
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in DINGYI GROUP INVESTMENT LIMITED (the “Company”), you should at once hand this circular with the enclosed proxy form to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agents through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



DINGYI GROUP INVESTMENT LIMITED

鼎億集團投資有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

PROPOSAL FOR REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES AND NOTICE OF SPECIAL GENERAL MEETING

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



中孚資本有限公司
HOLOGRAM CAPITAL LIMITED

A notice convening the special general meeting of the Company (the “SGM”) to be held at Unit 2708, 27/F., Convention Plaza – Office Tower, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 July 2017 at 3:00 p.m. is set out on pages 31 to 34 of this circular.

Whether or not you are able to attend the SGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

30 June 2017

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
LETTER FROM THE INDEPENDENT BOARD COMMITTEE	14
LETTER FROM THE INDEPENDENT FINANCIAL ADVISER	15
NOTICE OF SGM	31

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 2 September 2016 at which the Shareholders had approved, among other matters, the Existing General Mandate
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Bye-Laws”	the bye-laws of the Company, as amended from time to time
“CCIL”	中核新能投資有限公司 (China CNNE Investment Limited*), a company incorporated under the laws of PRC and an independent third party
“CFC Group Limited”	a limited company incorporated in Hong Kong and is principally engaged in investment and providing investment advisory services in fields including but not limited to energy, medical, education and construction
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“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
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing General Mandate”	the general mandate approved at the AGM to grant to the Directors to allot, issue and deal with new Shares of not exceeding 20% of the total number of Shares in issue, i.e. 1,070,277,790 Shares, as at the date of the AGM

DEFINITIONS

“Gala Blossom Limited”	a limited company incorporated in BVI
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hoping Medical”	和佳醫療投資管理(浙江)有限公司 (Hoping Medical Investment Limited (Zhejiang)*), a company incorporated under the laws of PRC and indirect wholly-owned subsidiary of the Company
“Independent Board Committee”	an independent committee of the Board, comprising all the Independent Non-executive Directors, to advise the Independent Shareholders in relation to the Refreshed General Mandate
“Independent Financial Adviser”	Hologram Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, who has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Refreshed General Mandate
“Independent Shareholder(s)”	Shareholder(s) other than the controlling shareholder and Directors (other than Independent Non-executive Directors) and chief executive of the Company and their respective associates
“JV Agreement 1”	the joint venture agreement entered into between Hoping Medical, CCIL and JV 1 on 12 May 2017 for setting up the JV 1
“JV Agreement 2”	the joint venture agreement entered into between Hoping Medical, CCIL and JV 2 on 14 June 2017 for setting up the JV 2

DEFINITIONS

“JV 1”	中核新能醫葯有限公司, a company incorporated under the laws of PRC and which, pursuant to the terms of the JV Agreement 1, will be owned as to 70% by CCIL and 30% by Hoping Medical
“JV 2”	中核新能質子醫療投資控股有限公司, a company incorporated under the laws of PRC and which, pursuant to the terms of the JV Agreement 2, will be owned as to 76.92% by CCIL and 23.08% by Hoping Medical
“Latest Practicable Date”	27 June 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Song Ning”	an individual investor in China
“Ms. Mei Yuanyuan”	an individual investor in Hong Kong
“PRC”	the People’s Republic of China
“Refreshed General Mandate”	a general and unconditional mandate granted to the Directors to allot, issue and otherwise deal with additional Shares not exceeding 20% of the total number of Shares in issue of the Company at the date of the passing of such resolution at the SGM
“RMB”	Renminbi, the lawful currency of the PRC
“Safe Arena Limited”	an investment holding company and a limited company incorporated in BVI
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

DEFINITIONS

“SGM”	the special general meeting of the Company to be held at Unit 2708, 27/F., Convention Plaza – Office Tower, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 July 2017 at 3:00 p.m., a notice of which is set out on pages 31 to 34 of this circular
“Share(s)”	the ordinary share(s) of HK\$0.01 par value each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong
“Toplist Investments Limited”	a limited company incorporated in BVI and owned by a fund called Fuzhou Haixia Guorui Investments Limited Partnership* (福州海峽國瑞股權投資合夥企業(有限合夥)) in which Haixia Capital Management Co., Ltd.* (海峽匯富產業投資基金管理有限公司) is the general partner of the fund
“%”	per cent.

* For identification purpose only

LETTER FROM THE BOARD



DINGYI GROUP INVESTMENT LIMITED

鼎億集團投資有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

Executive Directors:

Mr. LI Kwong Yuk (*Chairman*)
Mr. SU Xiaonong (*Chief Executive Officer*)
Mr. CHEUNG Sze Ming
Ms. LIU Yutong
Mr. ZHENG Xiantao

Registered Office:

Canon's Court
22 Victoria Street
Hamilton, HM 12
Bermuda

Independent Non-executive Directors:

Mr. CHOW Shiu Ki
Mr. CAO Kuangyu
Mr. IP Chi Wai

Principal Place of Business

in Hong Kong:
Unit 2708, 27/F.
Convention Plaza – Office Tower
1 Harbour Road
Wanchai, Hong Kong

30 June 2017

*To the Shareholders and for information only,
the holders of share options and convertible bonds of the Company*

Dear Sir or Madam,

PROPOSAL FOR REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with (i) information regarding the resolution to be proposed at the SGM for the refreshment of the Existing General Mandate; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the refreshment of the Existing General Mandate; (iii) a letter of recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate; and (iv) the notice of SGM.

LETTER FROM THE BOARD

REFRESHMENT OF EXISTING GENERAL MANDATE

Pursuant to an ordinary resolution passed by the Shareholders at the AGM, the Directors were granted the Existing General Mandate to allot, issue and deal with up to 1,070,277,790 Shares, representing 20% of the total number of Shares in issue as at the date of passing of the relevant resolution approving the Existing General Mandate until the revocation, variation or expiration of the Existing General Mandate.

Under the Existing General Mandate, a maximum of 1,070,277,790 new Shares may fall to be issued and allotted. On 23 December 2016, the Company entered into the subscription agreements with each of Toplist Investments Limited, CFC Group Limited, Safe Arena Limited, Ms. Song Ning and Ms. Mei Yuanyuan, as subscribers, pursuant to which the subscribers have conditionally agreed to subscribe or procure the subscription by themselves or their nominee(s) for the convertible bonds in the aggregate principal amount of HK\$850 million with the rights to convert into 999,999,998 conversion shares at initial conversion price of HK\$0.85 as disclosed in the announcement of the Company dated 23 December 2016. On 21 February 2017, the Company entered into a subscription agreement with CFC Group Limited as subscriber, pursuant to which the subscriber has conditionally agreed to subscribe or procure the subscription by it and its nominee(s) for the convertible bonds in the principle amount of HK\$59.5 million with the rights to convert into 70,000,000 conversion shares at initial conversion price of HK\$0.85 as disclosed in the announcement of the Company dated 21 February 2017. On 3 March 2017, the Company and Toplist Investments Limited have mutually agreed to enter, and have entered, into a deed of termination to terminate the subscription agreement for the subscription of the convertible bonds in the principal amount of HK\$400 million with the rights to convert into 470,588,235 conversion shares at initial conversion price of HK\$0.85. On the same date, the Company entered into a subscription agreement with Gala Blossom Limited as subscriber, pursuant to which the subscriber has conditionally agreed to subscribe or procure the subscription by it and its nominee(s) for the convertible bonds in the principle amount of HK\$400 million with the rights to convert into 470,588,235 conversion shares at initial conversion price of HK\$0.85 as disclosed in the announcement of the Company dated 3 March 2017. The total of the 999,999,998 conversion shares and 70,000,000 conversion shares will utilise approximately 99.97% of the Existing General Mandate. As at the Latest Practicable Date, the Company has the power to issue up to 277,792 Shares under such mandate thereafter.

Since the AGM and up to the Latest Practicable Date, the Company has not refreshed its Existing General Mandate.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had a total of 5,358,448,952 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Refreshed General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the Refreshed General Mandate to allot and issue 1,071,689,790 new Shares, being 20% of the total number of Shares in issue of the Company as at the Latest Practicable Date. The Refreshed General Mandate is valid until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda or any applicable laws to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the Refreshed General Mandate.

REASONS FOR THE REFRESHED GENERAL MANDATE

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 Group intends to invest in hospitals and medical projects in the PRC, including but not limited to, (i) wholesale and retails of pharmaceutical; (ii) development, transfer, advices and services on the field on pharmaceutical technologies; (iii) setup a proton medical center; (iv) medical technology research and development including proton accelerator and supporting scientific laboratory equipment; and (v) hospital management.

In particular, as disclosed in the announcement of the Company dated 12 May 2017, Hoping Medical entered into the JV Agreement 1 with CCIL and JV 1 to set up the JV 1 in the PRC for the investment advisory services, wholesale and retails of pharmaceutical, the development, transfer, advices and services on the field on pharmaceutical technologies. The capital commitment of the Group under the JV Agreement 1 would be RMB90 million. The setting up of the JV 1 constitutes a discloseable transaction of the Company under the Listing Rules. On 14 June 2017, the Company announced that Hoping Medical entered into the JV Agreement 2 with CCIL and JV 2 to set up the JV 2 in PRC for the investment in hospitals and medical projects especially in proton medical center projects; medical technology research and development including proton accelerator and supporting scientific laboratory equipment; medical network technology development; medical robot research and development; hospital management; medical equipment technology development, advice and services. The capital commitment of the Group under the JV Agreement 2 would be RMB150 million. The setting up of the JV 2 constitutes a discloseable transaction of the Company under the Listing Rules.

LETTER FROM THE BOARD

In addition, as disclosed in the announcement of the Company dated 17 June 2016, the Company entered into a non-legally binding letter of intent with D&R Asset Management Group Co., Ltd. (“**D&R**”) to establish a joint venture company and which will be owned as to 49% by the Company and 51% by D&R. The total commitment of capital contribution to be made to the joint venture company is estimated to be RMB200 million, of which RMB98 million is proposed to be contributed by the Company.

As at the Latest Practicable Date, the Group intends to contribute approximately RMB150 million to set up a joint venture company in the PRC for further investment in hospitals and medical projects especially in proton medical center projects and medical technology research and development including proton accelerator and supporting scientific laboratory equipment. The Company is reviewing the preliminary development plans and budgets for the above joint venture companies. Apart from the proposed setting up of the JV1 and JV2, the Company will from time to time look for other business opportunities and, depending on the progress of such business opportunities and the emergence of any other potential business opportunities from time to time, the Group may need to conduct fund raising activities in order to promptly respond to these opportunities.

In addition, the Board considers that the granting of the Refreshed General Mandate provides an opportunity for the Group to strengthen the Group’s capital base and financial position so as to better equip the Group with the financial flexibility for development of the existing business, the contribution for the joint venture company with D&R, the proposed setting up of the joint venture company or any other new business of the Group and give the Company an additional option to raise funds for suitable investment which is in line with the Company’s core business in a timely manner when proper opportunities of acquisitions emerge in the future, which in turn will strengthen the competitiveness, integrate its capital resources and contribute a maximum wealth to the Company’s equity holders and the Company itself in a long term. The Company is reviewing the preliminary development plans and budgets for the above joint venture companies. As at the Latest Practicable Date, the Group intends to set up a joint venture company in another province in the PRC for a larger scale investment in hospitals and medical projects especially in proton medical center projects and medical technology research and development including proton accelerator and supporting scientific laboratory equipment.

LETTER FROM THE BOARD

The Directors consider that the granting of the Refreshed General Mandate will give the Board the required flexibility for any future allotment and issue of Shares on behalf of the Company as and when considered necessary. The Refreshed General Mandate will be utilised when there is any further funding needs or if attractive offer for investment in the Shares is received from potential investors before the next annual general meeting. Nevertheless, the Board is now proposing to seek the approval of Independent Shareholders at the SGM for the granting the Refreshed General Mandate such that, the Board will be able to respond to the market and such investment offer promptly. The Board believes that fund raising exercise pursuant to a general mandate is simpler and faster than other types of fund raising exercises and removes uncertainties in circumstances when specific mandate may not be obtained in a timely manner.

Having considered that the granting of the Refreshed General Mandate (i) allows the Company maintaining the financial flexibility under the unstable economic condition; (ii) fosters the Group's future business development and allows the Company to raise funds for suitable investment in a timely manner when proper opportunities of acquisitions emerge in the future; and (iii) and allows the Company to respond to the market any investment after received from potential investors, the Board believes that the granting of the Refreshed General Mandate is fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

In addition, the Directors consider that equity financing by way of utilising the Refreshed General Mandate (i) does not incur any interest paying obligations on the Group as compared to debt financing; (ii) is less costly and time-consuming than other pre-emptive fund raising methods such as rights issue and open offer; and (iii) provides the Company with the capability to capture any capital raising or prospective investment opportunity in a timely manner as and when it arises.

The Directors also consider that the granting of the Refreshed General Mandate to the Directors will enable the Company to issue convertible notes or convertible bonds and to have additional alternative and flexibility in raising capital for the Group in the future as and when the opportunities arise. Accordingly, the Directors consider that the granting of the Refreshed General Mandate, which may or may not be utilised, is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The following are the equity fund raising activities conducted by the Company in the past 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Event	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 and 5 June 2017 (<i>Note</i>)	Issue of convertible bonds under general mandate	Approximately HK\$449.6 million	<ul style="list-style-type: none"> – Approximately HK\$150 million to set up the medical management company in the PRC, which includes some small scale acquisitions of medical companies and hospitals; – HK\$250 million utilised 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"> – HK\$250 million for short-term loans financing business; – HK\$101.6 million utilized for setup the JV 1 in the PRC for the investment advisory services, wholesale and retails of pharmaceutical; and – the remaining balances not yet been utilised and remained in the bank.
21 February 2017 and 3 March 2017	Issue of convertible bonds under general mandate	Approximately HK\$59.4 million	General working capital	The proceeds not yet been utilised and remained in the bank
3 March 2017 and 11 May 2017	Issue of convertible bonds under general mandate	Approximately HK\$399.9 million	To set up the medical management company in the PRC, which includes some small scale acquisitions of medical companies and hospitals	The proceeds have not been received pending completion

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.

Save as disclosed above, the Company had not conducted any equity fund raising exercised in the past 12 months immediately preceding the Latest Practicable Date.

LETTER FROM THE BOARD

POTENTIAL DILUTION ON SHAREHOLDINGS

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the Refreshed General Mandate (assuming no further Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date on which the Refreshed General Mandate (if granted to the Directors) is exercised in full):

Shareholders	As at the Latest Practicable Date		Upon full utilisation at the Refreshed General Mandate	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Li Kwong Yuk (<i>Note 1</i>)	3,834,095,405	71.55	3,834,095,405	59.63
Mr. Su Xiaonong (<i>Note 2</i>)	2,225,000	0.04	2,225,000	0.03
Public Shareholders	1,522,128,547	28.41	1,522,128,547	23.67
Shares to be issued under the Refreshed General Mandate	–	–	1,071,689,790	16.67
	<u>5,358,448,952</u>	<u>100.00</u>	<u>6,430,138,742</u>	<u>100.00</u>

Notes:

- Mr. Li Kwong Yuk, an Executive Director and the Chairman of the Company, holds 3,648,645,405 Shares through Wincon Capital Investment Limited (“WCIL”), and 11,475,000 Shares through Wincon Asset Management Limited (“WAML”). Mr. Li personally holds 173,975,000 Shares. Each of WCIL and WAML is wholly and beneficially owned by Mr. Li.
- Mr. Su Xiaonong is an Executive Director and the Chief Executive Officer of the Company.

THE SGM

The SGM will be held at Unit 2708, 27/F., Convention Plaza – Office Tower, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 July 2017 at 3:00 p.m.. The notice convening the SGM is set out on pages 31 to 34 of this circular.

As the proposed grant of the Refreshed General Mandate is to be proposed before the next annual general meeting of the Company, pursuant to the Listing Rules, this proposal is subject to the approval of the Independent Shareholders by way of poll at the SGM. According to Rule 13.36(4) of the Listing Rules, any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding Independent Non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution to approve the proposed grant of the Refreshed General Mandate.

LETTER FROM THE BOARD

As at the Latest Practicable Date, to the best of the knowledge, belief and information of the Directors, having made all reasonable enquiries, Mr. Li Kwong Yuk, an Executive Director and the Chairman of the Company, and his associates totally hold 3,834,095,405 Shares, representing approximately 71.55% of the total number of Shares in issue. Mr. Su Xiaonong, an Executive Director and the Chief Executive Officer of the Company, holds 2,225,000 Shares, representing approximately 0.04% of the total number of Shares in issue. Therefore, Mr. Li Kwong Yuk and his associates and Mr. Su Xiaonong shall abstain from voting in favour of the resolution at the SGM.

A proxy form for use at the SGM and any adjournment thereof is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprises Mr. Chow Shiu Ki, Mr. Cao Kuangyu and Mr. Ip Chi Wai, all being Independent Non-executive Directors. It has been established to advise the Independent Shareholders on the proposed grant of the Refreshed General Mandate. Your attention is drawn to the letter from the Independent Board Committee set out on page 14 of this circular, which contains its recommendation to the Independent Shareholders on the proposed grant of the Refreshed General Mandate.

Hologram Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate. Your attention is drawn to the letter from the Independent Financial Adviser set out on pages 15 to 30 of this circular, which contains, among other matters, its advice to the Independent Board Committee and the Independent Shareholders in relation to the proposed grant of the Refreshed General Mandate and the principal factors considered by it in arriving at its advice.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATIONS

The Directors (including the Independent Non-executive Directors) consider that the proposed grant of the Refreshed General Mandate is fair and reasonable and is in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Independent Shareholders to vote in favour of the resolution relating to the grant of the Refreshed General Mandate to be proposed at the SGM.

By Order of the Board

DINGYI GROUP INVESTMENT LIMITED

LI Kwong Yuk

Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



DINGYI GROUP INVESTMENT LIMITED

鼎億集團投資有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

30 June 2017

To the Independent Shareholders

Dear Sir or Madam,

PROPOSAL FOR REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

We have been appointed as the Independent Board Committee to advise the Independent Shareholders in connection with the proposed grant of the Refreshed General Mandate, details of which are set out in the circular of the Company to the Shareholders dated 30 June 2017 (the “Circular”), of which this letter forms part. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board set out on pages 5 to 13 of the Circular and the letter from the Independent Financial Adviser containing its advice to us and the Independent Shareholders regarding the proposed grant of the Refreshed General Mandate set out on pages 15 to 30 of the Circular.

Having considered the Existing General Mandate, the reasons for the Refreshed General Mandate and the advice of Independent Financial Adviser in relation thereto as set out in the Circular, we are of the view that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and that the proposed grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the proposed grant of the Refreshed General Mandate.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Chow Shiu Ki

*Independent Non-executive
Director*

Mr. Cao Kuangyu

*Independent Non-executive
Director*

Mr. Ip Chi Wai

*Independent Non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of the letter of advice to the Independent Board Committee and the Independent Shareholders from Hologram Capital Limited in relation to the proposed grant of the Refreshed General Mandate which has been prepared for inclusion in this circular.



中孚資本有限公司
HOLOGRAM CAPITAL LIMITED

HOLOGRAM CAPITAL LIMITED
Room 1402-1403, 14/F., Double Building
22 Stanley Street, Central, Hong Kong

中孚資本有限公司
香港中環士丹利街22號
登寶大廈14樓1402-1403室

30 June 2017

*To: The Independent Board Committee and
the Independent Shareholders of Dingyi Group Investment Limited*

Dear Sirs/Madams,

PROPOSAL FOR REFRESHMENT OF GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of the Refreshed General Mandate, details of which are set out in the Letter from the Board (the “**Board Letter**”) contained in the circular issued to the Shareholders dated 30 June 2017 (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Pursuant to an ordinary resolution passed by the Shareholders at the AGM, the Directors were granted the Existing General Mandate to allot, issue and deal with up to 1,070,277,790 Shares, representing 20% of the total number of Shares in issue as at the date of passing of the relevant resolution approving the Existing General Mandate until the revocation, variation or expiration of the Existing General Mandate. As at the Latest Practicable Date, the Existing General Mandate had been almost fully utilised as a result of the issuance of the convertible bonds. There had not been any refreshment of the Existing General Mandate of the Company to issue new Shares since the AGM up to the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, the Company did not have any plan, arrangement, understanding, intention, negotiation (either concluded or in progress) on any potential transaction which would involve issue of securities of the Company that require disclosure under the Listing Rules. The Company will comply with the applicable disclosure requirements under the Listing Rules in respect of any actual or potential investment(s) and/or fund raising exercise(s) as and when appropriate.

The Company will convene the SGM at which an ordinary resolution will be proposed to the Independent Shareholders that the Directors be granted the Refreshed General Mandate to allot and issue Shares not exceeding 20% of the number of issued Shares as at the date of passing the relevant ordinary resolution at the SGM.

As at the Latest Practicable Date, the Company had 5,358,448,952 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Refreshed General Mandate and on the basis that no further Shares will be issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the Refreshed General Mandate to allot and issue 1,071,689,790 new Shares, being 20% of the total number of Shares in issue of the Company as at the Latest Practicable Date. The Refreshed General Mandate is valid until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda or any applicable laws to be held; or (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the Refreshed General Mandate.

LISTING RULES IMPLICATION

As the proposed grant of the Refreshed General Mandate is to be proposed before the next annual general meeting of the Company, pursuant to the Listing Rules, this proposal is subject to the approval of the Independent Shareholders by way of poll at the SGM. According to Rule 13.36(4) of the Listing Rules, any controlling shareholders and their associates or, where there are no controlling shareholders, the Directors (excluding Independent Non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution to approve the proposed grant of the Refreshed General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, to the best of the knowledge, belief and information of the Directors, having made all reasonable enquiries, Mr. Li Kwong Yuk, an Executive Director and the Chairman of the Company, and his associates totally hold 3,834,095,405 Shares, representing approximately 71.55% of the total number of Shares in issue. Mr. Su Xiaonong, an Executive Director and the Chief Executive Officer of the Company, holds 2,225,000 Shares, representing approximately 0.04% of the total number of Shares in issue. Therefore, Mr. Li Kwong Yuk and his associates and Mr. Su Xiaonong shall abstain from voting in favour of the resolution at the SGM.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all three Independent Non-executive Directors, namely Mr. Chow Shiu Ki, Mr. Cao Kuangyu and Mr. Ip Chi Wai, has been established to consider, and give advice and recommendation to the Independent Shareholders on the proposed grant of the Refreshed General Mandate.

INDEPENDENT FINANCIAL ADVISER

As the Independent Financial Adviser to the Independent Board Committee, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to (i) whether the grant of the Refreshed General Mandate is fair and reasonable; (ii) whether the grant of the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution relating thereto to be proposed at the SGM.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Company or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements existed whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and/or provided to us by the Company, the Directors and the management of the Company (the “**Management**”). We have assumed that all statements, information, opinions and representations contained or referred to in the Circular and/or provided to us were true, accurate and complete at the time they were made and continued to be so as at the date of the Circular.

We have no reason to believe that any statements, information, opinions or representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the statements, information, opinions or representations provided to us untrue, inaccurate or misleading. We have assumed that all the statements, information, opinions and representations for matters relating to the Group contained or referred to in the Circular and/or provided to us by the Company and the Management have been reasonably made after due and careful enquiry. We have relied on such statements, information, opinions and representations and have not conducted any independent investigation into the business, financial conditions and affairs or the future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED IN RELATION TO THE REFRESHMENT OF THE EXISTING GENERAL MANDATE

In arriving at our advice to the Independent Board Committee and the Independent Shareholders in respect of the grant of the Refreshed General Mandate, we have taken the following principal factors and reasons into consideration:

1. Background of the refreshment of the Existing General Mandate

The Company was incorporated in Bermuda with limited liability and the Shares are listed on the main board of the Stock Exchange. 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.

Pursuant to an ordinary resolution passed by the Shareholders at the AGM, the Directors were granted the Existing General Mandate to allot, issue and deal with up to 1,070,277,790 Shares, representing 20% of the total number of 5,351,388,952 Shares in issue as at the date of passing of the relevant resolution approving the Existing General Mandate until the revocation, variation or expiration of the Existing General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 23 December 2016, the Company announced to enter into the subscription agreements with each of Toplist Investments Limited, CFC Group Limited, Safe Arena Limited, Ms. Song Ning and Ms. Mei Yuanyuan, as subscribers, pursuant to which the subscribers have conditionally agreed to subscribe or procure the subscription by themselves or their nominee(s) for the convertible bonds in the aggregate principal amount of HK\$850 million with the rights to convert into 999,999,998 conversion shares at initial conversion price of HK\$0.85 under the Existing General Mandate as disclosed in the announcement of the Company dated 23 December 2016 (the “**First Convertible Bonds**”) for net proceeds of approximately HK\$849.5 million. The First Convertible Bonds was intended to be used for short-term loans financing business, setup of the Group’s medical management company utilising advanced medical technologies and equipment to focus on the field of oncology treatment and operation management and to replenish the working capital of the Group. On 20 February 2017, the Company announced that, the subscription agreement with CFC Group Limited of the First Convertible Bonds was completed in the principal amount of HK\$220,000,000. On 3 March 2017, the Company entered into an extension letters with each of the Safe Arena Limited, Ms. Song Ning and Ms. Mei Yuanyuan to extend the completion date of the respective subscription agreements. The completion date of the respective subscription agreements with Safe Arena Limited, Ms. Song Ning and Ms. Mei Yuanyuan were extended from 45th Business Day to the 105th Business Day following the date of 23 December 2016, being the date of the Company entering into the subscription agreements with them (subject to the fulfillment of the conditions precedents referred to in the announcement of the Company dated 23 December 2016 or such other date as the Company and the subscribers may agree in writing). On 28 April 2017, the Company announced that the subscription agreement with Safe Arena Limited was partially completed in the principal amount of HK\$68,500,000 and the subscription agreement with Ms. Mei Yuanyuan was completed in the principal amount of HK\$20,000,000. On 5 June 2017, the Company announced that the subscription agreement with Safe Arena Limited was completed for the outstanding principal amount of HK\$91,500,000 and the subscription agreement with Ms. Song Ning was completed in the principal amount of HK\$50,000,000. On 21 February 2017, the Company announced to enter into the subscription agreement with CFC Group Limited in relation to the issue of convertible bonds in an aggregate principal amount of HK\$59.5 million (the “**Second Convertible Bonds**”) for net proceeds of approximately HK\$59.4 million which was intended to be used as general working capital of the Group. The conversion price per conversion share to be issued is HK\$0.85. The Second Convertible Bonds was completed on 15 March 2017. Assuming all the conversion rights attaching to the Second Convertible Bonds are exercised, 70,000,000 Shares will be issued by the Company pursuant to the Existing General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

On 3 March 2017, the Company and Toplist Investments Limited have mutually agreed to enter, and have entered, into a deed of termination to terminate the subscription agreement for the subscription of the convertible bonds in the principal amount of HK\$400 million with the rights to convert into 470,588,235 conversion shares at initial conversion price of HK\$0.85 which is part of the First Convertible Bonds. No Shares or convertible bonds have been or will be issued under the Existing General Mandate to Toplist Investments Limited. Hence, assuming all the conversion rights attaching to the First Convertible Bonds are exercised, only 529,411,763 Shares will be issued by the Company pursuant to the Existing General Mandate. On the same date, the Company entered into a subscription agreement with Gala Blossom Limited as subscriber, pursuant to which the subscriber has conditionally agreed to subscribe or procure the subscription by it and its nominee(s) for the convertible bonds in the principle amount of HK\$400 million with the rights to convert into 470,588,235 conversion shares at initial conversion price of HK\$0.85 as disclosed in the announcement of the Company dated 3 March 2017 (the “**Third Convertible Bonds**”) for net proceeds of approximately HK\$399.9 million which was intended to set up the medical management company in the PRC, which includes some small scale acquisitions of medical companies and hospitals. The conversion price per conversion share to be issued is HK\$0.85. As advised by the Company, the Third Convertible Bonds have not yet completed as at the Latest Practicable Date and it is expected to be completed in July 2017. Assuming all the conversion rights attaching to the Third Convertible Bonds are exercised, 470,588,235 Shares will be issued by the Company pursuant to the Existing General Mandate.

From the date of the AGM to the Latest Practicable Date, the Existing General Mandate has been utilised to issue 1,069,999,998 new Shares and allotted upon exercise of the subscription rights attached to the First Convertible Bonds, Second Convertible Bonds and Third Convertible Bonds (collectively, the “**Convertible Bonds**”), representing approximately 99.97% of the Existing General Mandate and since the AGM and up to the Latest Practicable Date, the Company has not refreshed its Existing General Mandate.

Following the allotment and issue of new Shares under the Convertible Bonds, only 277,792 Shares are remained issuable under the Existing General Mandate. Such number represents a negligible percentage of total number of the 5,358,448,952 issued Shares as at the Latest Practicable Date. As such, the Board proposes the grant of the Refreshed General Mandate to allow the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM. Based on 5,358,448,952 Shares in issue as at the Latest Practicable Date and assuming that no Shares will be issued and repurchased from the Latest Practicable Date up to the date of the SGM, subject to the passing of the relevant ordinary resolution to approve the grant of the Refreshed General Mandate at the SGM, the Directors will be authorized to allot and issue up to 1,071,689,790 Shares under the Refreshed General Mandate, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

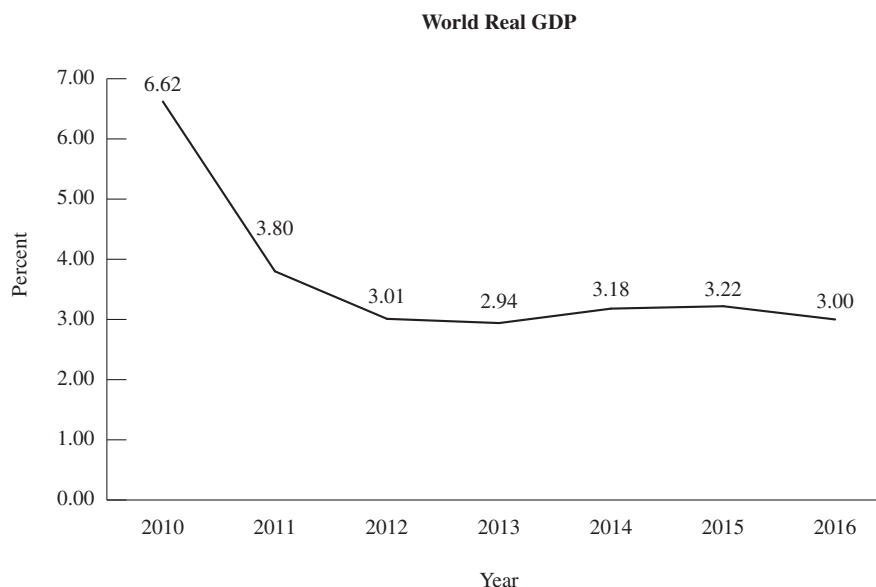
The Refreshed General Mandate is valid until whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda or any applicable laws to be held; or (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the Refreshed General Mandate.

2. Reasons for the Refreshed General Mandate

a. Unstable economic condition

According to the Management, the Company may need funding to enter the medical business. However, the banks will tighten the lending criteria in terms of loan amount and the interest rate under the unstable economic condition, which may affect the Group's capital financing ability.

The graph set out below shows the world real Gross Domestic Products (“GDP”) figures by International Monetary Fund (the “IMF”) from 2010 to 2016 with latest updated on 24 April 2017.



Source: IMF Data (<http://data.imf.org>)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the above graph, the world real GDP was in a downtrend from approximately 6.62% in 2010 to approximately 2.94% in 2013 and began to increase to approximately 3.18% in 2014. However, the world real GDP remained at approximately 3.00% from 2014 to 2016, which showed no significant sign of recovery. As referred to the report from the “G-20 Finance Ministers and Central Bank Governors’ Meetings” released by IMF on 17-18 March 2017 (<http://www.imf.org/external/np/g20/pdf/2017/031417.pdf>), there are some potential risks that would affect the global economy, for example, a sharp rise in the risk aversion still remains a possibility given that the policy action in the United States or China which could easily change the economic outlook. As stated in the report, IMF mentioned that global financial conditions could tighten faster than expected, for example, because of a faster rise in interest rate in the United States driven by inflationary pressures. Also, in advanced economies, medium-term growth rate of GDP (per capita or in the aggregate) are expected to remain lower than their historical average by about 3/4 percentage points. Therefore, we concur with the Directors’ view that the granting of the Refreshed General Mandate allows the Company maintaining the financial flexibility to raise capital if and when appropriate during the unstable economic condition and it is in the benefit of the Company.

b. Development of new medical business

We noted from the Company’s announcements dated 15 March 2017 and 28 April 2017 and enquired from the Company, as at the Latest Practicable Date, there are unutilised proceeds from the fund raising activities in the past twelve months which is in total approximately HK\$157.4 million which includes (i) approximately HK\$98.0 million from the First Convertible Bonds of which approximately HK\$49.6 million is earmarked for the general working capital of the Company; and (ii) approximately HK\$59.4 million from the Second Convertible Bonds which is earmarked for the general working capital of the Company. The net proceeds from the Third Convertible Bonds which is ongoing to be completed is earmarked for setting up the medical management company in the PRC, which includes some small scale acquisitions of medical companies and hospitals. As advised by the Management, the completion of the Third Convertible Bonds is still under progress and expected to be completed in July 2017.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have discussed with the Management regarding the new medical business plans of the Company. As advised by the Management, the Company has formulated the JV 1 and JV 2 for their new medical business as follows:

1. references are made to the announcement of the Company dated 12 May 2017 in which the Company entered into the JV Agreement 1 with CCIL to set up the JV 1 in the PRC for the investment advisory services, wholesale and retails of pharmaceutical, the development, transfer, advices and services on the field on pharmaceutical technologies. The capital commitment of the Group under the JV Agreement 1 is RMB90.0 million (approximately HK\$101.7 million as stated in the announcement of the Company dated 12 May 2017) which has already been fulfilled by the Company from the net proceeds of the First Convertible Bonds;
2. RMB150.0 million (equivalent to approximately HK\$172.2 million stated in the announcement of the Company dated 14 June 2017) will be used for setting up the JV 2 in the PRC for the investment in hospitals and medical projects especially in proton medical center projects; medical technology research and development including proton accelerator and supporting scientific laboratory equipment; medical network technology development; medical robot research and development; hospital management and medical equipment technology development, advice and services, according to the announcement of the Company dated 14 June 2017;

We noted from the announcement of the Company dated 14 June 2017 that the Company would finance its investment in JV 2 of approximately HK\$172.2 million by the net proceeds from the First Convertible Bonds. However, the unutilised balances of approximately HK\$98.0 million of which approximately HK\$49.6 million would be used as general working capital of the Company, therefore, only approximately HK\$48.4 million is available for the Company to set up JV 2 from the First Convertible Bonds. The remaining balances of the approximately HK\$123.8 million should be financed by the net proceeds from the Third Convertible Bonds which is expected to be completed in July 2017.

Furthermore, as advised by the Management, the Company intends to formulate and is reviewing the preliminary development plans and budgets for the following three joint venture companies for their new medical business which are in a preliminary stage:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1. according to the Board Letter, approximately RMB150.0 million (*equivalent to approximately HK\$171.0 million) is intended to be contributed by the Company to further set up another joint venture company in the PRC apart from the abovementioned JV 2 for further investment in hospitals and medical projects especially in proton medical center projects and medical technology research and development including proton accelerator and supporting scientific laboratory equipment;
2. the Company intends to contribute approximately RMB222.0 million (*approximately HK\$253.1 million) to set up a joint venture company in the PRC for the medical management group (the “**Medical Management JV**”); and
3. as stated in the Board Letter, as at the Latest Practicable Date, the Group intends to further set up a joint venture company in another province in the PRC for a larger scale investment in hospitals and medical projects especially in proton medical center projects and medical technology research and development including proton accelerator and supporting scientific laboratory equipment.

We noted that the remaining proceeds of the Third Convertible Bonds (assuming they have completed) that can be used for setting up the above joint venture companies which are in a preliminary stage is only approximately HK\$276.1 million which is not enough to fulfil the intended capital contribution by the Company of approximately HK\$424.1 million for the above joint venture companies.

We asked the Company to provide and have reviewed the preliminary development plans and budgets for the above joint venture companies. The capital contribution by the Company in the joint venture companies is mainly used for the cost associated with land, equipment acquisition and general working capital, which is necessary for setting up the above joint venture companies.

In conclusion, there is funding needs for the Group to develop the new medical business by setting up the joint venture companies. We considered that the Refreshed General Mandate provides funding alternative to the Company developing their new medical business.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

c. Other business development of the Company

Another investment opportunity the Company pursuing is that, references are made to the announcement of the Company dated 17 June 2016, the Company entered into a non-legally binding letter of intent with D&R relating to the proposed establishment of the Da Ren Fund Management Co, Ltd.* (達仁基金管理有限責任公司) (the “**Letter of Intent**”), a joint venture company engaged in the fund investment business in the PRC (the “**Fund Investment JV**”). Pursuant to the Letter of Intent, the Fund Investment JV will be owned as to 49% by the Company and 51% by D&R. The total commitment of capital contribution to be made to the Fund Investment JV is currently estimated to be RMB200.0 million, of which RMB98.0 million (*approximately HK\$111.72 million) is proposed to be contributed by the Company and RMB102.0 million is proposed to be contributed by D&R. The Company would finance its investment in the Fund Investment JV from its internal resources. The parties to the Letter of Intent wish to leverage their respective strengths in the financial market and consolidate resources with a view to creating a competitive advantage for developing the fund investment business in China. The Company considers that the Fund Investment JV can tap investment opportunities in the areas of public offerings of funds, the qualified domestic institutional investor (QDII) program, the annuities market, financial institutions and personal wealth management sector in the medium and long term investment horizon. We have enquired into the Company on the progress of the Letter of Intent, as at the Latest Practicable Date, no formal agreement has been entered by both parties and the Company has not resolved. As advised by the Management and stated in the Board Letter, the unutilised proceeds of the Company is approximately HK\$157.4 million which is earmarked for the general working capital of the Company and the investment in developing the new medical business. Therefore, the Company does not have sufficient internal resources to fulfill the commitment of capital contribution to set up the Fund Investment JV and any future imminent financial needs arising from development of existing businesses or new projects.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group is engaged in various businesses and it keeps diversifying its investment portfolio of different segments of markets actively. In the twelve months preceding the Latest Practicable Date, the Group has been developing its loans financing business and entering into the medical business. The Company will from time to time look for business opportunities and actively explore potential acquisition opportunity to acquire businesses or companies. The Group may need to conduct fund raising activities in order to promptly respond to these opportunities. In view of the situation that Existing General Mandate has been almost fully utilised pursuant to the issuance of the Convertible Bonds, the Board believes that the proposed grant of the Refreshed General Mandate on or before the date of next annual general meeting is necessary for the Group to maintain financial flexibility and to enable the Group to act promptly should any suitable or attractive investment opportunities arise.

Through discussion with the Management and the fact that potential business opportunities such as the medical joint venture companies and the Fund Investment JV may arise from time to time and require the Group to react promptly to capture such opportunities, we considered that the granting of the Refreshed General Mandate provides an opportunity for the Group to strengthen the Group's capital base and financial position so as to better equip the Group with the financial flexibility for development of the existing business or any other new business of the Group and give the Company an additional option to raise funds for suitable investment which is in line with the Company's core business in a timely manner when proper opportunities of acquisitions emerge in the future, which in turn will strengthen the competitiveness, integrate its capital resources and contribute a maximum wealth to the Company's equity holders and the Company itself in a long term.

As advised by the Company, the next annual general meeting is expected to be held at the end of September 2017, which would be around 3 months away from the Latest Practicable Date. When there are any further funding needs to finance and facilitate the abovementioned business development, investments and acquisition opportunities which may arise within the next 3 months or if attractive offer for investment in the Shares is received from potential investors before the next annual general meeting, the Directors will be able to react to such fund raising opportunities promptly by considering the issue of new Shares at the maximum of 20% of the number of Shares in issue as at the date of the SGM. The Directors believe that fund raising exercise pursuant to a general mandate is simpler and faster than other types of fund raising exercises and removes uncertainties in circumstances when specific mandate may not be obtained in a timely manner. Therefore, granting of the Refreshed General Mandate would be better for the Company to seek for fund raising possibilities to mitigate business risk and strengthen its financial position. Therefore, we considered that the Refreshed General Mandate could provide the Company with the flexibility to raise funds to expand and develop the business of the Company and it is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

d. Conclusion

Taking into account that the granting of the Refreshed General Mandate (i) allows the Company maintaining the financial flexibility under the unstable economic condition; (ii) could assist the Company in funding alternative for setting up of the medical joint venture companies and the Fund Investment JV; (iii) fosters the Group's future business development and allows the Company to raise funds for suitable investment in a timely manner when proper opportunities of acquisitions emerge in the future; and (iv) allows the Company to respond to the market promptly and able to capture any investment opportunities since the next annual general meeting will be held within 3 months from the Latest Practicable Date, we concur with the Board's view that the refreshment of the Existing General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

3. Equity fund raising activities in the past twelve months

During the past 12 months immediately preceding the Latest Practicable Date, the Company has conducted the following equity fund raising activity:

Date of announcement	Event	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 and 5 June 2017 (<i>Note</i>)	Issue of convertible bonds under general mandate	Approximately HK\$449.6 million	<ul style="list-style-type: none"> – Approximately HK\$150 million to set up the medical management company in the PRC, which includes some small scale acquisitions of medical companies and hospitals; – HK\$250 million for short-term loans financing business; – Approximately HK\$49.6 million will be used as general working capital of the Group 	<ul style="list-style-type: none"> – HK\$250 million utilised for short-term loans financing business; – HK\$101.6 million utilised for setup the JV 1 in the PRC for the investment advisory services, wholesale and retails of pharmaceutical; and – the remaining balances not yet been utilised and remained in the bank

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
21 February 2017 and 3 March 2017	Issue of convertible bonds under general mandate	Approximately HK\$59.4 million	General working capital	The proceeds not yet been utilised and remained in the bank
3 March 2017 and 11 May 2017	Issue of convertible bonds under general mandate	Approximately HK\$399.9 million	To set up the medical management company in the PRC, which includes some small scale acquisitions of medical companies and hospitals	The proceeds have not been received pending completion

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.

Save as disclosed above, the Company had not conducted any other equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

4. Other alternatives of financing

We have enquired into the Management and they confirmed that apart from equity financing, the Group may also consider debt financing, such as bank borrowings, to be other possible fund raising alternatives available to the Group. However, the Management are of the view that the ability of the Group to obtain bank borrowings usually depends on the Group's financial position and the prevailing market condition. Furthermore, such alternative may be subject to lengthy due diligence and negotiations with banks. The Directors consider that equity financing by way of utilising the Refreshed General Mandate (i) does not incur any interest paying obligations on the Group as compared to debt financing; (ii) is less costly and time-consuming than other pre-emptive fund raising methods such as rights issue and open offer; and (iii) provides the Company with the capability to capture any capital raising or prospective investment opportunity in a timely manner as and when it arises.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Management confirmed that they would exercise due and careful consideration when choosing the best financing method available to the Group. With this being the case, along with the fact that the Refreshed General Mandate will enable the Company to issue convertible notes or convertible bonds and to provide the Company an additional alternative and flexibility in raising capital for the Group in the future as and when the opportunities arise, we are of the view and concur with the view of the Management that the Refreshed General Mandate is in the interests of the Company and the Shareholders as a whole.

5. Potential dilution to shareholding interests of the Independent Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the Refreshed General Mandate (assuming no further Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date on which the Refreshed General Mandate (if granted to the Directors) is exercised in full):

Shareholders	As at		Upon full utilisation of the	
	the Latest Practicable Date		Refreshed General Mandate	
	<i>Number of</i>		<i>Number of</i>	
	<i>Shares</i>	<i>Approximate %</i>	<i>Shares</i>	<i>Approximate %</i>
Mr. Li Kwong Yuk and his associates (<i>Note 1</i>)	3,834,095,405	71.55	3,834,095,405	59.63
Mr. Su Xiaonong (<i>Note 2</i>)	2,225,000	0.04	2,225,000	0.03
Public Shareholders	1,522,128,547	28.41	1,522,128,547	23.67
Shares to be issued under the Refreshed General Mandate	—	—	1,071,689,790	16.67
Total	<u>5,358,448,952</u>	<u>100.00</u>	<u>6,430,138,742</u>	<u>100.00</u>

Notes:

- Mr. Li Kwong Yuk, an Executive Director and the Chairman of the Company, holds 3,648,645,405 Shares through Wincon Capital Investment Limited (“WCIL”), and 11,475,000 Shares through Wincon Asset Management Limited (“WAML”). Mr. Li personally holds 173,975,000 Shares, Each of WCIL and WAML is wholly and beneficially owned by Mr. Li.
- Mr. Su Xiaonong is an Executive Director and the Chief Executive Officer of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Assuming that (i) the grant of the Refreshed General Mandate is approved at the SGM; (ii) no Shares will be repurchased and issued from the Latest Practicable Date up to the date of the SGM (both dates inclusive); and (iii) upon full utilisation of the Refreshed General Mandate, 1,071,689,790 Shares are to be issued, which represents 20% and approximately 16.67% of the existing issued share capital of the Company as at the Latest Practicable Date and the enlarged issued share capital of the Company respectively. The aggregate shareholding of the existing public Shareholders will be diluted from approximately 28.41% to approximately 23.67% upon full utilisation of the Refreshed General Mandate.

Although the grant of the Refreshed General Mandate and the fund raising activities of the Company in the past twelve month period will dilute/have diluted the Shares, (i) the Board will have enough capacity to satisfy the Fund Investment JV transaction requirement duly; (ii) the grant of the Refreshed General Mandate provides more flexibility than other fund raising activities to the Company for its further new medical business and other potential investment opportunities; and (iii) the shareholding interests of all Shareholders will be decreased in proportion to their respective shareholdings upon any utilisation of the Refreshed General Mandate, we consider that such potential dilution to shareholdings of the public Shareholders is fair and reasonable.

RECOMMENDATION

Having taken into account the principal factors and reasons considered in relation to the refreshment of the Existing General Mandate referred above, we are of the opinion that the proposed grant of the Refreshed General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. We therefore advise the Independent Shareholders, and also recommend the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution(s) approving the Refreshed General Mandate at the SGM.

Yours faithfully,
For and on behalf of
Hologram Capital Limited
Andrew Yeung
Director

Mr. Andrew Yeung is a person licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Hologram Capital Limited who has 10 years of experience in corporate finance industry.

* For reference only, amounts in RMB set out in this letter have been converted into HK\$ based on an exchange rate of RMB1 = HK\$1.14

NOTICE OF SGM



DINGYI GROUP INVESTMENT LIMITED

鼎億集團投資有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 508)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of DINGYI GROUP INVESTMENT LIMITED (the “**Company**”) will be held at Unit 2708, 27/F., Convention Plaza – Office Tower, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 18 July 2017 at 3:00 p.m., to consider and, if thought fit, pass with or without amendments, the following resolution:

ORDINARY RESOLUTION

“**THAT** to the extent not already exercised, the general mandate to allot and issue shares of the Company given to the director of the Company (the “**Directors**”) at the annual general meeting of the Company held on 2 September 2016 be and is hereby revoked and replaced (but without prejudice to any valid exercise of such general mandate prior to the passing of this resolution) by the general mandate **THAT**:

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company (the “**Shares**”) or securities convertible into the Shares, options, warrants or similar rights to subscribe for any Shares and to make or grant offers, agreements, options and warrants, which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period (as defined in paragraph (d) below);

NOTICE OF SGM

- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or otherwise dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Right Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividends or similar arrangements providing for allotment and issue of the Shares in lieu of the whole or part of a dividend on the Shares in accordance with the bye-laws of the Company (the “**Bye-Laws**”) in force from time to time; or (iv) any issue of the Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into the Shares, shall not exceed 20% of the total number of Shares in issue of the Company at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:–

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:–

- (i) the conclusion of the next annual general meeting of the Company (the “**Next AGM**”);
- (ii) the expiration of the period within which the Next AGM is required by the Bye-Laws, the Companies Act 1981 of Bermuda (the “**Companies Act**”) or any applicable laws to be held; or
- (iii) the passing of an ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in general meeting revoking or varying the authority given to the Directors by this resolution.

NOTICE OF SGM

“**Rights Issue**” means an offer of the Shares, or offer or issue of warrants, options or other securities giving right to subscribe for the Shares, open for a period fixed by the Directors to eligible holders of the Shares on the register on a fixed record date in proportion to their then holdings of the Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements, or the expense or delay which may be involved in determining the existence of extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

By order of the Board
DINGYI GROUP INVESTMENT LIMITED

LI Kwong Yuk
Chairman and Executive Director

Hong Kong, 30 June 2017

Registered office:

Canon's Court,
22 Victoria Street
Hamilton, HM12
Bermuda

Principal place of business

in Hong Kong:
Unit 2708, 27/F.
Convention Plaza – Office Tower
1 Harbour Road
Wanchai, Hong Kong

Notes:

1. Any Shareholder entitled to attend and vote at the Meeting is entitled to appoint one or, if he holds two or more Shares, more than one proxy to attend and vote in his/her/its stead. A proxy need not be a Shareholder.
2. A proxy form for use at the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are requested to complete and return the proxy form in accordance with the instructions printed thereon.
3. To be valid, a proxy form together with any power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form shall not preclude the Shareholder from attending and voting in person at the Meeting.

NOTICE OF SGM

4. In the case of joint registered holders of any Share(s), the proxy form may be signed by any joint registered holder, but if more than one joint registered holders are present at the Meeting, whether in person or by proxy, that one of the joint registered holders whose name stands first on the register of Shareholders in respect of the relevant jointly registered Shares(s) shall alone be entitled to vote in respect thereof to the exclusion of the votes of the other joint registered holders.
5. The register of members of the Company will be closed from Wednesday, 12 July 2017 to Tuesday, 18 July 2017 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for attending the Meeting, all transfers accompanied by the relevant share certificates and transfer forms must be lodged at the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 11 July 2017.
6. If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 7:00 a.m. on the date of the Meeting, the Meeting will not be held on that day and will be adjourned. The Company will publish an announcement on the website of Company at <http://www.dingyi.hk/> and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the adjourned meeting.

As at the date hereof, 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. CHOW Shiu Ki, Mr. CAO Kuangyu and Mr. IP Chi Wai as Independent Non-executive Directors.