint venture or associate only to the extent of the unrelated investors' interests in that joint venture or associate.

The amendments to HKFRS 10 and HKAS 28 will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted. The amendments should be applied prospectively.

As the Company does not have any investment in joint operations, the directors of the Company do not anticipate that the application of the amendments to HKFRS 10 and HKAS 28 will have a material impact on the Group's financial statements.

Amendments to HKAS 1 Disclosure Initiative

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The directors of the Company anticipate that the application of amendments to HKAS 1 in the future may have a material impact on the disclosures made in the Group's consolidated financial statements.

3. REVENUE

Revenue represents revenue arising on sales of food and beverages, metal trading income, interest income from provision of loan financing and dividend income from held for trading investments during the year. The following is an analysis of the Group's revenue from continuing operations:

	2015	2014
	HK$'000	*HK$'000*
Revenue represents amounts received and receivable from:		
Sales of food and beverages	**10,698**	1,258
Metal trading income	**643**	14,700
Interest income from provision of loan financing	**17,474**	26,473
Dividend income from held for trading investments	**–**	294
	28,815	42,725

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 year ended 31 March 2014, 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.

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 years ended 31 March 2015 and 2014 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 2015

	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*
Revenue						
External revenue	–	–	10,698	17,474	643	28,815
Realised gain on the disposal of held for trading investments	12,448	–	–	–	–	12,448
Segment profit (loss)	(90,485)	–	1,002	15,139	(2,794)	(77,138)
Interest income						3,952
Finance costs						(12,136)
Loss arising from changes in fair value of derivative financial liabilities						(618,633)
Gain arising from changes in fair value of derivative financial assets, net						1,728
Realised gain on derivative financial assets						4,412
Impairment loss an available-for-sale financial assets						(2,656)
Gain on disposal of subsidiaries						9,562
Unallocated corporate income						314
Unallocated corporate expenses						(56,278)
Loss before tax						(746,873)

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
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)

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, gain on disposal of subsidiaries, 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, realised gain on derivative financial assets, 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:

	2015	2014
	HK$'000	*HK$'000*
Segment assets		
Securities trading business	**118,945**	34,158
Trading of wine business	**7,250**	7,250
Food and beverages – restaurant business	**3,731**	4,422
Loan financing business	**95,555**	252,719
Metal trading business	**9,053**	17,842
Total segment assets	**234,534**	316,391
Assets relating to discontinued operations	**–**	17,250
Unallocated corporate assets	**278,588**	175,123
Total consolidated assets	**513,122**	508,764
Segment liabilities		
Securities trading business	**14,038**	1,047
Trading of wine business	**–**	–
Food and beverages – restaurant business	**5,624**	7,186
Loan financing business	**–**	–
Metal trading business	**13**	24
Total segment liabilities	**19,675**	8,257
Liabilities relating to discontinued operations	**–**	35,643
Other unallocated liabilities	**707,762**	66,962
Total consolidated liabilities	**727,437**	110,862

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 and cash and cash equivalents; and

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

Other segment information

For the year ended 31 March 2015

Continuing operations

	Securities trading business *HK$'000*	**Trading of wine business** *HK$'000*	**Food and beverages– restaurants 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)	–	–	17	–	–	4,806	4,823
Depreciation of plant and equipment	–	–	758	–	33	2,500	3,291
Loss arising from changes in fair value of held for trading investments	99,361	–	–	–	–	–	99,361
Impairment loss on loan receivables	–	–	–	2,335	–	–	2,335
Reversal of debtors, deposits and prepayments previously written off	–	–	(1,744)	–	–	–	(1,744)
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	–	–	–	–	–	(3,952)	(3,952)
Finance costs	–	–	–	–	–	12,136	12,136
Income tax (credit) expense	(137)	–	252	27	–	–	142

For the year ended 31 March 2014

Continuing operations

	Securities trading business *HK$'000*	Trading of wine business *HK$'000*	Food and beverages– restaurants 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 and non-current assets classified as held-for-sale)	–	–	3,306	–	107	5,712	9,125
Depreciation of plant and equipment	–	–	188	–	11	601	800
Write off of goodwill arising on acquisition of a subsidiary	–	–	5,817	–	–	–	5,817
Gain arising from changes in fair value of held for trading investments	(829)	–	–	–	–	–	(829)
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
Income tax (credit) expense	(89)	–	–	–	–	1,555	1,466

Geographical information

The Group's operations are located in Hong Kong and the People's Republic of China (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 and those related to discontinued operations) is presented based on the geographical location of the assets.

	Revenue from external customers Year ended		Non-current assets	
	31/3/2015	31/3/2014	**31/3/2015**	31/3/2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**17,474**	26,767	**9,272**	8,690
PRC	**11,341**	15,958	**2,372**	3,216
	28,815	42,725	**11,644**	11,906

The Group had no inter-segment sales for the years ended 31 March 2015 and 2014.

Information about major customers

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

	2015	2014
	HK$'000	*HK$'000*
Customer A[1]	**10,580**	15,684
Customer B[1]	**N/A**[3]	4,659
Customer C[2]	**N/A**[3]	14,700

[1] Revenue from loan finance business

[2] Revenue from metal trading business

[3] The corresponding revenue did not contribute over 10% of the total revenue of the Group

5. OTHER INCOME

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Sub-underwriting commission *(note)*	**–**	3,877
Effective interest income on convertible bond receivables *(note 14)*	**3,229**	2,012
Reversal of debtors, deposits and prepayments previously written off	**1,744**	–
Bank interest income	**723**	1,267
Others	**314**	3
	6,010	7,159

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 Stock Exchange, during the year ended 31 March 2014.

6. FINANCE COSTS

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Interest on bank borrowings and margin loans payable	**587**	5,183
Effective interest expense on convertible bonds *(note 16)*	**11,407**	10,271
Interest expenses on a finance lease	**142**	93
	12,136	15,547

7. LOSS BEFORE TAX

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

	2015	2014
	HK$'000	*HK$'000*
Directors' and chief executive's emoluments	**7,701**	10,377
Other staff costs (excluding directors' and chief executive's emoluments)	**5,583**	2,293
Share-based payments expenses (excluding directors' and chief executive's emoluments)	**1,017**	1,696
Retirement benefit scheme contribution (excluding directors' and chief executive's emoluments)	**127**	57
Total staff costs	**14,428**	14,423
Amount of inventories recognised as an expense	**4,026**	15,151
Impairment loss on loan receivables	**2,335**	–
Auditors' remuneration	**1,350**	1,450
Depreciation of plant and equipment	**3,291**	800
Operating lease payments in respect of leasing of premises under minimum lease payments	**8,915**	2,742
Exchange loss	**2,894**	458
Share-based payments expenses granted to consultants *(note)*	**20,741**	5,537

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

8. INCOME TAX EXPENSE

	2015	2014
	HK$'000	*HK$'000*
Continuing operations		
Current income tax		
Hong Kong	**27**	2,466
Overseas	**252**	–
	279	2,466
Over-provision in prior years		
Hong Kong	**–**	(160)
Deferred income tax		
Current year	**(137)**	(840)
Income tax expenses	**142**	1,466

Hong Kong profits tax was calculated at the rate of 16.5% on the estimated assessable profits. Hong Kong profit tax has been made after offsetting tax losses brought forward from previous year of each individual company for the years ended 31 March 2015 and 2014.

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**"), to exercise a put option ("**WP Put Option**") to sell 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 to CL Holdings Limited. 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. There is a gain on disposal of the World Pointer Group Companies of approximately HK$9,562,000 recognised in profit or loss during the year ended 31 March 2015.

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 two years ended 31 March 2015 as the disposal constitutes a major line of geographical area of operation in Hong Kong. The net proceeds of disposal 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.

	Period ended 4 July 2014	Year ended 31 March 2014
	HK$'000	*HK$'000*
Revenue	**16,827**	62,337
Cost of sales	**(3,816)**	(14,979)
Gross profit	**13,011**	47,358
Other income	**94**	574
Selling and distribution costs	**(10,463)**	(40,320)
General and administrative expenses	**(2,948)**	(8,498)
Loss before taxation	**(306)**	(886)
Income tax expense	**–**	(21)
Loss for the year from discontinued operations	**(306)**	(907)
Loss for the year from discontinued operations attributable to:		
– The owners of the Company	**(156)**	(462)
– Non-controlling interests	**(150)**	(445)
Loss for the year from discontinued operations	**(306)**	(907)
Loss for the year from discontinued operations include the followings:		
Other staff costs	**4,594**	17,073
Retirement benefit scheme contribution	**186**	676
Total staff costs	**4,780**	17,749

	Period ended 4 July 2014	Year ended 31 March 2014
	HK$'000	*HK$'000*
Amount of inventories recognised as an expenses	**3,816**	14,979
Auditors' remuneration	**–**	155
Depreciation of plant and equipment	**437**	1,987
Loss on disposals of plant and equipment	**121**	–
Operating lease payments in respect of leasing of premises under		
– minimum lease payments	**2,822**	10,877
– contingent rent	**696**	2,387
Net cash generated from operating activities	**707**	5,951
Net cash used in from investing activities	**(782)**	(1,826)
Net cash generated from financing activities	**2,819**	–
Net cash generated from discontinued operations	**2,744**	4,125

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 2015, nor has any dividend been proposed since the end of the reporting period (2014: 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	**2015**	2014
	HK$'000	*HK$'000*
Loss for the year attributable to the owners of the Company	**724,363**	140,124

Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**3,304,640**	3,123,364

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:

	2015	2014
	HK$'000	*HK$'000*
Loss for the year attributable to the owners of the Company	**724,363**	140,124
Less: Loss for the year from discontinued operations	**(156)**	(462)
Loss for the purpose of basic and diluted loss per share from continuing operations	**724,207**	139,662

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 operation is HK0.005 cents per share (2014: HK0.015 cents per share), based on the loss for the year from the discontinued operations of HK$156,000 (2014: HK$462,000) 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 2015 and 2014. 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

	2015	2014
	HK$'000	*HK$'000*
Trade debtors	**8,972**	16,938
Other debtors, deposits and prepayment *(note a)*	**10,382**	5,800
Put Option receivable *(note b)*	**–**	25,000
	19,354	47,738
Analysed for reporting purposes:		
Non-current assets	**1,813**	3,527
Current assets	**17,541**	44,211
	19,354	47,738

Notes:

(a) As at 31 March 2015, the Group has paid a refundable deposit of approximately HK$4,500,000 (2014: nil) to an independent third party for the provision of the financial advisory service regarding a potential investment project in the South Pacific. The project was cancelled during the year ended 31 March 2015 and the deposit was fully refunded subsequently.

(b) The balance represented disposal consideration receivable from non-controlling interest of the Group, CL Holdings Limited, for disposal of World Pointer Group Companies by exercising the put opinion granted to the Group during the year ended 31 March 2014. Due to the existence of the contractual right to receive the disposal consideration, it was recognised as other receivable as at 31 March 2014 and the balance was fully settled during the year ended 31 March 2015.

The Group has established different credit policies for customers in each of its core businesses. The general credit periods granted to customers range from 30 to 60 days (2014: 30 to 60 days) except for sales of food and beverages at restaurants and bars, which are mainly on cash basis. The Group did not hold any collateral over these balances.

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.

	2015	2014
	HK$'000	*HK$'000*
Within 60 days	**–**	7,918
61 days to 120 days	**–**	2,813
121 days to 180 days	**–**	6,207
181days to 365 days	**880**	–
Over 365 days	**8,092**	–
	8,972	16,938

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$8,972,000 (2014: HK$9,020,000) which are past due as at the reporting date for which the Group has not provided for impairment loss.

Ageing of trade receivables which are past due but not impaired

	2015	2014
	HK$'000	*HK$'000*
Within 60 days	**–**	2,813
61 days to 120 days	**–**	6,207
181 days to 365 days	**880**	–
Over 365 days	**8,092**	–
	8,972	9,020

13. LOAN RECEIVABLES

The loans receivables are due from independent third parties, which are unsecured and repayable from November 2014 to October 2015 (2014: June 2014 to January 2015). The interest rates on the loan receivables are ranging from 10 % to 24% per annum (2014: 5.6 % to 30%). Included in the carrying amount of loan receivables as at 31 March 2015 is accumulated impairment loss of HK$2,335,000 (2014: nil).

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

	2015	2014
	HK$'000	*HK$'000*
Within 90 days	**7,917**	52,919
91 days to 180 days	**5,114**	32,000
181 days to 365 days	**5,116**	167,800
Over 365 days *(note a)*	**77,408**	–
	95,555	252,719

Note a: During the year ended 31 March 2015, the Group and a borrower entered into supplemental agreements to extend the repayment date of the outstanding loan receivable from 5 August 2014 to 31 December 2014 and then to 30 June 2015 and adjust the interest rate from 2.5% per month to 1% per month. In addition, the borrower agreed that the HK$50 million convertible bonds issued by the Company to himself will be automatically forfeited and cancelled by the Company for repayment of the loan in case of his default in repayment.

The Group's loan financing customers included in the loan receivables are due for settlement at the date specified in the respective loan agreements. The Group did not hold any collateral over these balances.

As at 31 March 2015 and 2014, none of the loan receivables is past due as at the reporting date for which the Group has not provided for impairment loss.

Movement in the impairment losses on loan receivables

	2015	2014
	HK$'000	*HK$'000*
1 April	**–**	–
Impairment loss recognised	**2,335**	–
31 March	**2,335**	–

Included in the allowance for impairment of loan receivables are individually impaired loan receivables with an aggregate balance of approximately HK$2,335,000 (2014: nil) which was based on its financial position.

14. CONVERTIBLE BOND RECEIVABLES

On 22 January 2014, the Group has subscribed convertible bonds issued by EML 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 was early redeemed at cash consideration of AUD10,290,000 (equivalent to approximately HK$74,868,000) on 20 June 2014.

As at 31 March 2015, the carrying amount of the loan receivable component is calculated using cash flows discounted at a rate based on the discounted rate of 21.6% (2014: 13.6%). The movement of the loan receivable component and conversion option derivative of the convertible bond is set out below:

	Loan receivable component	**Conversion option derivative**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Fair value of the convertible bond subscribed during the year	65,743	2,854	68,597
Effective interest income *(note 5)*	1,717	–	1,717
Loss arising on changes of fair value	–	(2,758)	(2,758)
Exchange difference	3,253	–	3,253
At 31 March 2014 and 1 April 2014	70,713	96	70,809
Effective interest income *(note 5)*	3,229	–	3,229
Early redemption	(74,772)	(96)	(74,868)
Exchange difference	830	–	830
At 31 March 2015	–	–	–

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 at cash consideration of AUD1,523,000 (equivalent to approximately HK$12,095,000) 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%. The movement of the loan receivable component and conversion option derivative of the convertible bond is set out below:

	Loan receivable component	**Conversion option derivative**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Fair value of the convertible bond subscribed during the year	12,681	27	12,708
Interest received	(628)	–	(628)
Effective interest income *(note 5)*	295	–	295
Early redemption	(12,068)	(27)	(12,095)
Exchange difference	(280)	–	(280)
At 31 March 2014 and 2015	–	–	–

15. CREDITORS, DEPOSITS AND ACCRUALS

	2015	2014
	HK$'000	*HK$'000*
Trade creditors	**475**	280
Other creditors, deposits and accruals	**10,504**	11,836
	10,979	12,116

The following is an aged analysis of trade creditors presented based on the invoice date at the end of reporting period.

	2015	2014
	HK$'000	*HK$'000*
Within 60 days	**169**	280
61 – 90 days	**306**	–
	475	280

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

	CB 1 *(note (i))* *HK$'000*	CB 2 *(note (ii))* *HK$'000*	**Total** *HK$'000*
Liability component at 1 April 2013	40,155	–	40,155
Add: Liability component on initial recognition at 31 May 2013	46,948	–	46,948
Add: Effective interest expense *(note 6)*	10,271	–	10,271
Less: Converted into ordinary shares	(45,046)	–	(45,046)
Liability component at 31 March 2014 and 1 April 2014	52,328	–	52,328
Add: Liability component on initial recognition at 8 January 2015	–	14,182	14,182
Add: Effective interest expense *(note 6)*	10,813	594	11,407
Liability component at 31 March 2015	63,141	14,776	77,917

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

Notes:

(i) 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 HK$100,000,000 on 31 May 2013 ("**CB 1**") 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 *(note a)*	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

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

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

During the year ended 31 March 2014, the derivative financial liabilities were re-measured to their fair value at HK$94,332,000 before the issuance of the remaining convertible bonds at principal of HK$100,000,000, resulting in a net amount of fair value loss totaling to HK$84,385,000 being recognised under "Loss arising from changes in fair value of derivative financial liabilities" in the consolidated statement of profit or loss. Upon the convertible bonds at principal of HK$100,000,000 were issued, the related portion of the derivative financial liabilities at fair values of HK$94,332,000 were derecognised.

(ii) The Group issued convertible bonds with zero coupon rate at a total principal value of HK$20,000,000 on 8 January 2015 ("**CB 2**") to its ultimate holding company, Wincon Capital Investment Limited. The convertible bonds will mature at 7 January 2017 at its principal amount or can be converted into 60,606,060 shares at any time between the date of issue of the convertible bonds and the maturity date at the bondholder's option at rate of HK$0.33 per share.

The fair values of the convertible bonds of HK$20,000,000 were valued by an independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, as at 8 January 2015. 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 the owners of the Company.

The convertible bonds issued on 8 January 2015 recognised in the consolidated statement of financial position are as follows:

	HK$'000
Cash received	20,000
Less: Legal and professional fee paid	(174)
Less: Equity conversion component	(5,644)
Liability component on initial recognition at 8 January 2015	14,182

17. COMPARATIVE FIGURES

Certain comparative figures had been reclassified to conform to current year's presentations. The directors of the Company consider that the separation of gain arising from changes in fair value of held for trading investments of approximately HK$829,000 from other income in the consolidated statement of profit or loss for the year ended 31 March 2014 is more meaningful in view of the securities trading business of the Group. As the reclassification does not affect the consolidated statement of financial position, it is not necessary to disclose comparative information as at the beginning of the comparative period (i.e. 1 April 2013).

DIVIDEND

The Board has resolved not to recommend any final dividend for the year ended 31 March 2015 (2014: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's revenue from its continuing operations during the year under review amounted to HK$29 million or HK$14 million less than that during the previous year. There was a loss for the year attributable to the Company's owners of HK$724 million (2014: HK$140 million) which includes a fair value loss on derivative financial liabilities amounted to HK$619 million (2014: HK$84 million), loss arising from changes in fair value of held for trading investments amounted to HK$99 million (2014: nil) and the share-based payment expenses of HK$27 million (2014: HK$15 million).

The basic and diluted loss per share on ongoing operations was HK21.915 cents, compared with loss per share of HK4.471 cents last year, while the overall loss per share for the year was HK21.920 cents (2014: HK4.486 cents).

Food and Beverages

The continuing and discontinued food and beverages segment achieved a total revenue of HK$28 million during the year under review. This was 57% lower than the amount for last year. The segment reported a loss of HK$1 million for the current year (2014: HK$8 million). Out of the total revenue, HK$17 million (2014: 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$11 million (2014: HK$2 million) was contributed by the restaurant in Beijing, PRC that was acquired on 1 January 2014.

As of 31 March 2015, the Group operated a company ("**Beijing Restaurant**") which is engaged in catering services including food and beverage in Beijing, PRC. The Beijing Restaurant offers luxury Chinese-style cuisine.

Securities Trading Business

During the year, the Group has maintained actively 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 (2014: HK$12 million) and reported a loss of HK$90.5 million (2014: a gain of HK$12.7 million) during the year under review due to an unrealised loss on investments of securities.

Trading of Wine

In order to diversify the food and beverages business, the Group had purchased certain quantities of fine wines amounted to HK$7 million. 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 10% to 24% per annum (2014: 5.6% to 30% per annum).

During the year, the interest income from provision of loan financing amounted to HK$17 million as compared to that of last year of HK$26 million.

Metal Trading

During the year under review, the Group has operated metal trading through a wholly-owned subsidiary in the PRC. The revenue from metal trading was amounted to HK$1 million (2014: HK$15 million). 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.

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 Wincon 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 Wincon 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, were approved by the Independent Shareholders at the special general meeting of the Company held on 31 December 2014.

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 another proposed issue of the 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 Proposed Issue of the 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.

On 8 January 2015, the convertible bonds in the principal amount of HK$20,000,000 was subscribed by Wincon.

On 8 January 2015, the Company and Wincon entered into a letter of extension to extend the closing date from 8 January 2015 to 8 July 2015 (or such later date as parties thereto may agree) (the "**New Closing Date**"). The remaining convertible bonds in the principal amount of HK$600,000,000 as contemplated under the Subscription Agreement will be subscribed by Wincon on or before the New Closing Date.

Pursuant to an ordinary resolution passed by the Independent Shareholders at the special general meeting held on 19 March 2015, the closing date was extended to 8 July 2015.

During the year, the net proceeds from the issue of the convertible bonds are approximately HK$19.5 million, in which approximately HK$10 million was used to finance the financing business of the Group and approximately HK$10 million was used for the acquisition of further Elemental Shares (as defined below). The Directors confirmed that the net proceeds from the issue of the convertible bonds have been applied in accordance with its intended uses.

On 7 May 2015, 60,606,060 Shares has been converted by Wincon.

On 8 June 2015, the convertible bonds in the principal amount of HK$30,000,000 was subscribed by Wincon and on 9 June 2015, 90,909,090 Shares has been converted by Wincon.

On 16 June 2015, the convertible bonds in the principal amount of HK$35,000,000 was subscribed by Wincon and on 17 June 2015, 90,909,090 Shares has been converted by Wincon.

On 23 June 2015, the convertible bonds in the principal amount of HK$35,000,000 was subscribed by Wincon and on 24 June 2015, 121,212,121 Shares has been converted by Wincon.

On 25 June 2015, the convertible bonds in the principal amount of HK$60,000,000 was subscribed by Wincon.

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, 30 September 2014, 31 December 2014, 8 January 2015, 16 January 2015, 19 March 2015, 8 June 2015, 16 June 2015 and 23 June 2015 respectively and the circulars of the Company dated 15 December 2014 and 2 March 2015 respectively.

The Early Redemption for Elemental Convertible Notes and further acquisition of shares in Elemental

Pursuant to the Dingyi Convertible Note Facility entered by the Company and Elemental Minerals Limited ("**Elemental**") on 1 July 2013 (as defined and mentioned with details in the announcements of the Company 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, 14 November 2014 and 31 December 2014 respectively and the circular of the Company dated 9 January 2015 (the "**Elemental Lead Investment Announcements**")), the Company agreed to make a lead investment in Elemental to provide Elemental with interim working capital for its business. 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 shares of Elemental ("**Elemental Shares**") will be allotted and issued if all of the Elemental Convertible Notes subscribed by Elemental are converted.

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.

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.

In addition, the Group acquired on-market 49,548,744 Elemental Shares in a series of transactions conducted during the period from 28 April 2014 to 24 April 2015 for an aggregate purchase price of approximately HK$61 million (exclusive of transaction costs). As at the date of this announcement, the Group holds an aggregate of 70,404,268 Elemental Shares, representing approximately 18.44% of the entire issued share capital of Elemental.

Details of the further acquisition of Elemental Shares were disclosed in the announcements of the Company dated 4 March 2015 and 17 April 2015 respectively.

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 each of 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 respectively.

Formation of Joint Venture on Financial Leasing Business

On 21 August 2014, the Company entered into the joint venture agreement ("**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.

Pursuant to the terms of the Joint Venture Agreement, each of the Company and JWIL shall subscribe for the new shares of the Joint Venture Company and contribute in cash of the remaining RMB200 million to the Joint Venture Company on or before 15 December 2014 (or such later date as agreed by the parties). On 24 December 2014, the parties have entered into a supplemental agreement pursuant to which they agree that the subscription and the contribution shall be made on a date on or before 15 March 2015. Save for the aforesaid change, all other terms of the Joint Venture Agreement remain unchanged.

On 13 March 2015, the parties have entered into a 2nd supplemental agreement pursuant to which they agree that the subscription and the contribution of the aggregate RMB200 million by the Company and JWIL to the Joint Venture Company shall be made on a date on or before 15 May 2015. Save for the change in the date of capital contribution, all other terms of the Joint Venture Agreement remain unchanged.

On 19 May 2015, the parties have entered into a 3rd supplemental agreement pursuant to which they agree that the subscription and the contribution of the aggregate RMB200 million by the Company and JWIL to the Joint Venture Company shall be made on a date on or before 30 June 2015. Save for the change in the date of capital contribution, all other terms of the Joint Venture Agreement remain unchanged.

Details of the above transaction were disclosed in the announcements of the Company dated 21 August 2014, 10 September 2014, 30 September 2014, 17 October 2014, 25 November 2014, 24 December 2014, 13 March 2015 and 19 May 2015 respectively and the circular of the Company dated 5 January 2015.

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 (the "**Loan**") 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.

On 8 January 2015, Easy Prestige, Mr. Yang and Dingyi Financial Services Investment Limited ("**DY Financial Services**") entered into a second supplemental agreement, pursuant to which Easy Prestige had assigned the Loan to DY Financial Services and agreed to extend the loan repayment date from 31 December 2014 to 30 June 2015. Save and except the above change in the lender and the extension of the loan repayment date, all other terms and provisions of the previous loan agreement and first supplemental agreement shall remain unchanged and in full force and effect.

Subsequent to the balance sheet date, the Loan has been repaid.

Details of the transactions were disclosed in the announcements of the Company dated 21 August 2014, 3 September 2014 and 8 January 2015 and the circular of the Company dated 5 January 2015.

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.

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

Grant and Exercise of Share Options

On 3 February 2015, the Board granted 132,000,000 share options 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$0.477 per share.

Details of the above grant of share options were disclosed in the announcement of the Company dated 3 February 2015.

On 30 March 2015, a total of 2,000,000 share options were exercised at an exercise price of HK$0.375 per share and the shares were issued on 1 April 2015.

On 4 June 2015, a total of 1,800,000 share options were exercised at an exercise price of HK$0.375 per share and the shares were issued on 9 June 2015.

On 18 June 2015, a total of 15,000,000 share options were exercised at an exercise price of HK$0.477 per share and the shares were issued on 18 June 2015.

Events after Reporting Period

On 22 June 2015, the Company received a conversion notice from a subscriber for the conversion of the convertible bonds in the aggregate amount of HK$30 million in full, pursuant to which a total number of 136,363,636 conversion shares has been issued to that subscriber.

On 23 June 2015, the Company received a conversion notice from a subscriber for the conversion of the convertible bonds in the aggregate amount of HK$20 million in full, pursuant to which a total number of 90,909,090 conversion shares has been issued to that subscriber.

On 25 June 2015, the Company received a conversion notice from a subscriber for the conversion of the convertible bonds in the aggregate amount of HK$50 million in full, pursuant to which a total number of 227,272,727 conversion shares has been issued to that subscriber.

Strategy and Outlook

Apart from the existing businesses of securities trading, food and beverages, wine trading, loan financing, metal trading and financial leasing, 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 values of the Company's owners.

FINANCIAL REVIEW

As at 31 March 2015, the Group's net (liabilities) assets attributable to the owners of the Company amounted to HK$(284) million (2014: HK$407 million), a decrease of 170% or HK$691 million when compared with 2014. Such net decrease was mainly due to the loss attributable to the owners of the Company during the year.

As at 31 March 2015, total debt to (negative) equity ratio was (0.38) (2014: 0.14) and net debt to (negative) equity ratio was nil (2014: 0.04), 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 (net liabilities) equity of HK$(214) million (2014: HK$398 million).

Contingent Liabilities

As at 31 March 2015 and 2014, the Group had no contingent liabilities.

Capital Commitments

As at 31 March 2015 and 2014, the Group had no capital commitments.

Charge on Assets

As at 31 March 2015, the Group had pledged its assets with net book value of HK$4 million (31 March 2014: HK$5 million) 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, and will continue 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 dollars 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 58 (2014: 123) full-time staff under its subsidiaries globally as at 31 March 2015. Total staff costs amounted to HK$19 million (2014: HK$32 million) for the year ended 31 March 2015. 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, retirement schemes and the Share Option Scheme.

GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis notwithstanding that the Group had incurred net current liabilities and net liabilities of approximately HK$212,508,000 and 284,214,000 respectively as at 31 March 2015. In the opinion of the Directors, the liquidity of the Group can be maintained in the coming year as the Directors had taken into consideration of the net current liabilities and net liabilities of the Group was caused by the derivative financial liabilities of approximately HK$618,633,000 which represented an option to entitle the holders to subscribe for convertible bond to be issued with a maturity date within the twelve months immediately after 31 March 2015. Such derivative financial liabilities shall not have any cash outflow to the Group.

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 2015.

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 2015.

CORPORATE GOVERNANCE PRACTICES

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 (the "**CG Code**") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rule**"). In the opinion of the Directors, the Company has complied with all code provisions of the CG Code during the year ended 31 March 2015 except for certain deviations disclosed below:

1. Under code provision A.1.3 of the CG Code, notice of at least 14 days should be given of a regular board meeting to all Directors to give all Directors an opportunity to attend. During the year ended 31 March 2015, certain regular Board meetings were convened with less than 14 days' notice to facilitate the Directors' timely reaction and expeditious decision making process in respect of internal affairs of the Group. All Board meetings, nevertheless, were duly convened and held in the way prescribed by the Bye-laws of the Company. The Board will use reasonable endeavour to meet the requirement of code provision A.1.3 of the CG Code in future. Adequate and appropriate information are circulated normally three days in advance of Board meetings to the Directors.

2. Code provision A.5.1 of the CG Code requires the nomination committee of limited issuers to comprise a majority of independent non-executive directors. Subsequent to the resignation of Mr. Sun Dongsheng ("**Mr. Sun**") on 30 April 2015, the Nomination Committee did not comprise a majority of Independent Non-executive Directors.

   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. Sun on 30 April 2015, the number of Independent Non-executive Directors and the members of 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 the Remuneration Committee fell below the requirements under Rule 3.25 of the Listing Rules.

3. 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 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 fell below the requirements under Rule 3.25 of the Listing Rules.

   On 12 December 2014, the Board was 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 was fully complied with the requirements of Rules 3.10(1), 3.21 and 3.25 of the Listing Rules.

4. 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, as the Company's previous auditors. 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 above results and report had constituted non-compliance with Rules 13.46(2), 13.49(1) and 13.49(6) of the Listing Rules.

The 2014 Annual Results and the 2014 Interim Results were announced on 12 December 2014 and the 2014 Annual Report was despatched on 31 December 2014. Accordingly, the Company was fully complied with the requirements of 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.

During the year ended 31 March 2015, the Audit Committee comprises three Independent Non-executive Directors, namely Mr. Chow Shiu Ki (chairman of the Audit Committee), Mr. Cao Kuangyu and Mr. Sun Dongsheng. Mr. Sun Dongsheng resigned as Director on 30 April 2015 and also ceased to be a member of the Audit Committee. The chairman of the Audit Committee, Mr. Chow Shiu Ki, possesses appropriate professional qualifications in finance and accounting and meets the requirements of Rule 3.21 of the Listing Rules. No member of the Audit Committee is a former partner of the existing auditing firm of the Company during one year after he ceases to be partner of the audit firm.

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 2015, 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.

During the year ended 31 March 2015, 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 2015.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Group for the year ended 31 March 2015 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 2015 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 July 2015.

APPRECIATION

I would like to take this opportunity to thank all of our customers, shareholders and business associates for their confidence and support to the Group. To all of our employees, I appreciate your hard work, dedication and commitment over the year.

By order of the Board
DINGYI GROUP INVESTMENT LIMITED
LI Kwong Yuk
Chairman

Hong Kong, 26 June 2015

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. CHOW Shiu Ki and Mr. CAO Kuangyu as Independent Non-executive Directors.