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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)

CONNECTED TRANSACTION EXTENSION OF CLOSING DATE OF THE SUBSCRIPTION OF THE CONVERTIBLE BOND AND NOTICE OF SPECIAL GENERAL MEETING

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



大有融資有限公司
MESSIS CAPITAL LIMITED

A notice convening the special general meeting of the Company (the “SGM”) to be held at 2:00 p.m. on Thursday, 19 March 2015 at Unit 2708, 27/F., Convention Plaza – Office Tower, 1 Harbour Road, Wan Chai, Hong Kong is set out on pages 37 to 38 of this circular.

Whether or not you are able to attend and vote at the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s Hong Kong branch share registrar and transfer office, 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 of the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall 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.

2 March 2015

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DEFINITIONS

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

“associate(s)”	has the meaning as ascribed thereto it under the Listing Rules
“Board”	the board of Directors
“Bondholder”	the holder of the Convertible Bonds
“Business Day”	a day, other than a Saturday, a Sunday and a public holiday, on which banks are open for general banking business in Hong Kong and the PRC throughout their normal business hours
“Bye-laws”	the bye-laws of the Company as amended from time to time
“Chairman”	the chairman of the Company
“Closing Date”	the fifth (5) Business Days after the date on which all conditions have been fulfilled or waived (as the case may be) or on such other date as the Company and the Subscriber may agree in writing
“Closing Price”	the price published in the daily quotation sheet published by the Stock Exchange for such day
“Company”	DINGYI GROUP INVESTMENT LIMITED (stock code: 508), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Date”	the date on which the Conversion Rights are exercised in accordance with the terms and conditions of the Convertible Bonds

DEFINITIONS

“Conversion Price”	the conversion price of the Convertible Bonds, initially being HK\$0.33 per Conversion Share (subject to adjustments)
“Conversion Rights”	the rights attaching to the Convertible Bonds to convert the principal amount of the Convertible Bonds or part thereof into Conversion Shares
“Conversion Share(s)”	1,878,787,878 new Shares (with nominal value of HK\$0.01 each) (subject to adjustment) to be allotted and issued upon exercise of the Conversion Rights attaching to the Convertible Bonds by the Bondholder(s)
“Convertible Bonds”	convertible bonds in a principal amount of HK\$620,000,000 convertible into the Conversion Shares
“Current Market Price”	in respect of a Share on a particular date, the average of the Closing Prices for one Share (being a Share carrying a full entitlement to dividends) for the twenty consecutive Trading Days ending on and including the Trading Day immediately preceding such date
“Director(s)”	the directors of the Company
“Elemental”	Elemental Minerals Limited, an advanced mining exploration and development company listed on the Australian Stock Exchange
“Elemental Shares”	ordinary shares of Elemental
“Existing Convertible Bonds” and “Outstanding Existing Convertible Bonds”	the 2% coupon convertible bonds in the aggregate principal amount of HK\$200 million issued by the Company to other subscribers, pursuant to the subscription agreements dated 12 October 2012 and 17 October 2012 (the “ Existing Convertible Bonds ”). On 26 June 2013, 454,545,454 Shares have been allotted and issued pursuant to the exercise of conversion rights attaching to the Existing Convertible Bonds. The Existing Convertible Bonds which had not been converted into Shares as at the Latest Practicable Date are defined as the “ Outstanding Existing Convertible Bonds ”

DEFINITIONS

“Extension”	extension of the Closing Date to 8 July 2015 (or such later date as parties thereto may agree)
“Extension Letter”	the extension letter dated 8 January 2015 entered into between the Company and the Subscriber in relation to the Subscription
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hantang Resources”	Hantang Resources Investment Limited (漢唐資源投資有限公司), a wholly-owned subsidiary of the China-Africa Development Fund, being a Chinese investment fund focusing on facilitating Chinese investments in Africa
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than the Subscriber, Mr. Li and their respective associates who are required to abstain from voting on the resolution(s) to approve, among other things, the Subscription at the SGM
“Issue Date”	being the respective dates (if issued on different dates) of issue of the Convertible Bonds
“Joint Venture Company”	Ease Main Limited (逸明有限公司), a company incorporated in the British Virgin Islands with limited liability on 7 March 2014 and owned as to 62.5% by the Company as at the Latest Practicable Date
“JWIL”	Joy Well Investments Limited, the 37.5% shareholder of the Joint Venture Company
“JV Group”	the Joint Venture Company and its subsidiaries
“Last Trading Day”	28 June 2013, being the date of the Subscription Agreement

DEFINITIONS

“Latest Practicable Date”	26 February 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date which is 24 months after the Issue Date
“Mr. Li”	Mr. Li Kwong Yuk (李光煜先生), the director and shareholder of Wincon and the executive Director, the Chairman and the Controlling Shareholder
“New Closing Date”	8 July 2015, or such later date as parties thereto may agree
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Issue”	the proposed issue of the Convertible Bonds
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be held to consider and, if thought fit, approve the terms and conditions under the Extension Letter
“Share(s) ”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Subscriber” or “Wincon”	Wincon Capital Investment Limited (永冠資本投資有限公司), the Controlling Shareholder and the subscriber of the Convertible Bonds
“Subscription”	the subscription of the Convertible Bonds by the Subscriber pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 28 June 2013 entered into between the Company and the Subscriber in relation to the Subscription as supplemented by the Extension Letter
“Takeovers Code”	The Code on Takeovers and Mergers
“Trading Day”	a day when the Stock Exchange is open for dealing business, provided that if no Closing Price is reported for one or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and must be deemed not have existed when ascertaining any period of dealing days
“WAML”	Wincon Asset Management Limited, a company incorporated in the British Virgin Islands, is wholly-owned by Mr. Li
“%”	per cent.

For reference only, amounts in RMB set out in this circular have been converted into HK\$ based on an exchange rate of RMB1 = HK\$1.26. No representation is made that any amount in RMB had been or could be converted at the above rate.

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

Registered office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Independent Non-executive Directors:

Mr. SUN Dongsheng

Mr. CHOW Shiu Ki

Mr. CAO Kuangyu

Principal place of business

in Hong Kong:

Unit 2708, 27/F.

Convention Plaza – Office Tower

1 Harbour Road

Wan Chai, Hong Kong

2 March 2015

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION
EXTENSION OF CLOSING DATE OF
THE SUBSCRIPTION OF THE CONVERTIBLE BOND
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

References are made to the announcements of the Company dated 28 June 2013, 24 April 2014, 8 January 2015 and 16 January 2015 and the circular of the Company dated 15 December 2014 in respect of, inter alia, the issue of and the subscription for the Convertible Bonds and the Extension.

LETTER FROM THE BOARD

On 28 June 2013, the Company as the issuer and Wincon, the Controlling Shareholder as the Subscriber entered into the Subscription Agreement in respect of the issue of and the subscription for the Convertible Bonds in the aggregate principal amount of HK\$620,000,000. Completion of the Subscription was originally expected to take place on or before 8 January 2015. On 8 January 2015, the Company and the Subscriber entered into a letter of extension to extend the Closing Date to the New Closing Date (i.e. 8 July 2015 or such later date as parties thereto may agree). As at the Latest Practicable Date, Convertible Bonds in the principal amount of HK\$20,000,000 was subscribed by the Subscriber. The remaining Convertible Bonds in the principal amount of HK\$600,000,000 as contemplated under the Subscription Agreement will be subscribed by the Subscriber on or before the New Closing Date.

As the completion of the Subscription (of the remaining HK\$600,000,000 Convertible Bonds) will be delayed from the Closing Date to the New Closing Date, it is a material delay in the completion as contemplated under the Note to Rule 14A.35 of the Listing Rules, and the Company shall re-comply with the independent shareholders' approval requirement and all other applicable Listing Rules' requirements in compliance with Rules 14A.35 and 14A.36 of the Listing Rules. The purpose of this circular is to set out the further details of the Extension.

The details of the Extension Letter are as follows:

EXTENSION LETTER

Date

8 January 2015

Parties

The Company, as issuer

Wincon, as subscriber

As at the Latest Practicable Date, the Subscriber, Mr. Li and WAML together held an aggregate of 1,705,697,530 Shares, representing approximately 51.62% of the total issued share capital of the Company, and the Subscriber and WAML are wholly and beneficially owned by Mr. Li. The Subscriber is a connected person of the Company under the Listing Rules.

Subject

The Parties have agreed that the completion of the Subscription Agreement shall take place on or before the New Closing Date.

LETTER FROM THE BOARD

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Save for the Extension, all the provisions of the Subscription Agreement shall continue to remain in full force and effect, details of which are summarised as below:

Aggregate principal amount:	The principal amount of the Convertible Bonds shall be HK\$620,000,000 (Convertible Bonds in the principal amount of HK\$20,000,000 was subscribed by the Subscriber on 8 January 2015, and Convertible Bonds in the principal amount of HK\$600,000,000 remain outstanding).
Interest rate:	The Convertible Bonds do not carry any interest.
Maturity and redemption:	Unless previously redeemed, converted, purchased or cancelled, the Company will on the Maturity Date, redeem the Convertible Bonds at 100% of its principal amount.
Ranking of the Convertible Bonds:	The Convertible Bonds constitute general and unsecured obligations of the Company and rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company.
Ranking of Conversion Shares:	The Conversion Shares to be issued upon conversion of the Convertible Bonds shall be fully paid, free and clear of encumbrances and rank pari passu in all respects with all other existing Shares outstanding at the registration date and the Bondholder shall be entitled in respect of its Conversion Shares to all dividends and other distributions on the record date of which falls after the registration date and to such amounts of dividends and other distributions as provided for under the terms and conditions of the Convertible Bonds the record date of which falls on or after the Conversion Date but prior to the registration date.
Conversion Period:	A Bondholder may exercise its Conversion Rights subject as provided in the terms and conditions of the Convertible Bonds at any time after the Issue Date until the date which is 24 months after the Issue Date (the “ Conversion Period ”). During the Conversion Period, the Bondholder may convert all or part of the Convertible Bonds in multiples of HK\$10,000,000.

LETTER FROM THE BOARD

Conversion Price:	<p>The initial Conversion Price is HK\$0.33 per Conversion Share (subject to adjustments). The number of Conversion Shares to be issued on exercise of the Conversion Right shall be determined by dividing the Hong Kong dollar principal amount (in HK\$) of such bond to be converted by the Conversion Price in effect on the Conversion Date.</p> <p>The initial Conversion Price is subject to adjustment in accordance with the terms and conditions of the Convertible Bonds, including upon the occurrence of an alteration to the nominal value of the Shares as a result of consolidation, reclassification or subdivision, capitalisation of profits or reserves, rights issues of Shares or options over Shares at less than 70% of the Current Market Price and exercise of share options under the Company's share option scheme resulting in the issue of more than 10% of Shares during any 12 months' period. The Company will publish an announcement upon any adjustment to the Conversion Price.</p>
Voting rights:	<p>Other than meetings of the Bondholders, the Bondholders will not have any right to attend or vote at any meeting of the Company by virtue of them being Bondholders, and until and unless they have converted all or part of their Convertible Bonds into Shares entitling holders to attend or vote at the meetings of the Shareholders.</p>
Transfer:	<p>The Convertible Bonds are transferable after the Issue Date and any transfer or exchange of a Convertible Bond may be effected in denominations of HK\$10,000,000. The Convertible Bonds shall be transferable only to any associate of the Subscriber, subject to the terms and conditions of the Convertible Bonds.</p>
Number of Conversion Shares issuable:	<p>Based on the initial Conversion Price of HK\$0.33 per Conversion Share (subject to adjustment), a total of 1,878,787,878 Conversion Shares will be issued upon full conversion of the Convertible Bonds of HK\$620,000,000 and the aggregate nominal value of the Conversion Shares to be issued shall be approximately HK\$18,787,879.</p>

LETTER FROM THE BOARD

Comparison of
Conversion Price:

The initial Conversion Price of HK\$0.33 per Conversion Share represents:

- (i) a discount of approximately 33.20% to the average Closing Price of the Shares of approximately HK\$0.494 per Share for the last 20 consecutive Trading Days up to and including the Last Trading Day;
- (ii) a discount of approximately 42.11% to the average Closing Price of the Shares of approximately HK\$0.57 per Share for the last 10 consecutive Trading Days up to and including the Last Trading Day;
- (iii) a discount of approximately 43.49% to the average Closing Price of the Shares of approximately HK\$0.584 per Share for the last 5 consecutive Trading Days up to and including the Last Trading Day;
- (iv) a discount of approximately 42.11% to the Closing Price of the Shares of HK\$0.57 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a discount of approximately 29.79% to the Closing Price of the Shares of HK\$0.47 per Share as quoted on the Latest Practicable Date.

The initial Conversion Price of HK\$0.33 per Conversion Share was determined after arm's length negotiations between the Company and the Subscriber with reference to the average of the Closing Prices for one Share for the 20 consecutive Trading Days up to and including the Last Trading Day and also the existing controlling stake of the Subscriber in the Company.

LETTER FROM THE BOARD

The initial Conversion Price was determined having regard to the Subscriber's existing controlling stake in the Company in the sense that the Company and the Subscriber considered that amongst other funding methods the Subscription would provide the Company with a way of fund raising in a less costly and a relatively flexible way as it (i) does not create any interest payment obligations on the Group as compared with bank financing (as the Convertible Bonds are non-interest bearing); and (ii) is less costly and time-consuming than raising funds by way of rights issue or open offer; such terms were possible because of the Subscriber's existing controlling stake in the Company, and the Subscriber is willing to contribute a substantial funding to the Company without requesting any interest return.

Subsequent to the resumption of trading on 15 December 2015 and prior to the Extension on 8 January 2015, the price of the Shares as quoted on the Stock Exchange kept falling from the highest HK\$0.53 to HK\$0.40 (and further dropped to the lowest price at HK\$0.35 on 14 January 2015), the Conversion Price represented a discount ranging from 17.5% to 37.73% when compared to the previous range of 33.2% to 43.49%. It is difficult for the Company to re-negotiate the Conversion Price taking into account the decreasing trend of the prevailing market price of the Shares. In view of the decreasing discount of the Conversion Price, the Board continued to consider that the Subscription is fair and reasonable and in the interest of the Shareholders as a whole.

Assuming full conversion of the Convertible Bonds at the Conversion Price of HK\$0.33 per Conversion Share, the Convertible Bonds will be converted into approximately 1,878,787,878 Conversion Shares, representing approximately 56.85% of the existing issued share capital of the Company and approximately 36.25% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

LETTER FROM THE BOARD

Formation and denomination:	The Convertible Bonds will be issued in the registered form and in denominations of HK\$10,000,000 each.
Listing:	No application will be made for the listing of, and permission to deal in, the Convertible Bonds on the Stock Exchange or any other stock or securities exchange. Application will be made for the listing of, and permission to deal in, the Conversion Shares.
Restriction on Conversion regarding Public Float:	If the Company believes that it would no longer satisfy the Stock Exchange's public shareholding requirement (i.e. at least 25% public float) under rule 8.08 of the Listing Rules following a conversion of any Convertible Bonds (taking into account the automatic conversion or exercise mechanism with respect to the Convertible Bonds), such conversion shall be automatically postponed until such time as the Company is satisfied that such conversion will not result in any breach by the Company of rule 8.08 of the Listing Rules.
Restriction on Conversion regarding Mandatory Offer Obligation:	If the Company believes that any conversion (automatic conversion or otherwise) of the Convertible Bonds will trigger a mandatory offer obligation under rule 26 of the Takeovers Code on the part of the Bondholder when it converts any of the Convertible Bonds, or on the part of any parties acting in concert with such Bondholder, such conversion shall be automatically postponed (i) unless and until a whitewash waiver is obtained in accordance with the requirement of the Takeovers Code; or (ii) until such time as the Company is satisfied that such conversion will not trigger a mandatory offer obligation under rule 26 of the Takeovers Code.

LETTER FROM THE BOARD

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon the full conversion of the Convertible Bonds; (iii) immediately upon full conversion of the Outstanding Existing Convertible Bonds; and (iv) immediately upon full conversion of the Convertible Bonds and full conversion of the Outstanding Existing Convertible Bonds, assuming there are no transfers of the Conversion Shares, for illustration purpose only:

	As at the Latest Practicable Date		Immediately upon full conversion of the Convertible Bonds but before conversion of the Outstanding Existing Convertible Bonds		Immediately upon full conversion of the Outstanding Existing Convertible Bonds but before conversion of the Convertible Bonds		Immediately upon full conversion of the Outstanding Existing Convertible Bonds and the Convertible Bonds	
	Number of Shares	Approximate shareholding %	Number of Shares	Approximate shareholding %	Number of Shares	Approximate shareholding %	Number of Shares	Approximate shareholding %
Subscriber, Mr. Li and WAML (Note 1)	1,705,697,530	51.62	3,584,485,408	69.15	1,705,697,530	45.38	3,584,485,408	63.58
Public Other subscribers (Note 2)	454,545,454	13.75	454,545,454	8.77	909,090,908	24.18	909,090,908	16.12
Other shareholders	1,144,397,640	34.63	1,144,397,640	22.08	1,144,397,640	30.44	1,144,397,640	20.30
Total	<u>3,304,640,624</u>	<u>100.00</u>	<u>5,183,428,502</u>	<u>100.00</u>	<u>3,759,186,078</u>	<u>100.00</u>	<u>5,637,973,956</u>	<u>100.00</u>

Notes:

1. The Subscriber, Wincon, a company incorporated in the British Virgin Islands, and WAML are wholly-owned by Mr. Li.
2. On 12 October 2012 and 17 October 2012, the Company and other subscribers entered into the subscription agreements in respect of the issue of and subscription for the Existing Convertible Bonds at the conversion price of HK\$0.22 per Share in the aggregate principal amount of HK\$200 million. On 26 June 2013, 454,545,454 Shares has been allotted and issued pursuant to the exercise of conversion rights attaching to the Existing Convertible Bonds issued on 28 March 2013 and 31 May 2013 in the aggregate principal amount of HK\$100 million. For further information, please refer to the announcements of the Company dated 12 October 2012, 17 October 2012, 20 November 2012, 31 December 2012, 31 January 2013, 28 March 2013 and 31 May 2013, and the circular issued by the Company dated 2 November 2012, respectively.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP AND THE SUBSCRIBER

The Company is an investment holding company. The Group is principally engaged in the business of food and beverages, securities trading business, loan financing and financial leasing.

The Subscriber is an investment holding company. As mentioned above in this circular, the Subscriber is the Controlling Shareholder and thus a connected person of the Company under the Listing Rules.

REASONS FOR AND THE BENEFITS OF THE EXTENSION

From the date of the Subscription Agreement up to the original Closing Date (i.e. 8 January 2015) of the Subscription Agreement, it took around 18 months from signing to the completion of the Subscription, which had affected the Subscriber's financing plan. As such, the Subscriber was unable to arrange the full funding of HK\$620,000,000 by the original Closing Date. The Company agreed to the Extension as it is difficult for the Company to raise such substantial fund of HK\$600,000,000 from third party investors through placing or issue of convertible notes taking into account the long suspension trading record. The Company having considered the difficulties in arranging another sources of financing and the Extension Period of six month is not comparatively long (when compared to the long suspension period of the Shares as well as the prolonged fulfilment of the conditions precedent of the Subscription), and that the Subscriber's confirmation that the Subscriber will be capable to obtain the remaining fund of HK\$600,000,000 for the subsequent completion on the New Closing Date, the Company concluded not to enforce the completion of the Subscription on the Closing Date. As the Controlling Shareholder is still willing to inject such a substantial funding to the Company (despite that the lapse of the proposed subscription by Hantang Resources) and there is no immediate need of the funding (given the capital injection to the Joint Venture Company has also been delayed to 3 months afterwards), the Directors consider that it is in the interests of the Company and the Shareholders to accommodate such Extension instead of immediate termination of the Subscription just because of the delay in completion of the Subscription. There will also be additional benefits to the Shareholders in the short term as the delay in issue of the Convertible Bonds will reduce the negative impact arising from the issue of the full Convertible Bonds on its balance sheet in the near term.

The Directors are of the view that the entering into the Extension Letter is in the best interests of the Company and the Shareholders as a whole and that the terms of the Extension Letter and are and remain to be fair and reasonable.

LETTER FROM THE BOARD

EQUITY FUND RAISING EXERCISE ON ISSUE OF EQUITY SECURITIES BY THE COMPANY IN THE LAST 12 MONTHS AND USE OF PROCEEDS

Save for the HK\$20,000,000 Convertible Bonds being subscribed by the Subscriber on 8 January 2015, the Company had not conducted any equity fund raising activities in the past 12 months from the Latest Practicable Date.

As disclosed in the circular of the Company dated 15 December 2014, the estimated net proceeds of the issue of Convertible Bonds (after deducting the fees and expenses) will be approximately HK\$619.5 million, the net Conversion Price is equivalent to approximately HK\$0.33 per Conversion Share.

The total net proceeds of the issue of Convertible Bonds of approximately HK\$619.5 million are intended to be used as to approximately HK\$472.5 million for funding the financing and financial leasing business of the JV Group, as to approximately HK\$60 million for the acquisition of further Elemental Shares and as to the remaining HK\$87 million for other possible future investments (though not yet identified as at the Latest Practicable Date).

As disclosed in the circular of the Company dated 5 January 2015, the committed second contribution of RMB125 million (approximately HK\$157.5 million) shall be made by the Company on or before 15 March 2015. The Company's commitment on the second capital injection into the Joint Venture Company could be firstly settled by utilizing its cash and/or disposal of some of the Group's trading investment without pursuing other financing alternatives which could be difficult as mentioned above. Such second contribution funding will follow the existing business plan and is estimated to be utilized by the second quarter of 2015 in order to meet the expected needs of the operations of the JV Group. Depending on the development of the business of the Joint Venture Company, and on the basis that there are no material adverse development upon review of the risk and return by the Company, the Company will discuss with JWIL to arrange for a further capital contribution of RMB250 million (approximately HK\$315 million) by the Company and RMB150 million (approximately HK\$189 million) by JWIL in the third or fourth quarter in 2015, in other to meet the expected needs of the operations of the Group.

As at the Latest Practicable Date, the Group holds around 11.77% shareholding of Elemental and around 5.8 million share options which may be exercised at AUD0.25 in the next 11 months.

As at the Latest Practicable Date, the HK\$20,000,000 had yet to be utilized and would be utilized as intended.

Based on the timing of the intended use of proceeds as well as the existing available financial resources of the Group as disclosed above, the Board is of the view that the Extension would not have any material adverse impact on the Company's operations and/or its future business plans.

LETTER FROM THE BOARD

LISTING RULE IMPLICATIONS

As at the Latest Practicable Date, the Subscriber, Mr. Li and WAML together held an aggregate of 1,705,697,530 Shares, representing approximately 51.62% of the total issued share capital of the Company, and the Subscriber and WAML are wholly and beneficially owned by Mr. Li, the executive Director, the Chairman and the Controlling Shareholder. The Subscriber is a connected person of the Company under the Listing Rules and therefore the issue of Convertible Bonds to the Subscriber constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The Company has obtained the Independent Shareholders' approval regarding the Subscription on 31 December 2014.

As the completion of the Subscription (of the remaining HK\$600,000,000 Convertible Bonds) will be delayed from the Closing Date to the New Closing Date, it is a material delay in the completion as contemplated under the Note to Rule 14A.35 of the Listing Rules, and the Company shall re-comply with the independent shareholders' approval requirement and all other applicable Listing Rules' requirements in compliance with Rules 14A.35 and 14A.36 of the Listing Rules in relation to the Extension.

In the event of any further subsequent material delay in the completion of the Subscription, the Company shall also re-comply with the independent shareholders' approval requirement and all other applicable Listing Rules' requirements in compliance with Rules 14A.35 and 14A.36 of the Listing Rules in relation to such further extension (if any).

Pursuant to the Listing Rules, the Subscriber and its ultimate beneficial owner, Mr. Li, and WAML will abstain from voting at the SGM to approve the Extension. To the best of the Directors' information, belief and knowledge, save for the Subscriber, Mr. Li and their respective associates, no other Directors or parties have any material interest which is different from other Shareholders in relation to the Extension.

Save that Mr. Li had abstained from voting on the resolution passed by the Board to approve the Extension and the transactions contemplated thereunder, no other Directors had to abstain from voting on the resolutions passed by the Board to approve the same.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms of the Extension Letter are fair and reasonable and whether the Extension are in the interests of the Company and the Shareholders as a whole.

The Independent Financial Adviser has also been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE BOARD

SGM

The SGM will be held on 2:00 p.m. on Thursday, 19 March 2015 at Unit 2708, 27/F., Convention Plaza – Office Tower, 1 Harbour Road, Wan Chai, Hong Kong, during which resolution(s) will be proposed to the Independent Shareholders to consider, and if thought fit, to approve the Extension and the transactions contemplated thereunder. Any vote of the Independent Shareholders at the SGM will be taken by poll.

A notice convening the SGM is set out on pages 37 to 38 of this circular. Whether or not you are able to attend, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment thereof should you so wish.

RECOMMENDATION

The Directors, including the independent non-executive Directors after considering the advice of the Independent Financial Adviser consider the Extension is in the interests of the Company and the Shareholders as a whole.

The Directors, including the independent non-executive Directors, consider the Extension and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Independent Shareholders to vote in favour of the resolutions in respect of the Extension and the transactions contemplated thereunder.

FURTHER INFORMATION

Your attention is drawn to the (1) letter from the Independent Board Committee and (2) letter of advice from the Independent Financial Adviser set out on pages 20 and 34 of this circular, respectively, which contains their views and opinions on the Extension and the transactions contemplated thereunder and also the Appendix of this circular.

Yours faithfully,
For and on behalf 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)

Independent Board Committee:

Mr. Sun Dongsheng

Mr. Chow Shiu Ki

Mr. Cao Kuangyu

2 March 2015

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION EXTENSION OF CLOSING DATE OF THE SUBSCRIPTION OF THE CONVERTIBLE BOND

We refer to the circular of the Company dated 2 March 2015 (the “**Circular**”), of which this letter forms part. Unless specified otherwise, capitalised terms used herein have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the Extension Letter. Messis Capital Limited has been appointed as the independent financial adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 20 to 30 of the Circular. Your attention is also drawn to the “Letter from the Board” in the Circular.

Having considered the terms of the Extension Letter and the advice of Messis Capital Limited, in particular the principal factors and reasons set out in its letter, we consider that the terms of the Extension Letter is fair and reasonable and in the interests of the Company and the Shareholders as a whole and the Extension is on normal commercial terms.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Extension.

Yours faithfully,

Mr. Sun Dongsheng

Mr. Chow Shiu Ki

Mr. Cao Kuangyu

Independent Board Committee

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



大有融資有限公司
MESSIS CAPITAL LIMITED

2 March 2015

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

Dear Sir/Madam,

CONNECTED TRANSACTION EXTENSION OF CLOSING DATE OF THE SUBSCRIPTION OF THE CONVERTIBLE BOND

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in relation to the Extension, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 2 March 2015 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

On 28 June 2013, the Company as the issuer and Wincon, the Controlling Shareholder as the Subscriber entered into the Subscription Agreement in respect of the issue of and the subscription for the Convertible Bonds in the aggregate principal amount of HK\$620,000,000. Completion of the Subscription was originally expected to take place on or before 8 January 2015. On 8 January 2015, the Company and the Subscriber entered into a letter of extension to extend the Closing Date to the New Closing Date (i.e. 8 July 2015 or such later date as parties thereto may agree). As at the Latest Practicable Date, Convertible Bonds in the principal amount of HK\$20,000,000 was subscribed by the Subscriber. The remaining Convertible Bonds in the principal amount of HK\$600,000,000 as contemplated under the Subscription Agreement will be subscribed by the Subscriber on or before the New Closing Date.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, the Subscriber, Mr. Li and WAML together held an aggregate of 1,705,697,530 Shares, representing approximately 51.62% of the total issued share capital of the Company. The Subscriber and WAML are wholly and beneficially owned by Mr. Li, an executive Director, the Chairman and the Controlling Shareholder. The Subscriber is a connected person of the Company under the Listing Rules and therefore the issue of Convertible Bonds to the Subscriber constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As requested by the Stock Exchange, the Company will re-comply with the independent shareholders' approval requirement and all other applicable Listing Rules' requirements in compliance with Rules 14A.35 and 14A.36 of the Listing Rules in relation to the Extension. The Subscriber and its ultimate beneficial owner, Mr. Li, are required to abstain from voting at the SGM to approve the Extension.

The Independent Board Committee comprising all independent non-executive Directors has been formed to advise the Independent Shareholders in respect of the Extension. We, Messis Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

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. In the last two years, we have acted as the independent financial adviser to the Independent Board Committee and the Independent Shareholders for the following transaction:

Date of the relevant circular and our letter of advice	Nature of the transaction
-------------------------------------------------------------------	----------------------------------

15 December 2014	Connected transaction proposed issue of convertible bonds under specific mandate, re-election of director and notice of special general mandate
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Apart from normal professional fees paid or payable to us in connection with the previous appointment mentioned above as well as this appointment as the Independent Financial Adviser, no arrangements exist 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 the aforementioned previous appointment would not affect our independence, and that we are independent pursuant to Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our opinion, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all statements, information and representations provided by the Directors and the management of the Company, for which they are solely and wholly responsible, were true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion and expectation made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information has been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Directors and the management of the Company. We believe that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs of the Group.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular the omission of which would make any statement in the Circular misleading.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Extension, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation to the Independent Board Committee and the Independent Shareholders, we have taken the following principal factors and reasons into consideration:

1. Background of the Extension

On 28 June 2013, the Company as the issuer and Wincon, the Controlling Shareholder as the Subscriber entered into the Subscription Agreement in respect of the issue of and the subscription for the Convertible Bonds in the aggregate principal amount of HK\$620,000,000. Completion of the Subscription was originally expected to take place on or before 8 January 2015. On 8 January 2015, the Convertible Bonds in the principal amount of HK\$20,000,000 was subscribed by the Subscriber. The Subscriber, who was unable to obtain the whole fund of HK\$620,000,000 by the Closing Date as its financing plan had been affected by the application and the fulfilment of the conditions precedent of the Subscription (i.e. the approximately 18-month period from the date of the Subscription Agreement up to the approved date of the previous SGM), entered into an Extension Letter with the Company to extend the Closing Date to the New Closing Date (i.e. 8 July 2015 or such later date as parties thereto may agree). The Company accepted the request for the Extension after considering the difficulties in arranging another sources of financing (to be discussed in "5. Indirect cost of the Extension – Cost of alternative financing when a need arises" below) and the extension period of six months, in which the Directors believed that the Subscriber is capable to obtain the remaining fund of HK\$600,000,000 for the subsequent completion on the New Closing Date and is not considered to have further delay, is not comparatively long.

The Parties have agreed that the subsequent completion of the Subscription shall take place on or before the New Closing Date. Save for the Extension, all the provisions of the Subscription Agreement shall continue to remain in full force and effect.

As the completion of the Subscription (of the remaining HK\$600,000,000 Convertible Bonds) will be delayed from the Closing Date to the New Closing Date, it is a material delay in the completion as contemplated under the Note to Rule 14A.35 of the Listing Rules, and the Company shall re-comply with the independent shareholders' approval requirement and all other applicable Listing Rules' requirements in compliance with Rules 14A.35 and 14A.36 of the Listing Rules in relation to the Extension.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In the event of or any further subsequent material delay in the completion of the Subscription, the Company shall also re-comply with the independent shareholders' approval requirement and all other applicable Listing Rules' requirements in compliance with Rules 14A.35 and 14A.36 of the Listing Rules in relation to such further extension (if any).

2. Direct cost of the Extension

We noted that the Convertible Bonds do not carry any interest. The Extension results in the delay in receiving the interest-free fund of HK\$600,000,000 by the Company. As such, the direct cost of the Extension can be reasonably represented by the interest forgone arising from the delay in receiving the HK\$600,000,000.

We have employed the standard Hong Kong Dollar corporate savings deposit rates offered by the Hong Kong and Shanghai Banking Corporation Limited ("HSBC") for the estimation of the interest forgone. Taking into account the standard corporate savings deposit rates offered by HSBC, which is 0.0010% per annum for accounts with a balance of HK\$150,000 or above, the remaining Convertible Bonds in the principal amount of HK\$600,000,000 could have brought the Company approximately HK\$3,000 as interest income during the period of Extension. Having taken into account the Group's total turnover for its continuing operations of approximately HK\$174.2 million as shown in the Company's annual report 2014, we consider that the sum of the said forgone interest income of approximately HK\$3,000 is negligible to the Company, and would not have any material impact on the financial position of the Company.

Taking into account the aforementioned, we consider that the direct cost involved in the Extension is insignificant.

3. No immediate need for the funding as of the Closing Date

As disclosed in the Company's circular dated 15 December 2014, the proceeds from the issue of the Convertible Bonds were intended to be applied (i) as to approximately 76.27% on funding the financing and financial leasing business of the Joint Venture Company; (ii) approximately 9.68% on acquisition of further Elemental Shares; and (iii) approximately 14.04% on other possible future investments.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We noted from the Company's announcement dated 21 August 2014 that pursuant to the terms of the relevant joint venture agreement in relation to the formation of the Joint Venture Company, the Group shall contribute RMB125,000,000 (equivalent to approximately HK\$157,500,000) in cash into the Joint Venture Company on or before 15 December 2014. As disclosed in the Company's announcement dated 24 December 2014, the aforementioned capital injection has been delayed to three months afterwards (i.e. 15 March 2015). Such second contribution of funding, as disclosed in the Letter from the Board, will follow the existing business plan and is estimated to be utilized by the second quarter of 2015 in order to meet the expected needs of the operations of the JV Group. Depending on the development of the business of the Joint Venture Company, and on the basis that there are no material adverse development upon review of the risk and return by the Company, the Company will discuss with JWIL to arrange for a further capital contribution of RMB250 million (approximately HK\$315 million) by the Company and RMB150 million (approximately HK\$189 million) by JWIL in the third or fourth quarter in 2015, in other to meet the expected needs of the operations of the Group. In view of the timing of the capital contribution and other capital requirements for the JV Group demonstrated above, the Directors consider that as of the Closing Date, there was no immediate need for the proceeds of HK\$600,000,000 from the issue of the remaining Convertible Bonds for the fulfilment of the Company's commitment on such capital injection.

In regards to the funding on the acquisition of further Elemental Shares and other possible future investments, as mentioned in the Letter from the Board, the Group hold approximately 11.77% shareholding in Elemental and approximately 5.8 million share options as at the Latest Practicable Date, which may be exercised at AUD0.25 in the next 11 months. As further advised by the Directors, there are no specific timetables or requirements for the Company to make other possible future investments. As such, the Directors also consider that there was no immediate need for the proceeds of HK\$600,000,000 from the issue of the remaining Convertible Bonds for the acquisition of further Elemental Shares and other possible future investments.

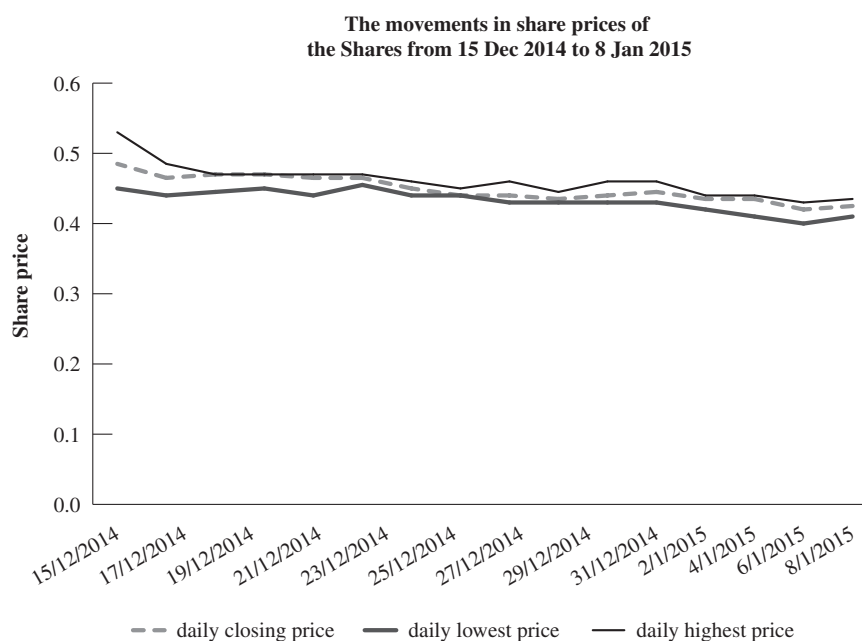
Based on the foregoing, we concur with the Director's view that as of the Closing Date, when the Company and the Subscriber entered into the Extension Letter, there was no immediate need for the proceeds of HK\$600,000,000 from the issue of the remaining Convertible Bonds by reference to the timing of the Company's intended use of proceeds.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Conversion Price

The Extension is in substance a new arrangement of equity fund raising, and we note that the Company did not take the opportunity to re-negotiate the Conversion Price.

In accessing the reasonableness of the Conversion Price, we have reviewed the movements in Share prices from 15 December 2014 (i.e. the date of resumption of trading) to 8 January 2015 (i.e. the date of the Extension Letter) (the “**Review Period**”). The closing prices of the Shares as quoted on the Stock Exchange during the Review Period are set out below:



Source: The website of the Stock Exchange (www.hkex.com.hk)

As shown in the chart above, we note that the Share price for the Review Period was trading within a range from the highest price at HK\$0.53 to the lowest price at HK\$0.40. The Conversion Price of HK\$0.33 per Conversion Share did represent a discount ranging from 17.50% to 37.73% in the Review Period. In view of the above, the Directors consider that it is difficult for the Company to re-negotiate the Conversion Price. Having considered the above and the decreasing trend of the prevailing market price of the Shares, we concur with the Directors' view that such discount and the Subscription is fair and reasonable and in the interest of the Shareholder as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Indirect cost of the Extension – Cost of alternative financing when a need arises

As previously mentioned in our letter to the Independent Board Committee and the Independent Shareholders contained in the Company's circular dated 15 December 2014 regarding the Subscription Agreement, we understand that it is difficult for the Company to raise such substantial fund of HK\$620,000,000 from third party investors through placing or issue of convertible notes taking into account the long suspension trading record. As mentioned in our previous letter to the Independent Board Committee and the Independent Shareholders contained in the Company's circular dated 15 December 2014 regarding the Subscription Agreement, the Company had considered alternative financing methods including, inter alia, application of term loan from financial institutions, issuance of bonds, and other form of equity financing. However, as it is mentioned again in the Letter from the Board that, the Company and the Subscriber considered that amongst other funding methods the Subscription would provide the Company with a way of fund raising in a less costly and a relatively flexible way as it (i) does not create any interest payment obligations on the Group as compared with bank financing (as the Convertible Bonds are non-interest bearing); and (ii) is less costly and time-consuming than raising funds by way of rights issue or open offer; such terms were possible because of the Subscriber's existing controlling stake in the Company, and the Subscriber is willing to contribute a substantial funding to the Company without requesting any interest return. The Directors considered, and we concurred, that the issue of the Convertible Bonds is a better financing alternative over other forms of financing.

As mentioned above, the Group shall contribute RMB125,000,000 (equivalent to approximately HK\$157,500,000) in cash into the Joint Venture Company on or before 15 March 2015. As advised by the Directors, for the purpose of such capital contribution into the Joint Venture Company on or before 15 March 2015, the Group intends to utilize its cash and bank balances and to dispose of certain of its trading investments for the contribution.

We note from the Company's annual report for the year ended 31 March 2014 that the Group's cash and cash equivalents as at 31 March 2014 amounted to approximately HK\$40.7 million. Also, we have obtained and reviewed an extract of the unaudited consolidated balance sheet of the Group relating to the consolidated cash and bank balances of the Group as at 31 December 2014, and we noted that, excluding the cash and bank balances held by the Joint Venture Company, the consolidated cash and bank balances of the Group as at 31 December 2014 amounted to approximately HK\$22 million. As advised by the Directors, the estimated balances immediately after the subscription of HK\$20 million of the Convertible Bonds on 8 January 2015 amounted to approximately HK\$42 million.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have also reviewed the Company's annual report for the year ended 31 March 2014 and note that the Group's trading investments include its investments in the equity securities listed in Hong Kong. We also note from the Group's unaudited consolidated balance sheet that as at 31 December 2014, the Group's total investments held for trading under its current assets amounted to approximately HK\$240.2 million.

Based on the above, we consider the Group's cash and bank balances together with the proceeds from the disposal of some of its investment securities would be sufficient to fulfil the Company's commitment to contribute RMB125 million into the Joint Venture Company on or before 15 March 2015.

We note that additional costs would be incurred in utilizing the Group's cash and bank balances and in disposing of its investment securities for the capital injection to the Joint Venture Company on or before 15 March 2015 due to the Extension. Such costs include trading costs to be incurred in connection with the disposal, the potential reduction in investment return as a result in the reduction in the investment portfolio, and the interest income forgone as a result of utilizing the Group's cash and bank balances. Despite so, having taken into account that:

- (i) the trading costs in relation to the disposal of equity securities listed in Hong Kong are typically low by reference to the commission rate charged by brokerage firms in Hong Kong as well as other relevant transaction costs, which in aggregate amounts to less than 0.5% of the transaction value in a typical transaction;
- (ii) the possible effect of the potential reduction in investment return will only be temporary as the Group will be able to receive HK\$600,000,000 from the issue of the remaining Convertible Bonds by the New Closing Date as a result of the Extension;
- (iii) the possible disposal of the trading investment, which amounted to approximately HK\$240.2 million as at 31 December 2014, alone is sufficient for fulfilling the Company's commitment to capital injection of RMB125 million (equivalent to approximately HK\$157,500,000) into the Joint Venture Company on or before 15 March 2015. As discussed in (i) & (ii) above, we consider that the Extension would have no adverse impact on the Company's operations;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iv) the interest income forgone as a result of utilizing the Group's cash and bank balances will be relatively low given the prevailing low interest rate offered by bank in Hong Kong (as also discussed in the section headed "2. Direct cost of the Extension" above);
- (v) the Company's commitment on the capital injection into the Joint Venture Company could be fulfilled by utilizing its cash and/or disposal of some of the Group's trading investment without pursuing other financing alternatives which could be difficult as mentioned in our previous letter to the Independent Board Committee and the Independent Shareholders contained in the Company's circular dated 15 December 2014 regarding the Subscription Agreement;
- (vi) based on the timing of the intended use of proceeds as discussed in the section headed "3. No immediate need for the funding as of the Closing Date" above, and that the short-term financial need of the Company's commitment on the capital injection unto the Joint Venture Company could be fulfilled by utilizing its cash and/or disposal of some of the Group's trading investment, the Extension would not have any material adverse impact on the Company's future business plans;
- (vii) the Controlling Shareholder is still willing to inject such a substantial funding to the Company, and it is aforementioned that the fund raising of such sizable sum is difficult; and
- (viii) the Convertible Bonds do not carry any interest and would therefore incur no interest burden on the Group,

we consider that the costs incurred would be outweighed by the benefits of the Extension. Therefore, we consider that it is in the interests of the Company and the Shareholders to accommodate such Extension instead of immediate termination of the Subscription because of the delay in completion of the Subscription.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered that (i) the direct cost involved in the Extension is negligible; (ii) there is no immediate need for the remaining HK\$600,000,000 as of the Closing Date; (iii) the discount in the Conversion Price and the Subscription is fair and reasonable; (iv) other financing alternatives available to the Company to raise such substantial fund of HK\$600,000,000 is difficult and time-consuming; and (v) the additional costs that would be incurred in utilizing the Group's cash and bank balances and in disposing of its investment securities for the capital injection to the Joint Venture Company on or before 15 March 2015 due to the Extension are outweighed by the benefits of the Extension as discussed above, we are of the view that, although it is not in the ordinary and usual course of business of the Group, the Extension is on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, and the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the resolution to be proposed at the SGM to approve the Extension.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Kinson Li
Managing Director

Mr. Kinson Li is a licensed person registered with the SFC and a responsible officer of Mesis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 17 years of experience in corporate finance industry.

1. 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.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

(i) Long position in the Shares and underlying shares of the Company

Name of Director	Capacity	Number of Shares	Number of underlying Shares	Total	Approximate percentage of the issued share capital of the Company (%) (Note 1)
Mr. Li	Interest of controlled corporation	1,671,857,530 (Note 2)	1,878,787,878 (Note 3)	3,550,645,408	107.44%
	Beneficial owner	33,840,000	13,300,000 (Note 4)	47,140,000	1.43%
				<u>3,597,785,408</u>	<u>108.87%</u>

Name of Director	Capacity	Number of Shares	Number of underlying Shares	Total	Approximate percentage of the issued share capital of the Company (%) (Note 1)
Mr. Su Xiaonong	Beneficial owner	–	23,750,000 (Note 4) 20,000,000 (Note 5)	43,750,000	1.32%
Mr. Cheung Sze Ming	Beneficial owner	–	7,000,000 (Note 4) 5,000,000 (Note 5)	12,000,000	0.36%
Mr. Sun Dongsheng	Beneficial owner	–	1,000,000 (Note 6)	1,000,000	0.03%
Mr. Chow Shiu Ki	Beneficial owner	–	1,000,000 (Note 6)	1,000,000	0.03%

Notes:

1. Based on 3,304,640,624 Shares issued as at 31 January 2015.
2. These 1,671,857,530 Shares comprise (i) 1,662,882,530 Shares held by Wincon; and (ii) 8,975,000 Shares held by WAML, which are wholly-owned by Mr. Li. Pursuant to the SFO, Mr. Li is deemed to be interested in these Shares. Mr. Li is also a director of Wincon and WAML.
3. These 1,878,787,878 conversion Shares will be issued and allotted upon full conversion of the Convertible Bonds in the aggregate principal amount of HK\$620,000,000 at the initial conversion price of HK\$0.33.
4. All underlying Shares are share options granted by the Company on 19 April 2013 and under the share options scheme of the Company at the exercise price of HK\$0.375 per Share.
5. All underlying Shares are share options granted by the Company on 3 February 2015 under the share options scheme of the Company at the exercise price of HK\$0.477 per Share.
6. All underlying shares are share options granted by the Company on 26 April 2013 under the share options scheme of the Company at the exercise price of HK\$0.375 per Share.

(ii) Long positions in the shares of associated corporation:

Associated corporation	Name of Director	Capacity	Total number of shares held	Approximate percentage of total issued share capital of Wincon (%)
Wincon	Mr. Li Kwong Yuk	Beneficial owner	1	100%

(b) Persons who have interests or short positions in the Shares or underlying Shares which is discloseable under Divisions 2 and 3 of Part XV of the SFO

Save as disclosed below, as at the Latest Practicable Date, no person, other than a Director or chief executive of the Company, had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Long positions in the Shares and underlying shares of the Company:

Name of Shareholder	Capacity	Total number of Shares held	Total number of underlying Shares held	Total	Approximate percentage of the total issued share capital of the Company (%) (Note 1)
Wincon (Note 2)	Beneficial owner	1,662,882,530	1,878,787,878 (Note 3)	3,541,670,408	107.17%
Mr. Leung Chiu	Beneficial owner	120,126,927	229,647,727 (Note 4)	349,774,654	10.58%
	Interest of controlled corporation	6,715,000	–	6,715,000	0.21%
				<u>356,489,654</u>	<u>10.79%</u>
Mr. Li Xuan	Beneficial owner	227,272,727	2,375,000 (Note 6)	229,647,727	6.95%
Mr. Yang Dongjun	Beneficial owner	–	229,647,727 (Note 7)	229,647,727	6.95%

Notes:

1. Based on 3,304,640,624 Shares issued as at 31 January 2015.
2. Wincon is wholly-owned by Mr. Li. Under the SFO, Mr. Li was deemed to be interested in these Shares and the underlying Shares.
3. On 28 June 2013, Wincon entered into a subscription agreement with the Company (the “**Subscription Agreement**”) in respect of the issue of and the subscription for the convertible bonds in a principal amount of HK\$620,000,000 and 1,878,787,878 Shares will be allotted and issued upon full conversion of the Convertible Bonds at a conversion price of HK\$0.33 per conversion share.
4. On 17 October 2012, Mr. Lei Chong entered into a subscription agreement with the Company in respect of the issue of and subscription for the 2% coupon convertible bonds in a principal amount of HK\$50,000,000 at a conversion price of HK\$0.22 per conversion share. On 12 July 2013, Mr. Lei Chong transferred his right attaching on the 2% coupon convertible bonds to Mr. Leung Chiu. Upon full conversion of the convertible bonds, a maximum of 227,272,727 Shares will be allotted and issued. In addition, 2,375,000 underlying Shares are share options granted by the Company on 19 April 2013 under the Scheme at the exercise price of HK\$0.375 per Share.
5. These Shares were registered in the name of Luckyhood Limited, which is wholly owned by Mr. Leung Chiu. Under the SFO, Mr. Leung Chiu was deemed to be interested in these Shares.
6. These 2,375,000 underlying Shares are share options granted by the Company on 19 April 2013 under the share options scheme of the Company at the exercise price of HK\$0.375 per Share.
7. On 12 October 2012, Mr. Yang Dongjun entered into a subscription agreement with the Company in respect of the issue of and subscription for the 2% coupon convertible bonds in a principal amount of HK\$50,000,000 at a conversion price of HK\$0.22 per conversion share. Upon full conversion of the convertible bonds, a maximum of 227,272,727 Shares will be allotted and issued. In addition, 2,375,000 underlying Shares are share options granted by the Company on 19 April 2013 under the share options scheme of the Company at the exercise price of HK\$0.375 per Share.

3. DIRECTORS’ INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (i) Save for the Subscription Agreement in which Mr. Li had a material interests, there is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.
- (ii) As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 March 2014, being the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective associates were considered to have any interests in businesses which competed or were likely, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2014, the date to which the latest published audited accounts of the Group were made up.

7. EXPERT AND CONSENT

The following are the qualifications of the professional adviser who has given its opinion or advice contained in this circular:

Name	Qualifications
Messis Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO

Messis Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter as set out in this circular and references to its name in the form and context in which they are included.

As at the Latest Practicable Date, Messis Capital Limited was not beneficially interested in the share capital of any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or nominate persons to subscribe for securities of any member of the Group.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

9. GENERAL

- a. The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda. The Company's head office and principal place of business in Hong Kong is at Unit 2708, 27/F., Convention Plaza – Office Tower, 1 Harbour Road, Wan Chai, Hong Kong.
- b. The company secretary of the Company is CHAN Kwong Leung, Eric. He is an associate member of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries.
- c. The branch share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- d. The English texts of this circular shall prevail over their Chinese texts in case of inconsistencies.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Unit 2708, 27/F., Convention Plaza – Office Tower, 1 Harbour Road, Wan Chai, Hong Kong on any business day from the date of this circular up to and including the date of 19 March 2015:

- a. the Subscription Agreement dated 28 June 2013;
- b. the terms and conditions of the Convertible Bonds; and
- c. the Extension Letter dated 8 January 2015.

NOTICE OF SPECIAL GENERAL MEETING



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 2:00 p.m. on Thursday, 19 March 2015 at Unit 2708, 27/F., Convention Plaza – Office Tower, 1 Harbour Road, Wan Chai, Hong Kong for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

1. “**THAT**

- (a) the Extension Letter dated 8 January 2015 (the “**Extension Letter**”) entered into between the Company as the issuer and Wincon Capital Investment Limited as the subscriber in relation to the delay in the subscription of the convertible bonds in the aggregate principal amount of HK\$600,000,000 (the “**Convertible Bonds**”) by the subscriber (details relating to the Extension Letter are set out in the circular of the Company dated 2 March 2015 and a copy of the Extension Letter **marked “A”** and signed by the chairman of the meeting for identification purpose having been produced to the meeting), and the extension contemplated thereunder (the “**Extension**”) be and are hereby approved, confirmed and ratified;
- (b) the Directors be and are hereby authorized to exercise all the powers of the Company and take all steps as might in their opinion be desirable, necessary or expedient to give effect to or in connection with the Extension including without limitation to:
 - (i) the execution, amendment, delivery, submission and/or implementation of any further documents or agreements in relation to the Extension Letter, the issue of the Convertible Bonds; and

NOTICE OF SPECIAL GENERAL MEETING

- (ii) the taking of all necessary actions to implement the transactions contemplated under the Extension Letter PROVIDED THAT such further documents or agreements will be of administrative nature and ancillary to the implementation of the Extension.”

By order of the Board
Dingyi Group Investment Limited
Li Kwong Yuk
Chairman and Executive Director

Hong Kong, 2 March 2015

Registered office:

Cannon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Principal Place of Business

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

Notes:

1. A member of the Company 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 stead in accordance with the bye-laws of the Company. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any Share, any one such persons may vote at the Meeting, either personally or by proxy, in respect of such Shares as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof must be delivered to the Company's Hong Kong branch share registrar and transfer office, 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 of the Meeting or any adjournment thereof.
4. As at the date hereof, the executive Directors are Mr. Li Kwong Yuk (chairman), Mr. Su Xiaonong (chief executive officer), and Mr. Cheung Sze Ming; and the independent non-executive Directors are Mr. Sun Dongsheng, Mr. Chow Shiu Ki and Mr. Cao Kuangyu.