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VXL CAPITAL LIMITED
卓越金融有限公司

(incorporated in Hong Kong with limited liability)

(Stock Code: 727)

**ANNOUNCEMENT
SETTLEMENT OF CLAIM**

Reference is made to the announcement of VXL Capital Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 6 October 2011 (the “**Announcement**”) in relation to the notice received by the Company that a claim has been filed in the Labour Tribunal (the “**Proceedings**”) against it by a former Chief Executive Officers of the Company (the “**Former CEO**”) for a total sum of HK\$30.0 million (the “**Claim**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) that the Company, VXL Management Services Limited (“**VXLMS**”), a wholly-owned subsidiary of the Company, and the Former CEO entered into a deed of settlement (the “**Deed**”) on 18 May 2012, pursuant to which the Company shall pay, for and on behalf of itself and VXLMS, a sum of approximately HK\$1.0 million (the “**Settlement**”) to the Former CEO within 15 days upon signing of the Deed in full and final settlement of the Claim. Upon receipt of the Settlement, the parties shall execute the consent order dismissing the Proceedings.

As disclosed in the Announcement, a provision in respect of the Claim in the amount of HK\$6.4 million was included in the financial statements of the Group as of 31 March 2011. The excess of the provision over the Settlement shall be reversed in the financial year ending 31 March 2013. The Board considers the Settlement to be in the interest of the Company and the Shareholders as a whole.

By order of the Board
VXL Capital Limited
Datuk LIM Chee Wah
Chairman

21 May 2012

As at the date of this announcement, the Board comprises:

Executive Directors:
Datuk LIM Chee Wah
Mr. XIAO Huan Wei

Independent non-executive Directors:
Mr. Alan Howard SMITH, J.P.
Dr. Allen LEE Peng Fei, J.P.
Mr. David YU Hon To