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

If you have sold or transferred all your shares in Capital VC Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

Capital VC Limited
首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*
(Stock Code: 02324)

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
REFRESHMENT OF OPTION SCHEME MANDATE LIMIT
RE-ELECTION OF RETIRING DIRECTOR
AND
NOTICE OF ANNUAL GENERAL MEETING**

Resolutions will be proposed at the annual general meeting (the “AGM”) of the Company to be held at Suite 802, 8/F, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Friday, 26 November 2010 at 4:30 p.m. to approve the matters referred to in this circular. The notice convening the AGM is set out in Appendix III to this circular. If you are unable to attend the AGM in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting.

28 October 2010

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DEFINITIONS

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

“2010 Annual Report”	the Audited Consolidated Financial Statements and the Reports of the Directors and Auditors of the Company for the year ended 30 June 2010
“AGM”	the annual general meeting of the Company to be held on 26 November 2010 at which, among other things, the 2010 Annual Report will be adopted
“Articles”	Articles of Association of the Company
“Board”	the board of Directors of the Company
“Company”	Capital VC Limited, a company incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as CNI VC Limited, whose shares are listed on the Stock Exchange
“Director(s)”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution approving the grant of such mandate
“Latest Practicable Date”	25 October 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option(s)”	the option(s) to subscribe for Share(s) under the Share Option Scheme

DEFINITIONS

“Repurchase Mandate”	the general and unconditional mandate to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution approving the grant of such mandate
“Scheme Mandate Limit”	the maximum number of Shares that may be issued upon exercise of all Options to be granted under the Share Option Scheme and all other options under any other share option schemes of the Group; in respect of the existing Scheme Mandate Limit, 19,000,000 Shares, representing 10% of the issued share capital of the Company as at the date of the adoption of the Share Option Scheme by Company on 30 September 2003, and in respect of the Scheme Mandate Limit (as refreshed) to be approved at the AGM, representing 10% of the issued share capital of the Company as at the date of approval of the refreshment of the Scheme Mandate Limit
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 30 September 2003
“Shareholder(s)”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases, as amended from time to time

LETTER FROM THE BOARD

Capital VC Limited 首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*
(Stock Code: 02324)

Executive Directors:

Mr. Yau Chung Hong
Mr. Chui Tak Keung, Duncan
Mr. Kong Fanpeng
Dr. Liu Ta-pei

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Independent Non-executive Directors:

Mr. Lam Kwan
Mr. Chan Ming Sun, Jonathan
Mr. Shiu Siu Tao

*Head office and principal place of
business in Hong Kong:*

Suite 802, 8th Floor
Harcourt House
39 Gloucester Road
Wanchai, Hong Kong

28 October 2010

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
REFRESHMENT OF OPTION SCHEME MANDATE LIMIT
RE-ELECTION OF RETIRING DIRECTOR
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the AGM, resolutions will be proposed to (i) grant to the Directors general mandates to repurchase and issue Shares; (ii) extend the general mandate to issue Shares; (iii) refresh option scheme mandate limit; and (iv) re-elect retiring Directors. In compliance with the Listing Rules, this circular contains the explanatory statement and gives all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions.

LETTER FROM THE BOARD

GENERAL MANDATE TO ISSUE ADDITIONAL SHARES

An ordinary resolution will be proposed at the AGM for the purpose of renewing the existing share issue mandate granted to Directors to allot, issue and otherwise deal with the Shares. The existing issue mandate will expire at the conclusion of the AGM. The share issue mandate is subject to a limit equal to 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the resolution.

GENERAL MANDATE FOR REPURCHASE OF SHARES

The repurchase resolution will be proposed for the purpose of renewing the existing Repurchase Mandate granted to the Directors to repurchase Shares. The existing Repurchase Mandate will expire at the conclusion of the AGM. The Repurchase Mandate is subject to a limit of equal to 10% of the issued and fully paid up share capital of the Company as at the date of passing the resolution. An explanatory statement to the Repurchase Mandate is set out in Appendix I to this circular.

EXTENSION OF GENERAL MANDATE TO ISSUE SHARES

Subject to the passing at the AGM of the proposed resolutions regarding the share issue mandate and the repurchase mandate, an ordinary resolution will be proposed at the AGM to approve the extension of the 20% share issue mandate, ie. 64,916,434 Shares, by adding to the share issue mandate the number of shares that may be repurchased under the Repurchase Mandate. Shareholders are referred to the AGM notice for details of the resolutions. With reference to these resolution, the Board wishes to state that it has no immediate plans to repurchase any shares or to issue any new shares pursuant to the relevant mandates.

LETTER FROM THE BOARD

REFRESHMENT OF THE SCHEME MANDATE LIMIT

Proposed Refreshment

The Board also proposes to seek the approval of the Shareholders to refresh the existing Scheme Mandate Limit. Under the existing Scheme Mandate Limit, the Directors were authorized to grant 19,000,000 Options to subscribe for up to 19,000,000 Shares, representing 10% of the issued share capital of the Company as at 30 September 2003, being the date of the adoption of the existing Share Option Scheme. Since the date of adoption of the Share Option Scheme and up to the Latest Practicable Date, the Company has granted in aggregate 19,000,000 Options under the existing Scheme Mandate Limit, 3,600,000 Options of which remained outstanding, 15,200,000 Options were exercised, and no Option was lapsed or cancelled, and the details of which are as follows:

Date of Grant	Grantees	Options Granted	Options Exercised	Exercise Price HK\$	Options Outstanding
4 May 2010	Staff of investee company and service providers	5,700,000	5,700,000	0.430	-
18 May 2010	Staff of investee company and service providers	5,700,000	1,900,000	0.480	3,600,000
26 May 2010	Staff of investee company and service providers	7,600,000	7,600,000	0.422	-
Total		19,000,000	15,200,000		3,600,000

Note: None of the grantees are a director, chief executive or substantial shareholder of the Company or an associate (as defined in the Listing Rules) of any of them.

The share options were granted to the staff of investee company and service providers based on their respective performance and the reason for the grant was to provide an incentive for the grantees to optimise their performance which would result in better performance of the investee company and in turn would offer better return to the Company.

In order to provide the Company with greater flexibility in granting Options to eligible persons (including employees and directors) of the Company under the Share Option Scheme as incentives or rewards for their contribution to the Company, the Board decided to seek the approval from the Shareholders at the AGM to refresh the Scheme Mandate Limit at the AGM. The Directors consider that such refreshment of the Scheme Mandate Limit is in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Based on 324,582,178 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are repurchased and issued prior to the AGM, upon the approval of the refreshment of the Scheme Mandate Limit, the Directors will be authorized to exercise the powers of the Company to issue 32,268,217 Options to subscribe for a total of 32,458,217 Shares, representing 10% of the total number of Shares in issue as at the AGM.

Assuming that the refreshment of the Scheme Mandate Limit is approved at the AGM and taking into account the following:

- (a) The additional 32,458,217 Shares subject to the Scheme Mandate Limit (as refreshed); and
- (b) 3,600,000 Shares subject to the options granted and yet to be exercised,

the number of Shares that may be issued under the Scheme Mandate Limited (as refreshed) and to be issued under the Options granted and outstanding will be in aggregate of 36,058,217 Shares, representing approximately 11.11% of the Shares in issue as at the Latest Practicable Date and is within the 30% of Shares in issue as at the Latest Practicable Date. Under the Listing Rules, the 30% scheme limit represents a limit of 30% of the Shares in issue from time to time which may be issued upon the exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Group.

Conditions

The refreshment of the scheme mandate limit of the Share Option Scheme is conditional upon:

- (i) the passing of an ordinary resolution at the AGM to approve the refreshment of the scheme mandate limit of the Share Option Scheme by the Shareholders; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be issued pursuant to the exercise of any options granted under the refreshed Scheme Mandate Limit.

Application for Listing

Application will be the made to the Stock Exchange for the listing of and permission to deal in the Shares to be issued under the refreshed Scheme Mandate Limit.

RE-ELECTION OF RETIRING DIRECTOR

In relation to item number 2 in the notice of the AGM regarding the re-election of Directors, at the AGM Mr. Kong Fanpeng and Dr. Liu Ta-pei shall retire in accordance with Article 87(3) of the Company's articles of association, while Mr. Chui Tak Keung, Duncan shall retire by rotation in accordance with Article 88(1). All of them being eligible, will offer themselves for re-election thereat. Details of the Directors to be re-elected are set out in Appendix II to this circular.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The notice of the AGM is set out in Appendix III to this circular.

PROXY ARRANGEMENT

A form of proxy for use at the AGM is enclosed with this circular. In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the AGM or any adjournment thereof.

VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

RECOMMENDATION

The Directors consider that the Repurchase Mandate, the Issue Mandate, the extension of the issue mandate, the refreshment of Scheme Mandate Limit and the re-election of the retiring Directors are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM.

Yours faithfully,
For and on behalf of the Board
Yau Chung Hong
Executive Director

The following explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders relating to a resolution to be proposed at the forthcoming AGM authorizing the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date the issued and fully paid up share capital of the Company comprised 324,582,178 Shares. Exercise in full of the Repurchase Mandate, if so approved, on the basis that no further shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Repurchase Mandate, the Company would be allowed under the repurchase resolution to repurchase a maximum of 32,458,217 Shares during the period from the date on which such resolution is passed until the date of: (i) conclusion of the next AGM of the Company; (ii) the expiration of the period within which the next AGM of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or removal of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting, whichever occurs first, representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

REASONS FOR REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company and the Shareholders as a whole. Such repurchase may enhance the net assets value per Share and/or earnings per Share.

GENERAL

As compared with the financial position of the Company as at 30 June 2010 (being the date of its latest published audited financial statements), the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. However, the Directors do not intend to make any purchase to such an extent as would in the circumstances have a material adverse impact on the working capital or gearing position of the Company.

FUNDING OF REPURCHASE

Repurchases must be made of the funds legally available for the purpose in accordance with the memorandum and articles of association of the Company and the applicable laws and regulations of the Cayman Islands and the Listing Rules. The Companies laws of the Cayman Islands (“Laws”) provide that a share repurchase by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose or, if so authorized by the Articles and subject to the provisions of the Laws, out of capital. Any premium payable on a repurchase over the par value of the Shares repurchased or conditionally or unconditionally to be purchased must be provided for out of profits of the Company or out of the Company’s share premium account or, if so authorized by the Articles and subject to the provisions of the Laws, out of capital.

SHARE REPURCHASE MADE BY THE COMPANY

During the period of six months preceding the Latest Practicable Date, no Shares had been repurchased by the Company (whether on the Stock Exchange or otherwise).

SHARE PRICES

During the previous twelve months before the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Price per share	
	Lowest (HK\$)	Highest (HK\$)
2009		
October	0.290	0.355
November	0.260	0.355
December	0.260	0.320
2010		
January	0.280	0.425
February	0.335	0.380
March	0.320	0.455
April	0.375	0.440
May	0.360	0.520
June	0.415	0.480
July	0.390	0.445
August	0.345	0.425
September	0.350	0.630
October (Up to the Latest Practicable Date)	0.400	0.465

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange, so far as the same may be applicable, to exercise the power of the Company to repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company. None of the Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their associates (as defined in the Listing Rules) have any present intention to sell any securities to the Company under the Repurchase Mandate if such is approved by the Shareholders. No connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

EFFECT OF TAKEOVERS CODE

If on exercise of the power to repurchase Shares pursuant to Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could, depending on the level of increase of Shareholders' interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. The Directors are not aware of any Shareholders, or a group of Shareholders acting in concert, who may become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code in the event that the Directors exercise the power to repurchase Shares pursuant to the Repurchase Mandate. As at the Latest Practicable Date, based on disclosures made under Part XV of the SFO and to the best of the knowledge and belief of the Company, information on the substantial Shareholders of the Company was as follows:

Ordinary shares of HK\$0.10 each of the Company

Name of substantial shareholder	Capacity	Number of shares interested	% of issued share capital	
			Before repurchase	After repurchase in full
Yau Chung Hong (Note)	Personal interest and interest in controlled corporation	33,570,000	10.34%	11.49%

Note: Mr. Yau Chung Hong, an executive director of the Company, is personally interested in 30,170,000 Shares and taken to be interested in 3,400,000 Shares by virtue of his control in Sellwell Enterprises Limited.

If the Directors exercise in full the powers to repurchase Shares pursuant to the Repurchase Mandate, the increase in shareholding of the substantial shareholder would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code.

MR. CHUI TAK KEUNG, DUNCAN (“MR. CHUI”)

Mr. Chui, aged 41, holds a Bachelor of Science degree (Applied and Engineering Physics) and a Master of Engineering degree (Operations Research and Industrial Engineering) from Cornell University respectively. Mr. Chui is an experienced investor and business manager for direct investment and private equity ventures in Asia. He previously held positions at management consulting firms, Andersen Consulting and A.T. Kearney, as well as a venture capital firm, Transpac Capital Group, which focused on private equity investments in Asia, where Mr. Chui specialised on the consumer products, hospitality industry, as well as telecommunications, media and technology sectors. Mr. Chui is also an executive director and the CEO of China Private Equity Investment Holdings Limited, whose securities are listed on AIM board of the London Stock Exchange. Saved as disclosed above, Mr. Chui had not held any directorship in any other listed company in the past three years.

As at the Latest Practicable Date, Mr. Chui did not hold any Shares within the meaning of Part XV of the SFO. Mr. Chui is not related to any other Directors, senior management, substantial shareholder, or controlling shareholders of the Company. During the year ended 30 June 2010, Mr. Chui received a director’s fee in the amount of HK\$720,000, which was determined between Mr. Chui and the Company at arm’s length on the basis of his previous experience, qualifications, responsibility to be involved in the Company, the amount of time required to be devoted to the Company’s business, the current financial position of the Company and the prevailing market condition. Mr. Chui does not have a service agreement with the Company which is not determinable by the Company within one year without paying compensation (other than statutory compensation). Mr. Chui is subject to retirement by rotation in accordance with the Articles of Association of the Company.

Saved as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders of the Company in respect of Mr. Chui, and Mr. Chui has confirmed that there are no other matters that need to be brought to the attention of the Shareholders with his re-election and that no other information needs to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

MR. KONG FANPENG (“MR. KONG”)

Mr. Kong, aged 42, obtained a Bachelor’s degree in Finance and Auditing from Zhongshan University, the PRC. Mr. Kong was a manager of Huizhou TCL Information System Limited and Guangzhou Bada Telecommunications Limited. He also worked as the general manager of the PRC market and an executive director respectively at Chief Securities Limited in Hong Kong and Excalibur Securities Limited in Hong Kong, specializing in risk averse arbitrage trading in both Shenzhen and Hong Kong capital market. Mr. Kong has a wealth of experience in the Hong Kong securities market for over 10 years and is well versed in investment in the second board market. Mr. Kong is currently the chairman and an executive director of Shenzhen Wansheng Investment Management Company Limited. Mr. Kong had not held any directorship in any other listed company in the past three years.

As at the Latest Practicable Date, Mr. Kong did not hold any Shares within the meaning of Part XV of the SFO. Mr. Kong is not related to any other Directors, senior management, substantial shareholder, or controlling shareholders of the Company. During the year ended 30 June 2010, Mr. Kong received a director’s fee in the amount of HK\$103,548, which was determined between Mr. Kong and the Company at arm’s length on the basis of his previous experience, qualifications, responsibility to be involved in the Company, the amount of time required to be devoted to the Company’s business, the current financial position of the Company and the prevailing market condition. Mr. Kong does not have a service agreement with the Company which is not determinable by the Company within one year without paying compensation (other than statutory compensation). Mr. Kong is subject to retirement by rotation in accordance with the Articles of Association of the Company.

Saved as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders of the Company in respect of Mr. Kong, and Mr. Kong has confirmed that there are no other matters that need to be brought to the attention of the Shareholders with his re-election and that no other information needs to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

DR. LIU TA-PEI (“DR. LIU”)

Dr. Liu, aged 59, graduated from Chung-Hsing University in Taiwan. After graduation, he continued his studies in Cheng-Chi University, Taiwan and the University of Southern California, U.S.A. and obtained Master of Science and MBA degrees respectively. He was then conferred his Doctoral degree in public administration from the University of La Verne, U.S.A. Apart from his strong educational background, Dr. Liu has been active in the financial field for more than 20 years. He had been the director respectively of Universal Chinese Securities Finance Co. Ltd., Chung-Hsin Bill Co. Ltd., and Central Investment Holding Company and the chairman of Jen Hua Investment Holding Company. Dr. Liu had also served as CEO of Taiwan KMT (Ruling Party) Business Investment Committee and had served the board of China Development Industry Bank, one of the top management of Taiwan’s largest Investment Banks. Dr. Liu had been the CEO and an executive director of the Core Pacific-Yamaichi Group. Because of his outstanding contribution in the financial field, Dr. Liu was granted the honour of ‘Golden Peak Award of Outstanding Corporation Leaders in Taiwan’ in 1998, and was ranked as one of the ‘Top Ten Intelligent Financial Personnel in Greater China’ and was conferred the ‘Best Integrity Award’ in 2008. Dr. Liu is a non-executive director of Rocklands Richfield Limited, a company listed on the Australian Stock Exchange. Saved as disclosed above, Dr. Liu had not held any directorship in any other listed company in the past three years.

As at the Latest Practicable Date, Dr. Liu did not hold any Shares within the meaning of Part XV of the SFO. Dr. Liu is not related to any other Directors, senior management, substantial shareholder, or controlling shareholders of the Company. During the year ended 30 June 2010, Dr. Liu received a director's fee in the amount of HK\$44,516, which was determined between Dr. Liu and the Company at arm's length on the basis of his previous experience, qualifications, responsibility to be involved in the Company, the amount of time required to be devoted to the Company's business, the current financial position of the Company and the prevailing market condition. Dr. Liu does not have a service agreement with the Company which is not determinable by the Company within one year without paying compensation (other than statutory compensation). Dr. Liu is subject to retirement by rotation in accordance with the Articles of Association of the Company.

Saved as disclosed above, the Board is not aware of any other matters that need to be brought to the attention of the Shareholders of the Company in respect of Dr. Liu, and Dr. Liu has confirmed that there are no other matters that need to be brought to the attention of the Shareholders with his re-election and that no other information needs to be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Capital VC Limited
首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*

(Stock Code: 02324)

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (“Meeting”) of Capital VC Limited (the “Company”) will be held at Suite 802, 8/F., Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong on Friday, 26 November 2010 at 4:30 p.m. for the following purposes:

As Ordinary Business:

1. To receive and consider the audited financial statements and the directors’ report and auditor’s report for the year ended 30 June 2010.
2. To re-elect retiring directors and to authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

As Special Business:

4. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:
 - (A) **“THAT:**
 - (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares of HK\$0.10 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution, and the said approval shall be limited accordingly; and

- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
 - (i) the conclusion of the next Annual General Meeting of the Company;
 - (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; or
 - (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held.”

(B) **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot and deal with additional shares in the Company, and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any of the warrants or securities which are convertible into shares of the Company; or (iii) an issue of shares in the Company as scrip dividends pursuant to the Articles of Association of the Company from time to time; or (iv) an issue of shares in the Company under any option scheme or similar arrangement for the grant or issue to employees of the Company and/or any of its subsidiaries of shares in the Company or rights to acquire shares in the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“Relevant Period” shall have the same meaning as those ascribed to it under paragraph (c) of the Ordinary Resolution No. 4(A) in the Notice convening this Meeting; and

“Rights Issue” means an offer of shares in the Company, open for a period fixed by the directors to the holders of shares, whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

- (C) “**THAT** subject to the passing of the Ordinary Resolutions Nos. 4(A) and 4(B) in the Notice convening this Meeting, the aggregate nominal amount of shares which are to be purchased by the Company pursuant to the authority granted to the Directors as mentioned in Resolution No.4(A) shall be added to the aggregate nominal amount of the share capital that may be allotted or agreed to be allotted by the Directors pursuant to Resolution No.4(B).”

- (D) “**THAT** the refreshing of the limit in respect of the aggregate number of shares of the Company which may be issued upon exercise of all options to be granted under the share option scheme adopted by the Company on 30 September 2003 (the “Scheme”) be and is hereby approved subject to a maximum limit equals 10% of the shares of the Company in issue at the date of passing of this resolution (the “Refreshed Limit”) and that the directors of the Company be and are hereby authorised, from time to time, to offer or grant options pursuant to the Scheme subject to the Refreshed Limit and to exercise all powers of the Company to allot and issue shares upon the exercise of any such options.”

By Order of the Board
Yau Chung Hong
Executive Director

Hong Kong, 28 October 2010

Notes:

1. A member of the Company entitled to attend and vote at the meeting (or at any adjournment thereof) is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy and the power of attorney (if any), under which it is signed or a notarially certified copy thereof, must be lodged at the Company’s branch registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong not less than 48 hours before the appointed time for holding the above meeting or any adjournment thereof.
3. Completion and return of the accompanying form of proxy will not preclude members of the Company from attending and voting in person at the meeting or any adjournment thereof should they so wish.