

香港中央結算有限公司

(香港交易及結算所有限公司全資附屬公司)

Hong Kong Securities Clearing Company Limited*(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)*

通告 CIRCULAR

事項 Dragonite International Limited (Stock code: 329)
Subject: - Proposal of Capital Reorganisation and Change in Board Lot Size

查詢 Hotline 2979 7111
Enquiry:

Pursuant to the capital reorganisation proposal of Dragonite International Limited ("Dragonite International"), every 40 existing shares of HK\$0.10 each ("Existing Share") will be consolidated into 1 share of HK\$4.00 each ("Consolidated Share"). Upon the share consolidation becoming effective, the par value of each Consolidated Share will be reduced from HK\$4.00 per share to HK\$0.10 per share. ("Adjusted Share"). Upon the capital reorganisation becomes effective, the board lot size in trading will be changed from 2,000 Existing Shares to 10,000 Adjusted Shares. Dealings in the Adjusted Shares are expected to commence on 15 December 2010.

For the convenience of CCASS participants, HKSCC will carry out the conversions of actual holdings, transactions (including Settlement Instruction Transaction ("SI Transaction"), Investor Settlement Instruction Transaction ("ISI Transaction") and Compulsory Stock Borrowing Transaction ("CSB Transaction")) and/or unsettled stock positions (including Continuous Net Settlement Position ("CNS Position") and Isolated Trade Position ("IT Position")) of participants in CCASS to facilitate settlement of both Adjusted and Existing Shares in Dragonite International. A stock conversion schedule is attached herewith as per Appendix I.

The aforesaid conversion process would be carried out in the Depository and Common Nominees System ("DNS") automatically on the scheduled dates. However, for stock positions that remain unsettled on any of the conversion dates, the CCASS Participants concerned should complete and return to CCASS Depository a "Conversion Voucher" before 3:00 p.m. (refer to section 8.14.4 of the CCASS Operational Procedures) to effect the relevant conversion of their holdings for the purpose of settling their short positions. The conversion transactions will be effected on the date of receipt by CCASS Depository of the "Conversion Voucher".

CCASS Participants who wish to deposit shares to or withdraw shares from the CCASS Depository are requested to note the following: -

(A) Deposit Arrangement

1. From 17 December 2010 until 28 January 2011, Existing Share certificates representing shares of HK\$0.10 each (orange in colour) will be accepted for deposit under stock code: 2962 (Temp). Effective from 31 January 2011, Existing Share certificates representing shares of HK\$0.10 each will be accepted for deposit for custody purpose under stock code: 329(New).

Effective from 30 December 2010, the CCASS Depository will accept deposit of Adjusted Share certificates representing shares of HK\$0.10 each (blue in colour) under stock code: 329 (New).

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2. For deposits of both Existing and Adjusted Share certificates of Dragonite International under the same stock code, CCASS Participants are requested to use separate Transfer Deeds and Stock Deposit Forms to cover the Existing and Adjusted Share certificates respectively.
3. An example on how to complete the Stock Deposit Form in respect of deposits of Existing Shares is given as per Appendix III.

(B) Withdrawal Arrangement

1. With effect from 17 December 2010 until 3 January 2011, the CCASS Depository will only accept withdrawal of shares under the temporary stock code: 2962. However, if participants' holdings are recorded under stock code: 329, they should make use of the "Conversion Voucher" to convert their holdings to the temporary stock code: 2962 for the purpose of withdrawal.

Upon acceptance of the withdrawal order, the CCASS Depository will effect delivery of either Existing Share certificates representing shares of HK\$0.10 each or Adjusted Share certificates representing shares of HK\$0.10 each subject to availability of the two types of share certificates.

2. With effect from 4 January 2011, the CCASS Depository will only accept withdrawal of Adjusted Shares under the new stock code: 329. If participants' holdings are recorded under temporary stock code: 2962, they should make use of the "Conversion Voucher" to convert their holdings to the new stock code: 329 for the purpose of withdrawal.

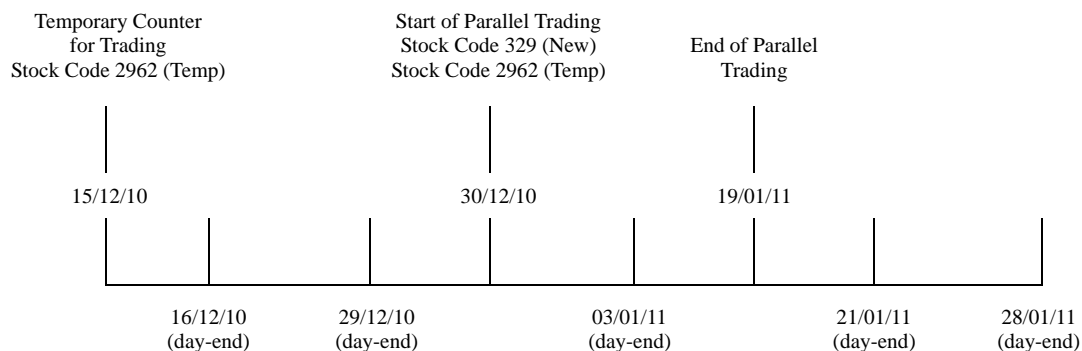
Detailed schedule for accepting deposits and withdrawals under stock code: 329 or the temporary stock code: 2962 is given as per Appendix II.

Jose Leung
Vice President
Depository and Nominee Services

DRAGONITE INTERNATIONAL LIMITED

Corporate Events

Schedule of Stock Conversion



Conversion Cycle	1 st CA	2 nd CA	3 rd CA	4 th CA	5 th CA
Stock Conversion	329 (Old) → 2962	329 (Old) → 2962	2962 → 329 (New)	2962 → 329 (New)	2962 → 329 (New)
Holding	Yes	Yes	Yes	Yes	Yes
Position	No	Yes (CNS and IT)	No	No	No
Transaction	Yes (SI, ISI & CSB)	Yes (SI, ISI & CSB)	Yes (SI, ISI & CSB)	Yes (SI, ISI & CSB)	Yes (SI, ISI & CSB)
Conversion Ratio	40 → 1	40 → 1	1 → 1	1 → 1	1 → 1

- Note:
- 329 (Old) - Existing Shares of HK\$0.10 each trading in board lots of 2,000 shares
 - 2962 (Temp) - Temporary counter for trading in board lots of 50 Adjusted Shares
 - 329 (New) - Adjusted Shares of HK\$0.10 each trading in board lots of 10,000 shares
 - CA - Corporate Action
 - CNS - CNS Position
 - IT - IT Position
 - SI - SI Transaction
 - ISI - ISI Transaction
 - CSB - CSB Transaction

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Schedule for accepting deposit and withdrawal under stock codes 329 and 2962 during the conversion cycle

Acceptance period for	15/12/10 to 16/12/10	17/12/10 to 29/12/10	30/12/10 to 03/01/11	04/01/11 to 21/01/11	24/01/11 to 28/01/11	From 31/01/11 Onwards
Deposit under stock code 329	Yes (Existing Share quantity)	No	Yes (Adjusted Share certificate representing shares of HK\$0.10 each)	Yes (Adjusted Share certificate representing shares of HK\$0.10 each)	Yes (Adjusted Share certificate representing shares of HK\$0.10 each)	Yes
Deposit under stock code 2962	No	Yes	Yes	Yes	Yes	No
Withdrawal under stock code 329	Yes	No	No	Yes	Yes	Yes
Withdrawal under stock code 2962	No	Yes	Yes	No	No	No

Example on how to complete a Stock Deposit Form in respect of deposits of Existing Shares of HK\$0.10 each of Dragonite International Limited on and after the effective date of capital reorganisation:

A CCASS Participant presents the following Existing Shares of HK\$0.10 each of Dragonite International Limited to the CCASS Depository for deposit on or after 17 December 2010.

<u>Certificate Number</u>	<u>Existing Share quantity printed on each certificate</u>	<u>Existing Share quantity (HK\$0.10 each)</u>	<u>Adjusted Share quantity (HK\$0.10 each)</u>
1101 – 1102	2,000	4,000	100
1141	10,000	10,000	250
1142 – 1143	75	150	2#
Difference			1*
	TOTAL:	14,150	353

Each Existing Share certificate of 75 shares of HK\$0.10 each represents 1 Adjusted Share of HK\$0.10 each, which adds up to 2 Adjusted Shares of HK\$0.10 each.

* The add up total of the Existing Share quantity of 14,150 shares of HK\$0.10 each divided by 40 amounts to 353 Adjusted Shares of HK\$0.10 each. The sum of individual certificate ranges added up to 352 Adjusted Shares (100 + 250 + 2). The CCASS Participant is requested to insert the difference of 1 share on the "No. of Shares" column to make up the total Adjusted Share quantity from 352 to 353 for processing by the CCASS Depository.

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SAMPLE

Original



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Date:

STOCK DEPOSIT FORM

CCASS Depository Services

Participant ID B99999		Name of Participant ABC & CO					Stock Account Number			
Stock Code #329/2962		Stock Name Dragonite International Limited					For Office Use Only			
							Deposit Order Number H			
Certificate Number <small>(Please group only consecutively numbered certificates with the same share denominations.)</small>			Number of Shares/Warrants	Date of Issue				Counter	CCASS Posted	
Prefix	From	To		D	D	M	M			Y
	1 1 0 1	1 1 0 2	100							Override By
	1 1 4 1		250							Checked By
	1 1 4 2	1 1 4 3	2							Certificate Processing
	* DIFFERENCE		1							Certificates Checked
										Certificates Posted
										Transfer
										T/D Prepared By
										Checked By
										Vault
										Filed By
			Total ▶							353
Remarks						<p>NOTES:</p> <p>1. Pursuant to the CCASS Rules and Operational Procedures, Hong Kong Securities Clearing Company Limited (HKSCC) reserves the right to reject a deposit and/or reverse deposit entries if the above required information is incomplete or incorrect, or if registration of any or all of the shares are subsequently rejected by the relevant share registrar(s).</p> <p>2. Activities under CCASS are subject to the CCASS Rules and Operational Procedures in effect.</p>				
<p>The above printed validation represents descriptions of stock as presented by the CCASS participant under this form and shall in no event constitute or be treated as an official Receipt for deposit of said stock.</p>										

To be completed if stock deposited in batch <small>(i.e. stock deposited with more than one deposit form)</small>	
Total No. of Share in Batch	Deposit Form:
	_____ of _____

Authorised Signature of CCASS Participant (with Company Chop)

CD-IF-02-07 / 1

#Note: Existing Share certificate representing shares of HK\$0.10 each will only be accepted for custody purpose under stock code: 329(New) with effect from 31 January 2011.