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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

 **Simmax Securities Ltd.**
佳富達證券

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 23 January 2018 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company conditionally agreed to place, through the Placing Agent, on a best effort basis, a total of up to 472,000,000 new Shares to not less than six independent Placées at the Placing Price of HK\$0.69 per Placing Share.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and completion of the Placing, the Placing Shares represent approximately 7.34% of the Company's existing issued share capital and approximately 6.84% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$0.69 per Placing Share represents: (i) a discount of approximately 19.77% to the closing price of HK\$0.86 per Share as quoted on the Stock Exchange on 23 January 2018, being the date of the Placing Agreement; and (ii) a discount of approximately 5.22% to the average closing price of approximately HK\$0.728 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$325.68 million and HK\$323.50 million respectively (representing a net issue price of approximately HK\$0.685 per Placing Share). It is expected that the net proceeds from the Placing will be used for general working capital of the Group and for funding investment opportunities as may be identified from time to time.

The Placing is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

As completion of the Placing is subject to the satisfaction of a number of conditions under the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Board is pleased to announce that on 23 January 2018, the Placing Agreement was entered into between the Company and the Placing Agent. Summarized below are the principal terms of the Placing Agreement.

THE PLACING AGREEMENT

Date

23 January 2018 (after trading hours)

Parties

The Company and the Placing Agent

Placing Agent

Sinomax Securities Limited, the Placing Agent, has conditionally agreed to place a total of up to 472,000,000 Placing Shares on a best effort basis and in consideration thereof, it will receive a placing commission of 0.6% on the gross proceeds of the Placing upon completion of the Placing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

To the best of the Directors' knowledge and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons, nor any of them are parties acting in concert (as defined in the Takeovers Code) with the Company and its connected persons.

Placees

The Placing Agent will place the Placing Shares to not less than six independent Placees, being professional, institutional or other investors, who and whose ultimate beneficial owners are third parties independent of, not acting in concert (as defined in the Takeovers Code) with and not connected with the Company and its connected persons. It is expected that none of the Placees will become substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the 472,000,000 Placing Shares represent approximately 7.34% of the Company's existing issued share capital and approximately 6.84% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$4,720,000.

Placing Price

The Placing Price of HK\$0.69 per Placing Share represents: (i) a discount of approximately 19.77% to the closing price of HK\$0.86 per Share as quoted on the Stock Exchange on 23 January 2018, being the date of the Placing Agreement; and (ii) a discount of approximately 5.22% to the average closing price of approximately HK\$0.728 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price, which was agreed after arm's length negotiation between the Company and the Placing Agent, was determined with reference to the prevailing market price of the Shares. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 28 September 2017 pursuant to which the Directors are allowed to allot and issue up to 1,072,289,790 new Shares. The maximum of 472,000,000 Placing Shares to be allotted and issued will utilize approximately 44.02% of the Shares which can be issued and allotted under the General Mandate.

As at the date of this announcement, 600,000,000 Shares have been issued and allotted pursuant to the General Mandate, representing approximately 55.96% of the Shares which can be issued and allotted under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to the approval of the Shareholders.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares; and
- (ii) if required under the Applicable Laws of Bermuda, the relevant regulatory authority or companies registry approving the issue of the Placing Shares.

If the conditions are not fulfilled on or before the Long Stop Date, the Placing Agreement shall terminate and none of the parties shall have any claim against the other for further performance of its obligations (other than as expressly provided in the Placing Agreement and with respect to liabilities accrued or incurred prior to termination).

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

Termination of the Placing

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing to the Company prior to 10:00 a.m. on the Completion Date upon the occurrence of any of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse effect on the business or financial prospect of the Group or the success of the Placing:

- (A) any material breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement; or
- (B) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of 20 or more consecutive trading days (other than in connection with the Placing); or

(C) any of the following events:

- (i) the introduction of any new law or regulation or any change in existing Applicable Laws or change in the interpretation or application thereof; or
- (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (iii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (iv) a change or development involving a prospective change in taxation or the implementation of exchange controls which shall or might materially and adversely affect the Company or its present or prospective shareholders in their capacity as such; or
- (v) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company provided that such notice is received prior to 10:00 a.m. on the Completion Date.

Upon the giving of the above mentioned notice by the Placing Agent to the Company, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

Completion of the Placing

Completion of the Placing shall take place on the Completion Date.

As completion of the Placing is subject to the satisfaction of the conditions under the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in securities trading business, trading of wine, food and beverage business, loan financing business, metal trading business and other investments.

The maximum gross proceeds and net proceeds from the Placing will be approximately HK\$325.68 million and HK\$323.50 million respectively (representing a net issue price of approximately HK\$0.685 per Placing Share). It is expected that the net proceeds from the Placing will be used for general working capital of the Group and for funding investment opportunities as may be identified in future.

The Directors are of the view that the Placing will enlarge the shareholder base and the capital base of the Company. In addition, the net proceeds of the Placing will strengthen the Group's financial position for future development of the Group. Accordingly, they consider that the Placing is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES DURING THE PAST 12 MONTHS

Save as disclosed below, the Company has not conducted any other fund raising activities in the past twelve months immediately preceding the date of this announcement:

Date of Announcement	Fund raising activity	Actual net proceeds	Intended use of proceeds	Actual use of proceeds
23 December 2016, 20 February 2017, 3 March 2017, 20 March 2017, 28 April 2017, 5 June 2017 and 29 September 2017 (Note)	Issue of convertible bonds under general mandate	Approximately HK\$449.6 million	<ul style="list-style-type: none"> – Approximately HK\$103.81 million to set up the medical management company in the PRC, which includes some small scale acquisitions of medical companies and hospitals; – HK\$296.19 million will be used for short term loans financing business; and – Approximately HK\$49.6 million will be used as general working capital of the Group. 	<ul style="list-style-type: none"> – Approximately HK\$296.19 million for short-term loans financing business; – Approximately HK\$101.6 million utilized for setup the first joint venture in the PRC for the investment advisory services, wholesale and retails of pharmaceutical; and – Approximately HK\$51.91 million was used as general working capital.
21 February 2017 and 3 March 2017	Issue of convertible bonds under general mandate	Approximately HK\$59.4 million	General working capital	Used as intended

Date of Announcement	Fund raising activity	Actual net proceeds	Intended use of proceeds	Actual use of proceeds
3 March 2017, 11 May 2017, 28 June 2017, 30 June 2017 and 29 September 2017	Issue of convertible bonds under general mandate	Approximately HK\$399.9 million	<ul style="list-style-type: none"> – Approximately HK\$170 million to set up the medical management company in the PRC, which includes some small scale acquisitions of medical companies and hospitals; and – Approximately HK\$229.9 will be used for short term loans financing business. 	<ul style="list-style-type: none"> – Approximately HK\$170 million utilized for setup the second joint venture in the PRC for the investment in hospitals and medical projects especially in proton medical center projects, medical technology research and development including proton accelerate; and – Approximately HK\$229.9 utilized for short term loans financing business.
15 December 2017, 18 December 2017, 5 January 2018 and 16 January 2018	Placing of new Shares under general mandate	Approximately HK\$263.8 million	General working capital of the Group and for funding investment opportunities as may be identified from time to time	<ul style="list-style-type: none"> – Approximately HK\$131.4 million utilized for short term loans financing business; – Approximately HK\$13 million used for redemption of convertible bonds; and – The balance remained in the bank.

Note: On 23 December 2016, the Company and Toplist Investments Limited entered into the subscription agreement for subscription of the convertible bonds in the principal amount of HK\$400 million. On 3 March 2017, the Company and Toplist Investments Limited entered into the deed of termination to terminate the subscription agreement dated 23 December 2016.

EFFECT ON SHAREHOLDING STRUCTURE

The shareholding structures of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing (assuming there is no change in the share capital of the Company between the date of this announcement and completion of the Placing) are set out below for illustration purpose:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approximately %	Number of Shares	Approximately %
Substantial Shareholders/Directors				
Mr. Li Kwong Yuk (<i>Note 1</i>)	3,834,130,405	59.61	3,834,130,405	55.53
Mr. Su Xiaonong (<i>Note 2</i>)	2,225,000	0.03	2,225,000	0.03
Public Shareholders:				
Placees	–	–	472,000,000	6.84
Others	<u>2,595,893,547</u>	<u>40.36</u>	<u>2,595,893,547</u>	<u>37.60</u>
Total	<u>6,432,248,952</u>	<u>100.00</u>	<u>6,904,248,952</u>	<u>100.00</u>

Notes:

- Mr. Li Kwong Yuk, an Executive Director and the Chairman of the Company, holds 3,580,005,405 Shares through Wincon Capital Investment Limited (“WCIL”), and 11,475,000 Shares through Wincon Asset Management Limited (“WAML”). Mr. Li personally holds 242,650,000 Shares. Each of WCIL and WAML is wholly and beneficially owned by Mr. Li Kwong Yuk.
- Mr. Su Xiaonong is an Executive Director and Chief Executive Officer of the Company.

DEFINITIONS

In this announcement, the following terms shall have the meanings ascribed to them below unless the context otherwise requires:

“Applicable Laws”	in relation to a transaction, party or matter, laws, regulations, codes of conduct, rules of relevant stock exchanges, orders, demands, judgments or requirements of regulatory, enforcement, judicial or relevant governmental agencies or bodies
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business throughout their normal business hours in Hong Kong
“Company”	Dingyi Group Investment Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (stock code: 508)
“Completion Date”	the fifth Business Day following the day on which the conditions set out in the Placing Agreement are satisfied or such other date as the Company and the Placing Agent shall agree
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 28 September 2017 to allot, issue and deal with up to 20% of the then issued share capital of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	9 February 2018 or such later date as the Company and the Placing Agent shall agree
“Placee(s)”	any professional, institutional or other investor procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of 472,000,000 new Shares by the Placing Agent on a best effort basis pursuant to the terms of the Placing Agreement
“Placing Agent”	Sinomax Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities), type 4 regulated activity (advising on securities) and type 9 regulated activity (asset management) under the SFO
“Placing Agreement”	a conditional placing agreement dated 23 January 2018 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.69 per Placing Share
“Placing Shares”	a total of up to 472,000,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 23 January 2018

As at the date of this announcement, the Board comprises Mr. LI Kwong Yuk (Chairman), Mr. SU Xiaonong (Chief Executive Officer), Mr. CHEUNG Sze Ming, Ms. LIU Yutong and Mr. ZHENG Xiantao as Executive Directors; and Mr. Mr. CHOW Shiu Ki, Mr. CAO Kuangyu and Mr. IP Chi Wai as Independent Non-executive Directors.