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DIT GROUP LIMITED

築友智造科技集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 726)

PROPOSED SHARE CONSOLIDATION AND PROPOSED CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every four (4) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the SGM.

PROPOSED CHANGE IN BOARD LOT SIZE

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 20,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 20,000 Existing Shares to 5,000 Consolidated Shares upon the Share Consolidation becoming effective.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation. A circular containing, among other things, further details of the Share Consolidation and a notice convening the SGM is expected to be despatched to the Shareholders on or before Friday, 11 September 2020.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every four (4) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$2,500,000,000 divided into 25,000,000,000 Existing Shares of par value HK\$0.10 each, of which 11,209,602,920 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or repurchased from the date of this announcement until the effective date of the Share Consolidation, the authorised share capital of the Company shall become HK\$2,500,000,000 divided into 6,250,000,000 Consolidated Shares of par value HK\$0.40 each, of which 2,802,400,730 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in accordance with the Company's memorandum of association and bye-laws.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders would otherwise be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

1. the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation;
2. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares to be issued upon the Share Consolidation becoming effective; and
3. the compliance with the relevant procedures and requirements under the laws of Bermuda (where applicable) and the Listing Rules to effect the Share Consolidation.

Subject to the fulfilment of the above conditions of the Share Consolidation, the effective date of the Share Consolidation is currently expected to be Tuesday, 6 October 2020, being the second (2nd) Business Day immediately after the date of the SGM.

Listing application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be issued upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, arising from the Share Consolidation, will be disregarded and will not be issued to the Shareholders, but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares which will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

PROPOSED CHANGE IN BOARD LOT SIZE

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 20,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 20,000 Existing Shares to 5,000 Consolidated Shares upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.42 per Existing Share (equivalent to the theoretical closing price of HK\$1.68 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, (i) the value of each existing board lot of the Existing Shares is HK\$8,400; (ii) the value of each board lot of 20,000 Consolidated Shares would be HK\$33,600 assuming the Share Consolidation becoming effective; and (iii) the estimated market value per board lot of 5,000 Consolidated Shares would be HK\$8,400 assuming that the Change in Board Lot Size had also been effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

OTHER ARRANGEMENTS

Arrangement on odd lots trading

In order to facilitate the trading of odd lots, if any, of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots trading arrangement will be set out in the circular of the Company to be despatched to the Shareholders.

Holder of odd lots of the Consolidated Shares should note that the successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their own professional advisers.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, the Shareholders may during the business hours, on or after Tuesday, 6 October 2020 and until Thursday, 12 November 2020 (both days inclusive) between 9:00 a.m. and 4:30 p.m. on any Business Day, submit existing share certificates in the colour of yellow for the Existing Shares to the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, in exchange for new share certificates in the colour of blue for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Consolidation becoming effective, after 9a.m. on Tuesday, 6 October 2020, trading will only be in Consolidated Shares. Existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for share certificates for Consolidated Shares at any time but will not be accepted for delivery, trading, settlement and registration purposes.

Adjustments in relation to other securities of the Company

As at the date of this announcement, the Company does not have any derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares.

REASONS FOR THE SHARE CONSOLIDATION AND THE CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. The Share Consolidation would enable the Company to comply with the trading requirements of the Listing Rules.

In view of the prevailing trading price of the Existing Shares, the Board proposes to implement the Share Consolidation. It is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. The Board believes that this will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor, and thus help to further broaden the shareholder base of the Company.

The Board also believes that the Change in Board Lot Size from 20,000 Existing Shares to 5,000 Consolidated Shares will keep the board lot value of the Consolidated Shares after the Share Consolidation and bring the least impact on the Shareholders due to the Share Consolidation. Accordingly, the Board is of the view that the Share Consolidation and the Change in Board Lot Size are beneficial to and in the interests of the Company and the Shareholders as a whole.

As of the date of the announcement, the Company has no plans for any further corporate action or arrangement that may affect the trading in its Shares and it has no plans for any equity fundraising.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and the Change in Board Lot Size is as follows:

Event	Time and Date
Expected despatch date of the circular, proxy form and notice of the SGM	Friday, 11 September 2020
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Thursday, 24 September 2020

Closure of register of members for the entitlement
to attend and vote at the SGM Friday, 25 September 2020 to
Wednesday, 30 September 2020
(both days inclusive)

Latest date and time for lodging proxy form
for the SGM..... 10 a.m. on Monday, 28 September 2020

Record date for attending the SGM Wednesday, 30 September 2020

Expected date and time of the SGM 10 a.m. on Wednesday, 30 September 2020

Announcement of the poll results of the SGM..... Wednesday, 30 September 2020

The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation

Effective date of the Share Consolidation..... Tuesday, 6 October 2020

First day for free exchange of existing share
certificates for new share certificates
for the Consolidated Shares Tuesday, 6 October 2020

Dealings in the Consolidated Shares commences 9 a.m. on Tuesday, 6 October 2020

Original counter for trading in the Existing Shares
in board lots of 20,000 Existing Shares
(in the form of existing share certificates)
temporarily closes 9 a.m. on Tuesday, 6 October 2020

Temporary counter for trading in the Consolidated
Shares in board lots of 5,000 Consolidated Shares
(in the form of existing share certificates) opens 9 a.m. on Tuesday, 6 October 2020

Original counter for trading in the Consolidated
Shares in board lots of 5,000 Consolidated Shares
(in the form of new share certificates) re-opens 9 a.m. on Tuesday, 20 October 2020

Parallel trading in the Consolidated Shares
(in form of new share certificates and
existing share certificates) commences..... 9 a.m. on Tuesday, 20 October 2020

Designated broker starts to stand in the market
to provide matching services for odd lots
of the Consolidated Shares 9 a.m. on Tuesday, 20 October 2020

Temporary counter for trading in the Consolidated
Shares in board lots of 5,000 Consolidated Shares
(in the form of existing share certificates) closes 4:10 p.m. on
Tuesday, 10 November 2020

Parallel trading in the Consolidated Shares
(in form of new share certificates and
existing share certificates) ends 4:10 p.m. on Tuesday, 10 November 2020

Designated broker ceases to stand in the market
to provide matching services for odd lots
of the Consolidated Shares 4:10 p.m. on Tuesday, 10 November 2020

Latest date and time for free exchange of
existing share certificates for new share
certificates for the Consolidate Shares 4:30 p.m. on Thursday, 12 November 2020

All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to change. Any changes to the expected timetable will be announced by the Company as and when appropriate.

GENERAL

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation A circular containing, among other things, further details of the Share Consolidation and a notice convening the SGM is expected to be despatched to the Shareholders on or before Friday, 11 September 2020. Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions as set out in this announcement and the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If they are in any doubt, they should consult their professional advisers.

DEFINITIONS

“Board”	the board of Directors;
“Business Day”	a day on which the Stock Exchange is open for business of dealing in securities;
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC;
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Existing Shares to 5,000 Consolidated Shares;

“Company”	DIT Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Consolidated Share(s)”	ordinary share(s) of par value HK\$0.40 each in the share capital of the Company immediately after the Share Consolidation becoming effective;
“Director(s)”	the director(s) of the Company from time to time;
“Existing Share(s)”	ordinary share(s) of par value HK\$0.10 each in the share capital of the Company before the Share Consolidation becomes effective;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation;
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be;
“Share Consolidation”	the proposed share consolidation of every four (4) issued and unissued Existing Shares into one (1) Consolidated Share;
“Shareholder(s)”	the holder(s) of the issued Share(s); and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By order of the Board of
DIT Group Limited
Liu Weixing
Chairman and Executive Director

Hong Kong, 31 August 2020

As at the date of this announcement, the Board comprises Mr. Liu Weixing (Chairman), Mr. Guo Weiqiang and Ms. Wang Jing as executive Directors; Ms. Wu Wallis (alias Li Hua) and Mr. Wang Jun as non-executive Directors; Mr. Jiang Hongqing, Mr. Lee Chi Ming and Mr. Ma Lishan as independent non-executive Directors.