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

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2016

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 2016, together with the comparative figures in 2015, summarised as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2016

	NOTES	**2016** **HK$'000**	2015 HK$'000
Continuing operations			
Revenue	*3*	**40,703**	28,815
Cost of sales		**(4,248)**	(4,026)
Gross profit		**36,455**	24,789
Other income	*5*	**1,108**	6,010
Gain on the disposal of held for trading investments		**36,774**	12,448
Loss arising from changes in fair value of held for trading investments		**(171,296)**	(99,361)
(Loss) gain arising from changes in fair value of derivative financial assets, net		**(1,017)**	1,728
Realised gain on settlement of derivative financial assets		**30,726**	4,412
Loss arising from changes in fair value of derivative financial liabilities		**(213,321)**	(618,633)
Impairment loss on available-for-sale financial assets		**(17,375)**	(2,656)
Gain on disposal of subsidiaries		**–**	9,562
Selling and distribution costs		**(3,995)**	(5,069)
General and administrative expenses		**(169,353)**	(67,967)
Finance costs	*6*	**(35,136)**	(12,136)

	NOTES	2016 HK$'000	2015 HK$'000
Loss before tax	*7*	**(506,430)**	(746,873)
Income tax expense	*8*	**(632)**	(142)
Loss for the year from continuing operations		**(507,062)**	(747,015)
Discontinued operations			
Loss for the year from discontinued operations	*9*	**–**	(306)
Loss for the year		**(507,062)**	(747,321)
Loss for the year attributable to the owners of the Company			
– from continuing operations		**(510,919)**	(724,207)
– from discontinued operations		**–**	(156)
Loss for the year attributable to the owners of the Company		**(510,919)**	(724,363)
Profit (loss) for the year attributable to non-controlling interests			
– from continuing operations		**3,857**	(22,808)
– from discontinued operations		**–**	(150)
Profit (loss) for the year attributable to non-controlling interests		**3,857**	(22,958)
		(507,062)	(747,321)
Loss per share	*11*		
Basic and diluted loss per share *(HK cents per share)*			
– from continuing operations		**11.535**	21.915
– from discontinued operations		**–**	0.005
		11.535	21.920

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2016

	2016	2015
	HK$'000	*HK$'000*
Loss for the year	**(507,062)**	(747,321)
Other comprehensive (expense) income for the year		
Items that may be reclassified subsequently to profit or loss:		
Reclassification adjustment upon impairment of available-for-sale financial assets	**(1,183)**	–
Fair value gain on available-for-sale financial assets	**–**	1,183
Exchange difference arising on translation of overseas operations	**(5,050)**	(1,233)
	(6,233)	(50)
Total comprehensive expense for the year	**(513,295)**	(747,371)
Total comprehensive expense for the year attributable to:		
The owners of the Company	**(517,152)**	(723,947)
Non-controlling interests	**3,857**	(23,424)
	(513,295)	(747,371)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	NOTES	2016 HK$'000	2015 HK$'000
Non-current assets			
Plant and equipment		**6,263**	9,831
Finance lease receivable		**6,579**	–
Available-for-sale financial assets		**75,466**	65,839
Non-current deposits and prepayments	*12*	**2,582**	1,813
		90,890	77,483
Current assets			
Inventories		**7,607**	7,850
Debtors, deposits and prepayments	*12*	**10,781**	17,541
Loan and interest receivables	*13*	**229,056**	95,555
Finance lease receivable		**94,723**	–
Held for trading investments		**629,910**	118,945
Derivative financial instruments		**711**	1,728
Cash and cash equivalents		**18,312**	194,020
		991,100	435,639
Current liabilities			
Margin loans payable		**376,861**	14,038
Creditors, deposits and accruals	*14*	**65,721**	10,979
Amounts due to related companies		**2,215**	311
Amount due to a director		**9**	–
Derivative financial instruments		**–**	618,633
Current income tax liabilities		**3,375**	2,743
Obligation under a finance lease		**1,374**	1,443
		449,555	648,147

	NOTES	2016 HK$'000	2015 HK$'000
Net current assets (liabilities)		**541,545**	(212,508)
Total assets less current liabilities		**632,435**	(135,025)
Capital and reserves			
Share capital		**49,358**	33,046
Reserves		**467,663**	(317,260)
Equity attributable to the owners of the Company		**517,021**	(284,214)
Non-controlling interests		**–**	69,899
Total equity		**517,021**	(214,315)
Non-current liabilities			
Obligation under a finance lease		**–**	1,373
Convertible bonds	*15*	**115,414**	77,917
		115,414	79,290
		632,435	(135,025)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

1. GENERAL INFORMATION

The Company is a listed company incorporated in Bermuda with limited liability. The addresses of the registered office and the principal place of business of the Company are Canon's Court, 22 Victoria Street, Hamilton, HM12, Bermuda and Unit 2708, 27/F., Convention Plaza-Office Tower, 1 Harbour Road, Wanchai, Hong Kong respectively. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The directors of the Company regard Wincon Capital Investment Limited, a private limited liability company incorporated in the British Virgin Islands, as the immediate and ultimate holding company of the Company.

The principal activity of the Company is investment holding and carrying out loan financing business.

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

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

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

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The directors of the Company do not anticipate that the application of the other new and revised HKFRSs in the current year will have a significant 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.

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

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

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

[3] *Effective date not yet been determined.*

[4] *Effective for annual periods beginning on or after 1 January 2019.*

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 2018 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 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 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.

HKFRS 16 Leases

HKFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees.

In respect of the lessee accounting, the standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases with the lease term of more than 12 months, unless the underlying asset has a low value.

At the commencement date of the lease, the lessee is required to recognise a right-of-use asset at cost, which consists of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. A lease liability is initially recognised at the present value of the lease payments that are not paid at that date.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. Depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of HKAS 16 Property, Plant and Equipment, while interest accrual on lease liability will be charged to profit or loss.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

HKFRS 16 will supersede the current lease standards including HKAS 17 Leases and the related interpretations when it becomes effective.

HKFRS 16 will be effective for annual periods beginning on or after 1 January 2019 with early application permitted provided that the entity has applied HKFRS 15 Revenue from Contracts with Customers at or before the date of initial application of HKFRS 16. The directors of the Company are in the process of assessing their impact on the consolidated financial statements of these requirements. However, it is not practicable to provide a reasonable estimate of the effect until the Group performs a detailed review.

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 do not 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, financial leasing 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:

	2016	2015
	HK$'000	*HK$'000*
Revenue represents amounts received and receivable from:		
Sales of food and beverages	**8,298**	10,698
Metal trading income	**–**	643
Financial leasing income	**4,175**	–
Dividend income	**3,404**	–
Interest income from provision of loan financing	**24,826**	17,474
	40,703	28,815

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; (v) metal trading business and (vi) financial leasing business, which the segment of (vi) is newly operated during the year ended 31 March 2016. Segment revenue is measured in a manner consistent with that in the consolidated statement of profit or loss.

During the year ended 31 March 2016, financial leasing business was identified as a reportable and operating segment because financial leasing 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 2015. The segment information reported for the year ended 31 March 2015 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 revenue and results from continuing operations by reportable and operating segment:

Year ended 31 March 2016

	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$'000*	Financial leasing business *HK$'000*	Total *HK$'000*
Continuing operations							
Revenue							
External revenue	3,404	–	8,298	24,826	–	4,175	40,703
Realised gain on the disposal of held for trading investments	36,774	–	–	–	–	–	36,774
Segment (loss) profit	(131,165)	–	(1,393)	24,397	–	3,720	(104,441)
Interest income							397
Finance costs							(35,136)
Loss arising from changes in fair value of derivative financial liabilities							(213,321)
Loss arising from changes in fair value of derivative financial assets, net							(1,017)
Realised gain on settlement of derivative financial assets							30,726
Impairment loss on available-for-sale financial assets							(17,375)
Unallocated corporate income							597
Unallocated corporate expenses							(166,860)
Loss before tax							(506,430)

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
Continuing operations						
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 (loss) profit	(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 on 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)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 2. Segment profit/loss represents the profit earned by/loss from each segment without allocation of central administration costs, directors' emoluments, interest income, exchange loss, net, gain on disposal of subsidiaries, loss arising from changes in fair value of derivative financial liabilities, gain/loss arising from changes in fair value of derivative financial assets, impairment loss on available-for-sale financial assets, realised gain on settlement of 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:

	2016	2015
	HK$'000	*HK$'000*
Continuing operations		
Segment assets		
Securities trading business	**629,910**	118,945
Trading of wine business	**7,250**	7,250
Food and beverages – restaurant business	**1,869**	3,731
Loan financing business	**229,056**	95,555
Metal trading business	**–**	9,053
Financial leasing business	**101,302**	–
Total segment assets	**969,387**	234,534
Unallocated corporate assets	**112,603**	278,588
Total consolidated assets	**1,081,990**	513,122
Segment liabilities		
Securities trading business	**376,861**	14,038
Trading of wine business	**–**	–
Food and beverages – restaurant business	**5,433**	5,624
Loan financing business	**4**	–
Metal trading business	**–**	13
Financial leasing business	**429**	–
Total segment liabilities	**382,727**	19,675
Unallocated corporate liabilities	**182,242**	707,762
Total consolidated liabilities	**564,969**	727,437

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 and other debtors, derivative financial instruments and cash and cash equivalents; and

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

Other segment information

For the year ended 31 March 2016

	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$'000*	Financial leasing business *HK$'000*	Unallocated *HK$'000*	Total *HK$'000*
Continuing operations								
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 finance lease receivable)	–	–	10	–	–	–	815	825
Depreciation of plant and equipment	–	–	743	–	–	–	2,802	3,545
Loss arising from changes in fair value of held for trading investments	171,296	–	–	–	–	–	–	171,296
Reversal of other payable	–	–	(114)	–	–	–	–	(114)
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	–	–	–	–	–	–	(397)	(397)
Finance costs	–	–	–	–	–	–	35,136	35,136
Income tax (credit) expense	–	–	(251)	–	–	883	–	632

For the year ended 31 March 2015

	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*
Continuing operations							
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

Geographical information

The Group's operations are located in Hong Kong, the People's Republic of China (the "**PRC**") and United States of America (the "**USA**").

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, finance lease receivable and those related to discontinued operations) is presented based on the geographical location of the assets.

	Revenue from external customers		**Non-current assets**	
	2016	2015	**2016**	2015
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**27,376**	17,474	**6,551**	9,272
PRC	**13,327**	11,341	**2,272**	2,372
USA	**–**	–	**22**	–
	40,703	28,815	**8,845**	11,644

The Group had no inter-segment sales for the years ended 31 March 2016 and 2015.

Information about major customers

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

	2016	2015
	HK$'000	*HK$'000*
Customer A[1]	**N/A**[3]	10,580
Customer B[1]	**4,509**	N/A[3]
Customer C[2]	**3,782**	N/A[3]

[1] Revenue from loan financing business

[2] Revenue from financial leasing business

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

5. OTHER INCOME

	2016	2015
	HK$'000	*HK$'000*
Continuing operations		
Effective interest income on convertible bond receivables	**–**	3,229
Reversal of debtors, deposits and prepayments previously written off	**–**	1,744
Bank interest income	**397**	723
Reversal of other payable	**114**	–
Others	**597**	314
	1,108	6,010

6. FINANCE COSTS

	2016	2015
	HK$'000	*HK$'000*
Continuing operations		
Interest on margin loans payable	**7,724**	587
Effective interest expense on convertible bonds *(note 15)*	**27,327**	11,407
Interest expenses on a finance lease	**85**	142
	35,136	12,136

7. LOSS BEFORE TAX

Loss before tax has been arrived at after charging:

	2016	2015
	HK$'000	*HK$'000*
Continuing operations		
Directors' and chief executive's emoluments	**7,431**	7,701
Other staff costs (excluding directors' and chief executive's emoluments)	**7,519**	5,583
Share-based payments expenses (excluding directors' and chief executive's emoluments)	**–**	1,017
Retirement benefit scheme contribution (excluding directors' and chief executive's emoluments)	**168**	127
Total staff costs	**15,118**	14,428
Amount of inventories recognised as an expense	**4,248**	4,026
Impairment loss on loan receivables	**–**	2,335
Auditors' remuneration	**1,350**	1,350
Depreciation of plant and equipment	**3,545**	3,291
Operating lease payments in respect of leasing of premises under minimum lease payments	**9,666**	8,915
Exchange loss	**4,788**	2,894
Share-based payments expenses granted to consultants *(note)*	**108,995**	20,741

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

8. INCOME TAX EXPENSE

	2016	2015
	HK$'000	*HK$'000*
Continuing operations		
Current income tax		
Hong Kong	**–**	27
The PRC	**883**	252
	883	279
Over-provision in prior years		
The PRC	**(251)**	–
Deferred income tax		
Current year	**–**	(137)
Income tax expenses	**632**	142

Hong Kong profits tax was calculated at the rate of 16.5% on the estimated assessable profits. For the year ended 31 March 2015 and 2016, no provision of Hong Kong Profits Tax as the assessable profit was wholly absorbed by the tax losses brought forward.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

Pursuant to the laws and regulations of the British Virgin Islands (the "**BVI**"), USA and Bermuda, the Group is not subject to any income tax in the BVI, USA 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 *HK$'000*
Revenue	16,827
Cost of sales	(3,816)
Gross profit	13,011
Other income	94
Selling and distribution costs	(10,463)
General and administrative expenses	(2,948)
Loss before taxation	(306)
Income tax expense	–
Loss for the year from discontinued operations	(306)
Loss for the year from discontinued operations attributable to:	
– The owners of the Company	(156)
– Non-controlling interests	(150)
Loss for the year from discontinued operations	(306)

	Period ended 4 July 2014 *HK$'000*
Loss for the year from discontinued operations include the followings:	
Other staff costs	4,594
Retirement benefit scheme contribution	186
Total staff costs	4,780
Amount of inventories recognised as an expenses	3,816
Auditors' remuneration	–
Depreciation of plant and equipment	437
Loss on disposals of plant and equipment	121
Operating lease payments in respect of leasing of premises under	
– minimum lease payments	2,822
– contingent rent	696
Net cash generated from operating activities	707
Net cash used in from investing activities	(782)
Net cash generated from financing activities	2,819
Net cash generated from discontinued operations	2,744

10. DIVIDENDS

No dividend was paid or proposed during the year ended 31 March 2016, nor has any dividend been proposed since the end of the reporting period (2015: 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	**2016** ***HK$'000***	2015 *HK$'000*
Loss for the year attributable to the owners of the Company	**510,919**	724,363

Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**4,429,187**	3,304,640

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:

	2016 ***HK$'000***	2015 *HK$'000*
Loss for the year attributable to the owners of the Company	**510,919**	724,363
Less: Loss for the year from discontinued operations	**–**	(156)
Loss for the purpose of basic and diluted loss per share from continuing operations	**510,919**	724,207

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 HK$0.005 cents per share in 2015, based on the loss for the year from the discontinued operations of HK$156,000 in 2015 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 2016 and 2015. 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

	2016	2015
	HK$'000	*HK$'000*
Trade debtors	**–**	8,972
Deposit in financial institution	**773**	–
Other debtors, deposits and prepayment *(note)*	**12,590**	10,382
	13,363	19,354
Analysed for reporting purposes:		
Non-current assets	**2,582**	1,813
Current assets	**10,781**	17,541
	13,363	19,354

Note: As at 31 March 2015, the Group has paid a refundable deposit of approximately HK$4,500,000 (2016: 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 during the year ended 31 March 2016.

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 (2015: 30 to 60 days) except for sales of food and beverages at restaurants, 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 approximates the respective revenue recognition dates.

	2016	2015
	HK$'000	*HK$'000*
181 days to 365 days	**–**	880
Over 365 days	**–**	8,092
	–	8,972

Included in the Group's trade debtors balance are debtors with aggregate carrying amount of approximately HK$8,972,000 (2016: nil) which are past due as at the end of the reporting period for which the Group has not provided for impairment loss.

Ageing of trade debtors which are past due but not impaired

	2016	2015
	HK$'000	*HK$'000*
181 days to 365 days	**–**	880
Over 365 days	**–**	8,092
	–	8,972

Trade debtors' balances that were past due but not 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. The management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

13. LOAN AND INTEREST RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Loan receivables	**184,018**	71,333
Interest receivables	**45,038**	26,557
	229,056	97,890
Less: Impairment loss recognised in profit or loss	**–**	(2,335)
	229,056	95,555

The loan and interest receivables are due from independent third parties, which are unsecured and their relevant due date start from December 2014 to October 2016 (2015: November 2014 to October 2015). The interest rates on the loan and interest receivables are fixed ranging from 10% to 48% per annum (2015: 10% to 24% per annum). No impairment loss was recognise for the year ended 31 March 2016 (2015: HK$2,335,000).

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

	2016	2015
	HK$'000	*HK$'000*
Within 90 days	**–**	7,917
91 days to 180 days	**5,542**	5,114
181 days to 365 days	**187,403**	5,116
Over 365 days *(note)*	**36,111**	77,408
	229,056	95,555

Note: 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 and interest receivables 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.

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

Included in the Group's loan and interest receivables balance are loan and interest receivables with aggregate carrying amount of approximately of HK$28,536,000 (2015: nil) which are past due as at the end of the reporting period for which the Group has not provided for impairment loss. The management believed that no impairment allowance is necessary in respect of these balance as the borrower is a long relationship customer and repayment agreement has been formulated subsequent to the end of the reporting period.

The movement of the impairment losses for on loan and interest receivables are set out below.

	2016	2015
	HK$'000	*HK$'000*
1 April	**2,335**	–
Amount written off as uncollectible	**(2,335)**	–
Impairment loss recognised	**–**	2,335
31 March	**–**	2,335

Included in the impairment losses for loan and interest receivables were individually impaired loan and interest receivables with an aggregate balance of approximately HK$2,335,000 as at 31 March 2015 (2016: nil). The individually impaired receivables are recognised based on the credit history of its borrower.

14. CREDITORS, DEPOSITS AND ACCRUALS

	2016	2015
	HK$'000	*HK$'000*
Trade creditors	**374**	475
Other creditors, deposits and accruals *(note)*	**65,347**	10,504
	65,721	10,979

Note: Included in other creditors, deposits and accruals was an amount of approximately HK$51,296,000 (2015: nil) which represented the consideration payable to the acquisition of remaining 37.5% of issued share capital of the subsidiary on 11 January 2016.

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

	2016	2015
	HK$'000	*HK$'000*
Within 60 days	**154**	169
61 – 90 days	**220**	306
	374	475

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.

15. CONVERTIBLE BONDS

	CB 1	**CB 2**	**Total**
	(note (i))	*(note (ii))*	
	HK$'000	*HK$'000*	*HK$'000*
Liability component at 1 April 2014	52,328	–	52,328
Add: Liability component on initial recognition	–	14,182	14,182
Add: Effective interest expense *(note 6)*	10,813	594	11,407
Liability component at 31 March 2015 and 1 April 2015	63,141	14,776	77,917
Add: Liability component on initial recognition	–	438,444	438,444
Add: Effective interest expense *(note 6)*	3,010	24,317	27,327
Converted into ordinary shares	(66,151)	(362,123)	(428,274)
Liability component at 31 March 2016	–	115,414	115,414

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 (the "**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 22 June 2015, 23 June 2015 and 25 June 2015, the remaining convertible bonds with total 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.

(ii) The Group issued convertible bonds with zero coupon rate at a total principal value of HK$20,000,000 on 8 January 2015 (the "**CB 2**") to its ultimate holding company, Wincon Capital Investment Limited. The convertible bonds will mature on 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 value of the convertible bonds of HK$20,000,000 was 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

During the year, the Group further issued CB 2 at a total principal value of HK$600,000,000 to its ultimate holding company, Wincon Capital Investment Limited. The convertible bonds will mature according to the date shown in following table at its principal amount or can be converted into 1,818,181,818 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 convertible bonds issued during the year ended 31 March 2016 recognised in the consolidated statement of financial position are as follows:

	8 June 2015	16 June 2015	23 June 2015	25 June 2015	30 June 2015	2 July 2015	3 July 2015	6 July 2015	7 July 2015	8 July 2015	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cash received	30,000	35,000	35,000	60,000	20,000	20,000	50,000	70,000	120,000	160,000	600,000
Fair values of derivative financial liabilities *(note)*	74,557	80,704	80,708	118,283	23,946	25,027	57,240	85,966	137,263	148,260	831,954
Fair values of convertible bonds issued	104,557	115,704	115,708	178,283	43,946	45,027	107,240	155,966	257,263	308,260	1,431,954
Less: Equity conversion component	82,641)	(90,128)	(90,132)	(134,438)	(29,331)	(30,412)	(70,702)	(104,813)	(169,573)	(191,340)	(993,510)
Liability component on initial recognition at issued date	21,916	25,576	25,576	43,845	14,615	14,615	36,538	51,153	87,690	116,920	438,444
Maturity date	7 June 2017	15 June 2017	22 June 2017	24 June 2017	29 June 2017	1 July 2017	2 July 2017	5 July 2017	6 July 2017	7 July 2017	

Note: Within the total of fair value of derivative financial liabilities above, amount of approximately HK$618,633,000 has been recognised under the "Loss arising from changes in fair value of derivative financial liabilities" in the consolidated statement of profit or loss for the year ended 31 March 2015. The remaining amount of approximately HK$213,321,000 was recognised under the "Loss arising from change in the fair value of derivative financial liabilities" in the consolidated statement of profit or loss for the year ended 31 March 2016.

On 7 May 2015, 9 June 2015, 17 June 2015, 24 June 2015, 13 July 2015 and 31 December 2015, the convertible bonds with principal amounts of HK$480,000,000 were converted into 1,454,545,454 ordinary shares of HK$0.1 each at the fixed conversion price of HK$0.33 per share.

The fair value of the convertible bonds of HK$1,431,954,000 was valued by an independent valuer, Jones Lang LaSalle Corporate Appraisal and Advisory Limited, as at issue date. 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.

DIVIDEND

The Board has resolved not to recommend any final dividend for the year ended 31 March 2016 (2015: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's revenue from its continuing operations during the year under review amounted to HK$41 million or HK$12 million more than that during the previous year. There was a loss for the year attributable to the Company's owners of HK$511 million (2015: HK$724 million) which included a fair value loss on derivative financial liabilities amounted to HK$213 million (2015: HK$619 million), unrealised loss arising from changes in fair value of held for trading investments amounted to HK$171 million (2015: HK$99 million) and the share-based payment expenses of HK$111 million (2015: HK$27 million).

The basic and diluted loss per share on ongoing operations was HK11.535 cents, as compared with loss per share of HK21.915 cents last year, while the overall loss per share for the year was also HK11.535 cents (2015: HK21.920 cents).

Food and Beverages

The food and beverages segment generated a revenue of HK$8 million during the year under review (2015: HK$11 million). The segment reported a loss of HK$1 million (2015: a profit of HK$1 million) for the current year due to the decrease in turnover and the increase in gross margin. The profit and loss were contributed by the restaurant in Beijing, PRC which was acquired on 1 January 2014.

Securities Trading

During the year, the Group has actively involved in the securities and futures contracts trading business. The majority of the Group's held for trading investments are those shares under Hang Seng Index or China Enterprises Index or H shares. Most of those shares are of China large corporations ("**Entities**") with high trading volumes and large market capitalization. The Group had achieved realised gain on the disposal of these shares held for investments amounting to HK$37 million (2015: HK$12 million) during the year under review. The unrealised loss of HK$171 million (2015: HK$99 million) arising from changes in the fair value of the shares still held for investments was recorded as at year end when the market prices were relatively low. As a result, the Group reported a segment loss of HK$131 million (2015: HK$90 million) during the year under review. As at 31 March 2016, the Hang Seng Index was closed at 20,776.70 which was almost the lowest during the year under review. Given the realised gain during the year, the Group had shown a good performance in the investments. The Group considers that the prospects in respect of the shares still held for investments are healthy. The unrealised loss as recorded at year end was due to market fluctuation rather than any problem with the Entities' fundamentals. The Board understands that the performance of the investments may be affected by the degree of volatility in the Hong Kong stock market and subject to other external factors that may affect their values. Accordingly, the Group will continue to maintain a diversified portfolio of investment of different segments of markets to minimize the possible financial risks. Also, the Board will monitor the performance progress of the investment portfolio closely from time to time.

As at 31 March 2016 and 2015, the Group's held for trading investments were represented as follows:

Company Name/Stock Code	% of shareholding as at 31 March 2016	Fair value loss for the year ended 31 March 2016 *HK$'000*	Fair value as at 31 March 2016 *HK$'000*	% of total assets of the Group as at 31 March 2016	% of shareholding as at 31 March 2015	Fair value as at 31 March 2015 *HK$'000*	% of total assets of the Group as at 31 March 2015
Securities listed in Hong Kong							
China Construction Bank Corporation (939)	**0.014%**	**(38,016)**	**166,191**	**15.36%**	–	–	–
China Reinsurance (Group) Corporation (1508)	**1.145%**	**(52,350)**	**159,015**	**14.70%**	–	–	–
CITIC Securities Company Limited (6030)	**0.190%**	**(11,621)**	**78,602**	**7.26%**	–	–	–
China Galaxy Securities Co., Ltd. (6881)	**0.235%**	**(8,831)**	**65,466**	**6.05%**	0.188%	28,247	5.51%
China Eastern Airlines Corporation Limited (670)	**0.218%**	**(12,039)**	**44,240**	**4.09%**	–	–	–
Industrial and Commercial Bank of China Limited (1398)	**0.007%**	**(5,309)**	**26,040**	**2.41%**	–	–	–
Superb Summit International Group Limited (1228)	**1.270%**	**–**	**26,879**	**2.48%**	1.290%	29,910	5.83%
Quam Limited (952)	**0.818%**	**(9,215)**	**11,989**	**1.11%**	–	–	–
Bank of China Ltd (3988)	**0.005%**	**(4,520)**	**12,880**	**1.19%**	–	–	–
AVIC International Holding (HK) Limited (232)	**–**	**–**	**–**	**–**	0.771%	30,650	5.97%
CSSC Offshore & Marine Engineering (Group) Company Limited (317)	**–**	**–**	**–**	**–**	0.094%	12,731	2.48%
Others *(Note)*		**(29,395)**	**38,608**	**3.57%**		17,407	3.39%
		(171,296)	**629,910**	**58.22%**		118,945	23.18%

Note: None of these investments represented more than 1% of the total assets of the Group as at 31 March 2016.

Trading of Wine

The Group has kept certain quantities of fine wines. 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

During the year, the Group recorded a revenue of HK$25 million (2015: HK$17 million) and the segment profit was HK$24 million (2015: HK$15 million). The Group will further develop in this segment in order to earn a higher interest income.

Metal Trading

During the year, the Group did not record any turnover on metal trading. The Group will seek for more opportunities in this segment.

Finance Leasing

On 21 August 2014, the Company entered into the joint venture agreement to form a joint venture for the development and operation of the finance leasing business. During the year, the Group has commenced to record turnover on finance leasing and the Group has recorded HK$4 million (2015: nil) of interest income and HK$4 million (2015: nil) of segment profit from financial leasing business.

Further Acquisition of Shares in Elemental

Elemental Minerals Limited ("**Elemental**") is an advanced mining exploration and development company listed on the Australian Stock Exchange. It is currently developing the Sintoukola potash project located in the Republic of Congo.

The Group acquired on-market 49,548,744 shares of Elemental (the "**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 16.25% 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.

Formation and Acquisition of the Interests in the Joint Venture on Finance Leasing Business

On 21 August 2014, the Company entered into the joint venture agreement (as supplemented by supplemental agreements dated 24 December 2014, 13 March 2015 and 19 May 2015) with an independent third party, Joy Well Investments Limited ("**JWIL**"), to form a joint venture (the "**Joint Venture Company**") for the development and operation of the finance 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 had invested an aggregate RMB200,000,000 (approximately HK$252 million) into the Joint Venture Company, of which RMB125,000,000 (approximately HK$158 million) was contributed by the Company according to its shareholding percentage.

On 5 January 2016, the Company entered into the share purchase agreement with JWIL, pursuant to which, the Company agreed to acquire and JWIL agreed to sell the 37.5% of the issued shares of the Joint Venture Company at a consideration of RMB75,000,000. The Completion took place on 11 January 2016. After that the Joint Venture Company has become a wholly-owned subsidiary of the Company.

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, 19 May 2015 and 5 January 2016 respectively and the circular of the Company dated on 5 January 2015.

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 Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange) 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 interest 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 finance 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$600 million, in which approximately HK$215 million was used to finance the financing business of the Group, approximately HK$40 million was used for the acquisition of further Elemental Shares and the remaining proceeds were invested in the held for trading investments. 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.

On 30 June 2015, the convertible bonds in the principal amount of HK$20,000,000 was subscribed by Wincon.

On 2 July 2015, the convertible bonds in the principal amount of HK$20,000,000 was subscribed by Wincon.

On 3 July 2015, the convertible bonds in the principal amount of HK$50,000,000 was subscribed by Wincon.

On 6 July 2015, the convertible bonds in the principal amount of HK$70,000,000 was subscribed by Wincon.

On 7 July 2015, the convertible bonds in the principal amount of HK$120,000,000 was subscribed by Wincon.

On 8 July 2015, the convertible bonds in the principal amount of HK$160,000,000 was subscribed by Wincon.

On 13 July 2015, 515,151,515 Shares has been converted by Wincon.

On 14 December 2015, 575,757,575 Shares has been converted by Wincon.

As at the date of this announcement, the remaining convertible bonds in the principal amount of HK$140,000,000 have not yet been converted into shares 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, 23 June 2015, 25 June 2015, 30 June 2015, 3 July 2015, 6 July 2015, 7 July 2015, 9 July 2015, 13 July 2015 and 14 December 2015 respectively and the circulars of the Company dated 15 December 2014 and 2 March 2015 respectively.

Grant and Exercise of Share Options

The share option scheme was adopted by the Company on 21 September 2012 (the "**Share Option Scheme**").

On 11 November 2015, the Board granted and accepted by the eligible participants as defined in the Share Option Scheme of 50,000,000 share options at an exercise price of HK$0.638 per share.

On 28 December 2015, the Board granted and accepted by the director/eligible participants as defined in the Share Option Scheme of 280,460,000 share options at an exercise price of HK$0.792 per share.

Details of the above grants of share options were disclosed in the announcements of the Company dated 11 November 2015, 28 December 2015 and 24 June 2016.

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 2,000,000 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 1,800,000 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 15,000,000 shares were issued on 18 June 2015.

Issue of Conversion Shares

On 22 June 2015, the Company received a conversion notice from a subscriber for the conversion of the convertible bonds at the conversion price of HK$0.22 per conversion share, which were issued on 28 March 2013, in the aggregate amount of HK$30 million in full, pursuant to which a total number of 136,363,636 conversion shares were issued to that subscriber.

On 23 June 2015, the Company received a conversion notice from a subscriber for the conversion of the convertible bonds at the conversion price of HK$0.22 per conversion share, which were issued on 28 March 2013, 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 at the conversion price of HK$0.22 per conversion share, which were issued on 31 May 2013, 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.

Details of the transaction were disclosed in the announcements of the Company dated 12 October 2012, 17 October 2012, 20 November 2012, 31 December 2012, 31 January 2013, 28 March 2013, 31 May 2013 and 25 June 2015 and the circular of the Company dated 2 November 2012.

Major Transaction – Participation in Cooperation Agreement

On 25 September 2015, 鼎億金匯(深圳)投資諮詢有限公司 ("**Dingyi Jinhui**"), an indirect wholly-owned subsidiary of the Company, entered into a cooperation agreement (the "**Cooperation Agreement**") committing to provide 38% funding for the acquisition (the "**Xibu Yungu's Acquisition**") by a joint venture company, 深圳市西部雲谷投資有限責任公司 ("**Xibu Yungu**"), and the acquisition (the "**Xumao Ventures**' **Further Acquisition**") by Xumao Ventures Limited ("**Xumao Ventures**"), as a nominee of Xibu Yungu. Xibu Yungu then entered into an acquisition agreement (the "**Acquisition Agreement**") to acquire 80% equity interest in 金時代投資顧問(深圳)有限公司 ("**Jinshidai**") and related shareholders' loans (the "**Acquisition**") from the vendors of Jinshidai (the "**Jinshidai Vendors**"), whereas Xumao Ventures entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") to acquire 100% equity interest in Think Right Developments Limited. The Cooperation Agreement was entered into to provide cash funding for the total acquisition consideration of RMB1,060,800,000 for Xibu Yungu's Acquisition and Xumao Ventures' Further Acquisition. The Group will provide its portion (i.e. Dingyi Jinhui's 38%) of the funding by its internal resources and/or through other financing methods. The Cooperation Agreement has provided that the maximum commitment by Dingyi Jinhui towards the acquisitions is capped at RMB403,104,000.

The Company has been informed by Xibu Yungu that, despite of repeated reminders by Xibu Yungu to the Jinshidai Vendors, the Jinshidai Vendors have not performed in accordance with the terms of the Acquisition Agreement. On 29 January 2016, Xibu Yungu submitted an application for arbitration to the Shenzhen Arbitration Commission（深圳仲裁委員會）(the "**Commission**") seeking specific performance of the Acquisition Agreement and damages against the Jinshidai Vendors. The application has been accepted by the Commission on the same date.

The Company had been informed by Xibu Yungu that on 11 April 2016, Jinshidai Vendors, Parkwill Group Limited, Xibu Yungu and Xumao Ventures entered into a settlement agreement (the "**Settlement Agreement**") to settle the arbitration claim by Xibu Yungu to the commission seeking specific performance of the Acquisition Agreement and damages against the Jinshidai Vendors (the "**Arbitration**").

Under the Settlement Agreement, the Jinshidai Vendors agreed to make a payment of RMB38,000,000 to settle the Arbitration and related proceedings. Xibu Yungu had received the payment subsequent to the balance sheet date.

The Group had only provided the funding of RMB38,000,000 to Xibu Yungu as capital injection and such funding has been refunded to the Group in view of the cessation of the Acquisition.

After deducting the costs and expenses in relation to the Acquisition Agreement, the Sale and Purchase Agreement and the Settlement Agreement from the settlement of RMB38,000,000 by the Jinshidai Vendors, the Group would receive a share of 38% of the remaining balance, approximately RMB10,000,000, as other income.

Details of the transaction were disclosed in the announcements of the Company dated on 25 September 2015, 29 September 2015, 2 October 2015, 9 October 2015, 30 November 2015, 9 December 2015, 29 January 2016, 12 April 2016 and 27 April 2016.

Discloseable Transaction – Formation of Joint Venture for Overseas Infrastructure Projects

On 12 November 2015, the Company, China-Africa Development Fund* ("**CAD Fund**"), China Gezhouba Group Corporation International Ltd.* ("**CGGC**"), China Civil Engineering Construction Corporation* ("**CCECC**"), China Telecom Global Limited* ("**China Telecom Global**"), Chiangjiang Institute of Survey Planning Design and Research* ("**CISPDR**"), China ENFI Engineering Co. Ltd.* ("**Chain ENFI**") and China Overseas Infrastructure Development and Investment Corporation Limited entered into a shareholders agreement to form a joint venture (the "**Joint Venture Company 2**") for the construction of overseas infrastructure and preliminary development of operating projects. The parties expected that they would invest by share subscription up to an aggregate of US$259,999,999 (equivalent to approximately HK$2,014,999,992) into the Joint Venture Company 2, of which US$20,000,000 (equivalent to approximately HK$155,000,000) will be contributed by the Company. Upon completion of the transaction, the Joint Venture Company 2 will be owned as to 7.69% by the Company, 38.46% by CAD Fund, 19.23% by CGGC, 7.69% by China Telecom Global, 3.85% by CISPDR, 3.85% by China ENFI and 19.23% by CCECC.

The overseas infrastructure projects to be invested by the Joint Venture Company 2 will include projects in Africa, while the Joint Venture Company 2 may also identify suitable overseas infrastructure opportunities in other continents. The areas of potential investment would include transportation, airports, ports, bridges, telecommunications, waterworks and urban water supply and drainage, gas supply, electricity facilities and provision of intangible products or services to cater for the fixed asset needs for the science, education, cultural, healthcare and other sectors. As at the date of this announcement, the Company has not contributed any fund for the share subscription of the Joint Venture Company 2.

Details of the transaction were disclosed in the announcements of the Company dated 12 November 2015 and 13 November 2015.

Events after Reporting Period

On 19 May 2016, the Company received the exercise notices from the grantees to exercise in an aggregate of 8,430,000 share options at an exercise price of HK$0.375 per share and 8,430,000 shares were issued on 20 May 2016.

* *for identification purpose only*

On 20 May 2016, the Company received the exercise notices from the grantees to exercise in an aggregate of 10,000,000 share options at an exercise price of HK$0.375 per share and 10,000,000 shares were issued on 23 May 2016.

Subsequent to the end of reporting period, the Company repurchased and cancelled 30,615,000 and 72,100,000 ordinary shares respectively.

Strategy and Outlook

Apart from the existing businesses of securities trading, food and beverages, wine trading, loan financing, metal trading and finance 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 Company's owners' values. The Group has been exploring a few investment opportunities in mining projects, resources projects, properties development projects, infrastructure development projects and investment management.

FINANCIAL REVIEW

As at 31 March 2016, the Group's net assets attributable to the owners of the Company amounted to HK$517 million (2015: net liabilities of HK$284 million), an increase of HK$801 million when compared with that of 2015. Such net increase was mainly due to the issue and exercise of convertible bonds during the year.

As at 31 March 2016, total debt to equity ratio was 0.23 (2015: total debt to negative equity ratio of 0.38) and net debt to equity ratio was 0.19 (2015: nil), which were expressed as a percentage of total convertible bonds and finance lease obligations and net convertible bonds and finance lease obligations respectively, over the total equity of HK$517 million (2015: total net liabilities of HK$214 million).

Contingent Liabilities

As at 31 March 2016 and 2015, the Group had no contingent liabilities.

Capital Commitments

As at 31 March 2016 and 2015, the Group had no capital commitments.

Charge on Assets

As at 31 March 2016, the Group had pledged its assets with net book value of HK$3 million (31 March 2015: HK$4 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 rates between these currencies are 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 continues to actively monitor foreign exchange exposure to minimize the impact of any adverse currency movement.

TREASURY POLICIES

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

EMPLOYEES AND REMUNERATION POLICIES

The Group employed 35 (2015: 58) full-time staff under its subsidiaries globally as at 31 March 2016. Total staff costs amounted to HK$15 million (2015: HK$19 million) for the year ended 31 March 2016. 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.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2016, the Company repurchased a total of 296,735,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK$198,913,564, of which 255,250,000 shares were cancelled during the year ended 31 March 2016. Subsequently, the Company repurchased a total of 30,615,000 shares of the Company on the Stock Exchange at an aggregate consideration of HK$20,677,387. On 8 June 2016, a total of 72,100,000 shares of the Company were cancelled.

Particulars of the shares repurchased are as follows:

Month	**Total number of shares repurchased**	**Purchase price paid per share**		**Aggregate consideration**
		Highest	**Lowest**	
		HK$	*HK$*	*HK$*
2015				
July	51,335,000	0.79	0.55	34,791,965
August	49,225,000	0.79	0.51	30,869,243
September	38,005,000	0.69	0.62	25,020,174
October	4,990,000	0.80	0.76	3,891,888
November	13,525,000	0.70	0.63	9,014,620
December	11,200,000	0.76	0.73	8,259,877
2016				
January	30,975,000	0.74	0.65	21,432,392
February	42,775,000	0.72	0.58	27,059,228
March	54,705,000	0.76	0.66	38,574,177
	296,735,000			198,913,564

The Directors consider that the above share repurchases are in the best interest of the Company and its shareholders and that such repurchases would lead to an enhancement of the earnings per share of the Company.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year ended 31 March 2016.

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 2016.

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 2016 except for certain deviations disclosed below:

1. 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 2016, 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 listed 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.

   On 31 March 2016, the Board appointed Mr. Ip Chi Wai ("**Mr. Ip**") as an Independent Non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Following Mr. Ip's appointment, the Company has fully complied with the requirements of Rules 3.10(1), 3.21 and 3.25 of the Listing Rules and code provision A.5.1 of the CG Code.

3. Code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills, and should provide a record of the training they received to the issuer. Mr. Sun Dongsheng resigned as an Independent Non-executive Director on 30 April 2015 and had not provided a record of the training to the Company.

4. Code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting. Mr. Li Kwong Yuk, the chairman of the Board, was unable to attend the annual general meeting of the Company held on 30 September 2015 due to his other business engagements.

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 period from 1 April 2015 to 30 April 2015, the Audit Committee comprised 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. Following Mr. Sun Dongsheng's resignation, during the period from 30 April 2015 to 31 March 2016, the Audit Committee comprised two Independent Non-executive Directors, namely Mr. Chow Shiu Ki (chairman of the Audit Committee) and Mr. Cao Kuangyu. On 31 March 2016, Mr. Ip Chi Wai was appointed as a member of the Audit Committee and the Audit Committee comprises three Independent Non-executive Directors. 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 2016, the Audit Committee met twice with the auditors of the Company. In January 2016, on the recommendation of the Audit Committee, the Board has approved and adopted the revised terms of reference of the Audit Committee in light of the amendments of CG Code, and the same published on the websites of the Stock Exchange and 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 5 January 2016.

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 2016. The Audit Committee has also recommended the Board on the adoption of the revised terms of reference of the Audit Committee during the year ended 31 March 2016.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The annual results announcement of the Group for the year ended 31 March 2016 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 2016 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 2016.

APPRECIATION

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

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

Hong Kong, 28 June 2016

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, Mr. CAO Kuangyu and Mr. IP Chi Wai as Independent Non-executive Directors.