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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)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) Consolidated Share of par value of HK\$0.1 each.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Share Consolidation. No Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation to be proposed at the SGM.

The Circular containing, among other things, further details of the Share Consolidation together with a notice of the SGM will be despatched to the Shareholders on or before 21 July 2023.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the satisfaction of the conditions as set out in the paragraph headed “Conditions Precedent to the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.

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Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$105,000,000 divided into 10,500,000,000 Shares of HK\$0.01 each, of which 7,356,783,015 Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective, on the basis that the Company does not allot, issue or repurchase any Shares prior thereto, the authorised share capital of the Company shall become HK\$105,000,000 divided into 1,050,000,000 Consolidated Shares of HK\$0.1 each, of which 735,678,301 Consolidated Shares will be in issue.

Impact of the proposed increase in authorised share capital

Reference is made to the announcement of the Company dated 23 June 2023 (the “**Announcement**”) in relation to the proposed issue of convertible bonds and increase in authorised share capital of the Company. As disclosed in the Announcement, the Company proposed to increase the authorised share capital of the Company from HK\$105,000,000 divided into 10,500,000,000 Shares to HK\$200,000,000 divided into 20,000,000,000 Shares by the creation of an additional 9,500,000,000 unissued Shares (the “**Increase in Authorised Share Capital**”). The Increase in Authorised Share Capital shall be subject to the approval of the Shareholders by the passing of an ordinary resolution by the Shareholders at a special general meeting to be convened by the Company.

The Company intends to propose the resolutions of the Share Consolidation and the Increase in Authorised Share Capital at the SGM to be resolved by the Shareholders at the same time. However, the proposed resolutions in respect of the Increase in Authorised Share Capital and the Share Consolidation shall not be inter-conditional.

If both the Increase in Authorised Share Capital and the Share Consolidation become effective, the authorised share capital of the Company shall become HK\$200,000,000 divided into 2,000,000,000 Consolidated Shares of HK\$0.1 each, of which 735,678,301 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares which will not be allocated to the Shareholders who may otherwise be entitled.

Conditions Precedent to the Share Consolidation

The Share Consolidation shall be conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;
- (ii) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the Bermuda laws (if applicable) and the Listing Rules to effect the Share Consolidation.

As at the date of this announcement, none of the conditions above had been fulfilled. The Share Consolidation will become effective when the conditions mentioned above are fulfilled.

Listing Application

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Odd lots arrangement and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the Circular.

Holdings of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Board lot size

Currently, the Shares are traded on the Stock Exchange in the board lot size of 5,000 Shares. Upon the Share Consolidation becoming effective, there will be no change in board lot size and the board lot size for trading in the Consolidated Shares will remain as 5,000 Consolidated Shares.

Based on the closing price of HK\$0.072 per Share (equivalent to the theoretical closing price of HK\$0.72 per Consolidated Share) as at the date of this announcement, the value of each board lot of the Shares is HK\$360 and the theoretical market value of each board lot of the Consolidated Shares, assuming the Share Consolidation had become effective, would be HK\$3,600.

Free exchange of Consolidated Shares' certificates and trading arrangement

Subject to the Share Consolidation becoming effective, the Shareholders may during the period from Tuesday, 15 August 2023 to Wednesday, 20 September 2023 (both days inclusive) submit the existing share certificates in the colour of yellow for the Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong to exchange, at the expense of the Company, for new share certificates in the colour of pink for the Consolidated Shares.

Thereafter, certificates of the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever is higher.

After 4:10 p.m. on Monday, 18 September 2023, existing share certificates for the Shares will only remain effective as documents of title and may be exchanged for certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

Adjustments in relation to other securities of the Company

As at the date of this announcement, there are outstanding Options for subscription of an aggregate of 609,500,000 Shares under the Share Option Scheme. The Share Consolidation may lead to adjustments to the exercise price and/or the number of Consolidated Shares falling to be issued upon exercise of the outstanding Options pursuant to the terms and conditions of the Share Option Scheme and the Listing Rules. The Company will make further announcement(s) on such adjustments as and when appropriate.

Reference is also made to the Announcement. If the Share Consolidation becomes effective prior to the issue of the proposed convertible bonds of HK\$980,000,000 to the subscriber, the initial conversion price of HK\$0.4 shall be adjusted to HK\$4 per conversion share under the proposed convertible bonds.

Save for the aforesaid, the Company has no other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into Shares as at the date of this announcement.

REASONS FOR THE SHARE CONSOLIDATION

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “Guide”) has further stated that market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It has also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

As at the date of this announcement, the closing price is HK\$0.072 per Share, with a board lot size of 5,000 Shares, which are trading under HK\$2,000 per board lot. It is contemplated that the expected value per board lot after the Share Consolidation would exceed HK\$2,000 and would thus render the trading of the Consolidated Shares in compliance with the relevant trading requirement. Further, for the purpose of reducing transaction and registration costs

incurred by the Shareholders and investors of the Company, the Board proposes the Share Consolidation. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Shares.

The Board considers that the Share Consolidation would maintain the trading amount for each board lot at a reasonable level in order to attract more investors. The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

In view of the above, the Directors are of the view that the Share Consolidation is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any other plan, arrangement, understanding or intention on any fund raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation:

Event	Time	Date
Expected despatch date of the circular, proxy form and notice of the SGM		Friday, 21 July 2023
Latest time and for lodging transfers of Shares to qualify for attendance and voting at the SGM	4:30 p.m.	Monday, 7 August 2023
Register of members closes (both days inclusive)		Tuesday, 8 August 2023 to Friday, 11 August 2023
Latest time for lodging of proxy form for the SGM	11:00 a.m.	Wednesday, 9 August 2023
Expected time and date of the SGM	11:00 a.m.	Friday, 11 August 2023

Event	Time	Date
Announcement of the voting results of the SGM		Friday, 11 August 2023
Effective date of the Share Consolidation		Tuesday, 15 August 2023
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares		Tuesday, 15 August 2023
Commencement of dealings in the Consolidated Shares	9:00 a.m.	Tuesday, 15 August 2023
Original counter for trading in Shares in board lots of 5,000 (in form of existing share certificates) temporarily closes	9:00 a.m.	Tuesday, 15 August 2023
Temporary counter for trading in Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m.	Tuesday, 15 August 2023
Original counter for trading in the Consolidated Shares in board lots of 5,000 Consolidated Shares (in the form of new share certificates for Consolidated Shares) re-opens	9:00 a.m.	Tuesday, 29 August 2023
Parallel trading in the Shares and Consolidated Shares (in the form of the existing and new certificates) commences	9:00 a.m.	Tuesday, 29 August 2023
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 a.m.	Tuesday, 29 August 2023
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	4:00 p.m.	Monday, 18 September 2023

Event	Time	Date
Temporary counter for trading in board lots of 500 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m.	Monday, 18 September 2023
Parallel trading in the Shares and the Consolidated Shares (in the form of new and existing certificates) ends	4:10 p.m.	Monday, 18 September 2023
Last day of free exchange of existing share certificates for new share certificates for the Consolidated Shares		Wednesday, 20 September 2023

Note: All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates and deadlines specified herein is subject to the satisfaction of all the conditions of the Share Consolidation, including without limitation, the approval of the Share Consolidation by the Shareholders at the SGM, and are therefore for indicative purpose only.

In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate. Any changes to the expected timetable will be published or notified to the Shareholders by way of announcement(s) on the website of the Stock Exchange and on the website of the Company as and when appropriate.

GENERAL

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The Circular containing, among other things, further details of the Share Consolidation together with a notice of the SGM will be despatched to the Shareholders on or before 21 July 2023.

Shareholders and potential investors of the Company should note that the Share Consolidation is conditional upon the satisfaction of the conditions as set out in the paragraph headed “Conditions Precedent to the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	board of Directors
“Business Day”	has the meaning ascribed thereto under the Listing Rules
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company to be despatched to the Shareholders to provide, among other things, further details regarding the Share Consolidation
“Company”	DINGYI GROUP INVESTMENT LIMITED, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	the ordinary share(s) of HK\$0.1 each in the share capital of the Company upon the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	the options granted under the Share Option Scheme to subscribe for Shares in accordance with the terms of the Share Option Scheme

“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider, and if thought fit, to approve, among other things, the Share Consolidation
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Shares of par value of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of par value of HK\$0.1 each
“Share Option Scheme”	the share option scheme adopted by the Company pursuant to the resolution passed by the Shareholders at the special general meeting held by the Company on 21 September 2012
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
DINGYI GROUP INVESTMENT LIMITED
Su Xiaonong
Acting Chairman and Chief Executive Officer

Hong Kong, 5 July 2023

As at the date of this announcement, the Board comprises Mr. SU Xiaonong (Acting Chairman and Chief Executive Officer), Mr. WANG Xiaohua and Mr. HO Cheong Hang Edmond as Executive Directors; and Mr. CHOW Shiu Ki, Mr. CAO Kuangyu and Mr. IP Chi Wai as Independent Non-executive Directors.