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vongroup

VONGROUP LIMITED

黃河實業有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 318)

PROPOSED SHARE CONSOLIDATION

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The Board proposes to implement the proposed Share Consolidation on the basis that every 40 issued and unissued Shares of par value of HK\$0.001 each will be consolidated into one Consolidated Share of par value of HK\$0.04 each. The proposed Share Consolidation will become effective upon fulfillment of the conditions set out under the section headed “Conditions of the proposed Share Consolidation”. Details and effect of the proposed Share Consolidation are included in this announcement.

GENERAL

The EGM will be convened and held for the Shareholders to consider, and if thought fit, to approve, among other things, the proposed Share Consolidation.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions relating to the proposed Share Consolidation to be proposed at the EGM. A circular containing, among other things, information regarding the proposed Share Consolidation and a notice of the EGM is expected to be despatched to the Shareholders on or before 21 January 2016.

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The Board proposes to implement the proposed Share Consolidation on the basis that every 40 issued and unissued Shares of par value of HK\$0.001 each will be consolidated into one Consolidated Share of par value of HK\$0.04 each.

Conditions of the proposed Share Consolidation

The proposed Share Consolidation is conditional upon (i) the passing of the relevant resolution to approve the proposed Share Consolidation by the Shareholders at the EGM; and (ii) the Listing Committee of the Stock Exchange granting approval to the listing of, and permission to deal in, the Consolidated Shares.

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.

The proposed Share Consolidation will become effective on the next Business Day immediately following the fulfillment of the above conditions.

Effect of the proposed Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 divided into 200,000,000,000 Shares of HK\$0.001 each, of which 6,753,615,900 Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased between the date of this announcement and the date of the EGM, immediately after the proposed Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$200,000,000 divided into 5,000,000,000 Consolidated Shares of HK\$0.04 each, of which 168,840,397 whole Consolidated Shares will be in issue which are fully paid or credited as fully paid following the proposed Share Consolidation becoming effective.

Upon the proposed Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other. Fractional Consolidated Shares will not be issued by the Company to the Shareholders. Any fractional entitlements of Consolidated Shares will be aggregated, sold and retained for the benefit of the Company.

Free exchange of Consolidated Shares' certificates and trading arrangement

Subject to the proposed Share Consolidation becoming effective, which is expected to be on Thursday, 11 February 2016, Shareholders may, during the period from Thursday, 11 February 2016 to Friday, 18 March 2016 (both days inclusive) between 9:00 a.m. and 4:30 p.m. on any Business Day, submit share certificates for the existing Shares in blue colour to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for new certificates of the Consolidated Shares in green colour. Thereafter, each share certificate for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be from time to time be specified by the Stock Exchange) for each new share certificate issued for the Consolidated Shares or each share certificate for the existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. Nevertheless, the share certificates for the existing Shares will continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares at any time but are not accepted for trading, settlement and registration upon completion of the proposed Share Consolidation.

Board Lot Size

The Shares are traded on the Stock Exchange in the board lot size of 5,000 Shares. Upon the proposed Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 5,000 Consolidated Shares.

Based on the closing price of HK\$0.05 per Share (equivalent to HK\$2.00 per Consolidated Share) as at the Last Trading Day, the value of each board lot of the Shares is HK\$250 and the theoretical market value of each board lot of the Consolidated Shares, assuming the proposed Share Consolidation had already been effective, would be HK\$10,000.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching services, on a best effort basis, to those Shareholders who wish to top up or sell their holding of odd lots of the Consolidated Shares. Details of the odd lot trading arrangement will be stated in the circular to be despatched to the Shareholders which shall also contain, inter alia, details of the proposed Share Consolidation. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not assured. Any Shareholder who has queries about the odd lots arrangement should consult his own professional advisers.

Reasons for the proposed Share Consolidation

Upon the effectiveness of the proposed Share Consolidation, the corresponding increase in the trading price of the Consolidated Shares, based on the closing price per Share as at the Last Trading Day, will enable the Company to comply with trading requirements pursuant to Rule 13.64 of the Listing Rules relating to the market price of securities that approach the extremities of HK\$0.01 or HK\$9,995.00. In view of this, amongst others, the Board considers that the proposed Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred, the implementation of the proposed Share Consolidation will have no material effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders. The Directors believe that the proposed Share Consolidation will not have any material adverse effect on the financial position of the Group.

EXPECTED TIMETABLE

The expected timetable for the proposed Share Consolidation is set out below:

Event	Time and date 2016
Expected date of despatch of the circular, notice and proxy form of the EGM	not later than Thursday, 21 January
Latest time for return of proxy form of the EGM (not less than 48 hours prior to time of the EGM)	11:00 a.m. on Wednesday, 3 February
EGM	11:00 a.m. on Friday, 5 February
Announcement of results of the EGM	Friday, 5 February
Effective date of the Share Consolidation	Thursday, 11 February
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Thursday, 11 February
Original counter for trading in Shares in existing Shares in board lots of 5,000 Shares temporarily closes	9:00 a.m. on Thursday, 11 February

Temporary counter for trading in Consolidated Shares in board lots of 125 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Thursday, 11 February
First day for free exchange of existing share certificates for new share certificates for Consolidated Shares commences	9:00 a.m. on Thursday, 11 February
Original counter for trading in Consolidated Shares in new board lots of 5,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on Thursday, 25 February
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	9:00 a.m. on Thursday, 25 February
Parallel trading in Consolidated Shares (in the form of new and existing share certificates) begins	9:00 a.m. on Thursday, 25 February
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	4:00 p.m. on Wednesday, 16 March
Temporary counter for trading in board lots of 125 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on Wednesday, 16 March
Parallel trading in Consolidated Shares (in the form of new and existing certificates) ends	4:00 p.m. on Wednesday, 16 March
Last day for free exchange of existing certificates for new certificates for Consolidated Shares	4:30 p.m. on Friday, 18 March

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

GENERAL

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve, among other things, the proposed Share Consolidation.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions relating to the proposed Share Consolidation at the EGM. A circular containing, among other things, information regarding the proposed Share Consolidation and a notice of the EGM is expected to be despatched to the Shareholders on or before 21 January 2016.

DEFINITIONS

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

“Board” the Board of Directors of the Company

“Business Day”	a day (other than a Saturday and Sunday) on which licensed banks are generally open for business more than five hours in Hong Kong
“Company”	Vongroup Limited, a company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed on the Stock Exchange
“Consolidated Share”	Share of par value of HK\$0.04 each in the share capital of the Company upon completion of the proposed Share Consolidation
“Director”	a director of the board of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, to approve, among other things, the proposed Share Consolidation
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	7 January 2016, being the last trading day immediately before the publication of this announcement
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share”	ordinary share of HK\$0.001 each in the share capital of the Company
“Share Consolidation”	the proposed consolidation of 40 issued and unissued Shares of par value of HK\$0.001 each into one Consolidated Share of par value of HK\$0.04 each
“Shareholder”	holder of a Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
Vongroup Limited
Tsui Siu Hung, Raymond
Company Secretary

Hong Kong, 7 January 2016

As at the date of this announcement, the Board comprises two executive Directors, namely Vong Tat Ieong David and Xu Siping; and three independent non-executive Directors, namely Fung Ka Keung David, Lam Lee G. and Wong Man Ngar Edna.

* *for identification purpose only*