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Dragonite International Limited

叁龍國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 329)

UPDATE ON PROPOSED CAPITAL REORGANISATION AND RIGHTS ISSUE

The Petition is scheduled to be heard by the Court on 9 March 2012 (Cayman time). If the Court sanctions the Capital Reorganisation and assuming all the other conditions for the Capital Reorganisation set out in the Circular are fulfilled, the Capital Reorganisation will take effect following the registration of the order and the minute approved by the Court with the Registrar of Companies of the Cayman Islands. On such basis, the trading arrangements in respect of dealings in the Company's existing Shares and the Adjusted Shares on the Stock Exchange will be implemented in accordance with the expected timetable set out below.

Shareholders and investors should note that the outcome of the hearing of the Petition is entirely within the jurisdiction of the Court, which may exercise its discretion to grant or not to grant the order as it sees fit. The timetable below will not be implemented if the Petition is not heard by the Court or the Court does not sanction the Capital Reorganisation on 9 March 2012 (Cayman time) or the order and the minute are not registered with the Registrar of Companies of Cayman Islands between 4:00 p.m. on 19 March 2012 (Hong Kong time) and 9:00 a.m. on 20 March 2012 (Hong Kong time).

Further announcement(s) will be made by the Company upon the outcome of the Court hearing and/or the actual timetable for the implementation of the Capital Reorganisation and the Rights Issue, if and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares or the Adjusted Shares (as the case may be) and, if they are in any doubt about their position, they should consult their professional adviser(s). The Rights Issue is conditional, inter alia, upon fulfillment of the conditions set out in the Circular. In particular, the Rights Issue is subject to the Capital Reorganisation becoming effective. Any Shareholders or other person dealing in the Shares or the Adjusted Shares (as the case may be) up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Reference is made to the announcement of the Company dated 3 November 2011 (the "Announcement") and the circular of the Company dated 30 November 2011 (the "Circular") in relation to, among others, the proposed Capital Reorganisation and Rights Issue. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Circular.

PETITION

The petition for the sanction of the Capital Reorganisation (the "Petition") is scheduled to be heard by the Court on 9 March 2012 (Cayman time). The Capital Reorganisation is conditional, among other things, on the Court sanctioning the Capital Reorganisation and the registration by the Company with the Registrar of Companies of the Cayman Islands an official copy of the order and the minute approved by the Court.

EXPECTED TIMETABLE FOR CAPITAL REORGANISATION AND RIGHTS ISSUE

Set out below is the expected timetable for the implementation of the Capital Reorganisation and the Rights Issue assuming the Court grants the order on 9 March 2012 (Cayman time) and the order and the minute are registered with the Registrar of Companies of the Cayman Islands between 4:00 p.m. on 19 March 2012 (Hong Kong time) and 9:00 a.m. on 20 March 2012 (Hong Kong time) and all other conditions of the Capital Reorganisation are fulfilled before 9:00 a.m. on 20 March 2012 (Hong Kong time).

Shareholders and investors should note that the outcome of the hearing of the Petition is entirely within the jurisdiction of the Court, which may exercise its discretion to grant or not to grant the order as it sees fit. The timetable below will not be implemented if the Petition is not heard by the Court or the Court does not sanction the Capital Reorganisation on 9 March 2012 (Cayman time) or the order and the minute are not registered with the Registrar of Companies of the Cayman Islands between 4:00 p.m. on 19 March 2012 (Hong Kong time) and 9:00 a.m. on 20 March 2012 (Hong Kong time).

The expected timetable for the Capital Reorganisation and the Rights Issue is set out below:

2012

Effective date of the Capital ReorganisationAfter 4:00 p.m.
Monday, 19 March

Commencement of dealings in the Adjusted Shares9:00 a.m.,
Tuesday, 20 March

Original counter for trading in Shares
(in board lots of 10,000 Shares) to be closed9:00 a.m.,
Tuesday, 20 March

Temporary counter for trading in Adjusted Shares
in board lots of 2,000 Consolidated Shares
(in form of existing share certificates)to be opened9:00 a.m.,
Tuesday, 20 March

First day of free exchange of existing share certificates
for new share certificates for the
Adjusted Shares commencesTuesday, 20 March

Last day of dealings in Adjusted Shares on
a cum-rights basisWednesday, 21 March

First day of dealings in Adjusted Shares
on a ex-rights basis9:00 a.m., Thursday, 22 March

Latest time for lodging transfers of Adjusted
Shares in order to qualify for Rights Issue4:30 p.m., Friday, 23 March

Register of members to be closedMonday, 26 March to
Monday, 2 April (both dates inclusive)

Record DateMonday, 2 April

Register of members to be re-openedTuesday, 3 April

Designated broker starts to stand in the market to
provide matching services for the sale and
purchase of odd lots of Adjusted SharesTuesday, 3 April

Original counter for trading in Adjusted
Shares in board lots of new board lots of 20,000
Adjusted Shares (in the form of new
share certificates) re-opens9:00 a.m., Tuesday, 3 April

Parallel trading in Adjusted Shares
(in form of new and existing share
certificates) begins9:00 a.m., Tuesday, 3 April

Prospectus Documents to be postedThursday, 5 April

First day of dealings in nil-paid Rights SharesWednesday, 11 April

Latest time for splitting of nil-paid Rights Shares4:30 p.m.,
Friday, 13 April

Last day of dealings in nil-paid Rights SharesWednesday, 18 April

Latest time for acceptance of, and payment for,
the Rights Shares and the applications for
excess Rights Shares4:00 p.m., Monday, 23 April

Rights Issue expected to become unconditionalWednesday, 25 April

Temporary counter for trading in Adjusted Shares
in board lots of 2,000 Adjusted Shares (in form
of existing share certificates) to be closed4:00 p.m.,
Thursday, 26 April

Parallel trading in Adjusted Shares (in the form of
both existing and new certificates) ends4:00 p.m.,
Thursday, 26 April

Designed broker ceases to stand in the market to
provide matching services for the sale and
purchase of odd lots of Adjusted Shares4:00 p.m.,
Thursday, 26 April

Free exchange of existing share certificates for new share certificates ends	Monday, 30 April
Announcement of results of acceptance and excess application of the Rights Issue	Monday, 30 April
Refund cheques for wholly and partially unsuccessful applications for excess Rights Shares expected to be posted on or before	Wednesday, 2 May
Certificates for fully-paid Rights Shares expected to be despatched on or before	Wednesday, 2 May
First day of dealings in the fully-paid Rights Shares	9:00 a.m., Friday, 4 May

All times and dates in this announcement refer to Hong Kong local times and dates unless otherwise specified. Dates or deadlines specified in the expected timetable above are indicative only. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

Further announcement(s) will be made by the Company upon the outcome of the Court hearing and/or the actual timetable for the implementation of the Capital Reorganisation and the Rights Issue, if and when appropriate.

FREE EXCHANGE OF ADJUSTED SHARE CERTIFICATES AND TRADING ARRANGEMENTS

Holders of the Shares may submit their pink certificates for Shares to Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (the "Registrar") for exchange, at the expense of the Company, for purple certificates for Adjusted Shares from 20 March 2012 to 4:00 p.m. on 30 April 2012 (both days inclusive). Thereafter, certificates for Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other maximum amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued or old certificate cancelled, whichever the number is greater. It is expected that new certificates for Adjusted Shares will be available for collection within a period of ten Business Days from the date of submission of certificates for Shares to the Registrar for exchange. Certificates for Shares will cease to be marketable and will not be acceptable for dealing purpose(s) after 30 April 2012. Nevertheless, certificates for Shares will continue to be good evidence of legal title and may be exchanged for certificates for Adjusted Shares at any time at the expense of the Shareholders in question.

Application has been made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Adjusted Shares and the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

ODD LOTS ARRANGEMENTS AND MATCHING SERVICES

The Company has appointed Chung Nam Securities Limited to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of Adjusted Shares to make up a full board lot, or to dispose of their holding of odd lots of the Adjusted Shares. Shareholders who wish to take advantage of this facility should contact Mr. Cecil Chan of Chung Nam Securities Limited at 26th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at telephone number (852) 3198 0888 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed and will depend on there being adequate amounts of odd lots of Adjusted Shares available for such matching.

If you are in doubt as to the above arrangements, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

CLOSURE OF REGISTER OF MEMBERS FOR RIGHTS ISSUE

Assuming the Court grants the order on 9 March 2012 (Cayman time), the register of members of the Company will be closed from 26 March 2012 to 2 April 2012 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. No transfer of Shares or Adjusted Shares (as the case may be) will be registered during this period.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and be a Qualifying Shareholder. In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge their transfers of Shares or Adjusted Shares (as the case may be) (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 23 March 2012.

COMMENCEMENT OF DEALINGS IN THE SHARES ON AN EX-ENTITLEMENT BASIS

Pursuant to the expected timetable of the Rights Issue in the Circular and herein mentioned, the last day of dealings in the Adjusted Shares on a cum-entitlement basis is 21 March 2012. Dealings in the Adjusted Shares on an ex-entitlement basis shall commence on 22 March 2012.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares or the Adjusted Shares (as the case may be) and, if they are in any doubt about their position, they should consult their professional adviser(s). The Rights Issue is conditional, inter alia, upon fulfillment of the conditions set out in the Circular. In particular, the Rights Issue is subject to the Capital Reorganisation becoming effective. Any Shareholders or other person dealing in the Shares or the Adjusted Shares (as the case may be) up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

By order of the Board
Dragonite International Limited
Gary Drew Douglas
Managing Director

Hong Kong, 8 February 2012

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors

Mr. Wong Yin Sen (*Chairman*)
Mr. Gary Drew Douglas (*Managing Director*)
Mr. Hon Lik
Ms. Chan Mee Sze
Mr. Lam Suk Ping

Independent Non-executive Directors

Mr. Pang Hong
Mr. Chung Yuk Lun
Mr. Liu Kwong Sang
Mr. Lam Man Sum, Albert
Mr. Ho Tak Fun