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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)

PROPOSED PLACING OF PROMISSORY NOTES

Placing Agent



Financial Adviser



On 19 June 2014, after trading hours, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed to procure, on a best-effort basis, the Placees to subscribe for the Promissory Notes up to an aggregate principal amount of HK\$120,000,000.

Assuming the Promissory Notes in the aggregate principal amount of HK\$120,000,000 are successfully placed by the Placing Agent, the estimated net proceeds from the Placing will be approximately HK\$119,316,000, which is intended to be used for general working capital and/or for financing future investment opportunities of the Group.

THE PLACING AGREEMENT

Date: 19 June 2014

Parties: (i) Issuer: the Company

(ii) Placing Agent: Changjiang Securities Brokerage (HK) Limited

On 19 June 2014, after trading hours, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed to procure, on a best-effort basis, the Placees to subscribe for the Promissory Notes up to an aggregate principal amount of HK\$120,000,000.

Pursuant to the Placing Agreement, the Placing Agent has been appointed by the Company to place the Promissory Notes on a best-effort basis, to the Placees. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner is not a connected person of the Company and is independent of and not connected with the Company and/or its connected persons.

Assuming the Promissory Notes in the aggregate principal amount of HK\$120,000,000 are successfully placed by the Placing Agent, the estimated net proceeds from the Placing will be approximately HK\$119,316,000, which is intended to be used for general working capital and/or for financing future investment opportunities of the Group.

The Placees

The Placing Agent will use its best endeavours to ensure that the Placees, which will be professional, institutional or other investors and their respective ultimate beneficial owners will not be connected persons of the Company, and will be independent of and not connected with the Company and/or its connected persons.

Conditions of the Placing

The Placing and the obligations of the Placing Agent under the Placing Agreement are conditional upon there not having been, at any time before the Completion Date:

- (A) any material adverse change or any development reasonably likely to result in an adverse change in the condition (financial or otherwise) of the Group which in reasonable opinion of the Placing Agent is material in the context of the Placing;
- (B) the occurrence of any event or the existence of any circumstance which would render any of the warranties and undertakings of the Company untrue or inaccurate in any material respect; and
- (C) the occurrence of any breach of the undertakings of the Company as set out in the Placing Agreement.

The Company shall use its best endeavours to procure the fulfilment of the conditions specified as above on or prior to the Long Stop Date. The Placing Agent is entitled to waive any of the above conditions.

Termination for the Placing

If at any time on or prior to 5:00 p.m. on the Long Stop Date:

- (A) there develops, occurs or comes into force:
 - (I) any new law or regulation or any change in existing laws or regulations which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the business or financial condition or prospects of the Group; or
 - (II) any significant change (whether or not permanent) in local, national or international economic, financial, political or military conditions which in the reasonable opinion of the Placing Agent is or may be materially adverse in the context of the Placing; or

Maturity Date	:	The first anniversary date of the date of issue of the Promissory Notes.
Placing price	:	The Promissory Notes will be issued at 100% of their principal amount.
Interest	:	3% per annum on the outstanding principal amount of the Promissory Notes, payable on the Maturity Date.
Status of the Promissory Notes	:	The Promissory Notes will constitute direct, unconditional, unsubordinated and unsecured contractual obligations of the Company which will rank pari passu among themselves and at all time rank at least pari passu with all other present and future unsecured and unsubordinated obligations of the Company.
Transferability	:	Subject to the consent of the Company, the Promissory Notes may be transferred to a third party independent of and not connected with the Company and its connected person. Any transfer of the Promissory Notes shall be in respect of the whole or part only (in integral multiples of HK\$1,000,000) of the outstanding principal amount of the Promissory Notes.
Early redemption	:	In the sole discretion of the Company, the Promissory Notes may at any time prior to the maturity date be redeemed by the Company in full or in part (in integral multiples of HK\$1,000,000) with interest on the redeemed amount accrued up to the date of redemption calculated pro rata on a 365 days basis at 3% per annum.
Listing	:	No application will be made for the listing of, or permission to deal in, the Promissory Notes on the Stock Exchange or any other stock exchange.

Events of default : Events of default under the Placing Agreement include but not limited to the following:

- (a) the Company defaults in the payment of principal and interest in respect of the Promissory Notes;
- (b) material breach of warranties and undertakings by the Company as set out in the Placing Agreement; and
- (c) the winding up or dissolution of the Company.

REASONS FOR THE PLACING OF PROMISSORY NOTES

The principal activities of the Group are hotel investment and operations, and property investment. The Directors consider that the issue of the Promissory Notes represents a good opportunity to raise additional funds for the Company.

The Directors (including the independent non-executive Directors) consider that (i) the transactions contemplated under the Placing Agreement are on normal commercial terms; (ii) the terms and conditions of the Placing Agreement are fair and reasonable; and (iii) the Placing is in the interest of the Company and the Shareholders as a whole.

Assuming the Promissory Notes in the aggregate principal amount of HK\$120,000,000 are successfully placed by the Placing Agent, the estimated net proceeds from the Placing, will be approximately HK\$119,316,000, which is intended to be used for general working capital and/or for financing future investment opportunities of the Group.

FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Company has not carried out any fund raising activity in the twelve months immediately prior to the date of this announcement.

DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Board”	the board of Directors of the Company
“Business Day”	any day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business in Hong Kong
“Company”	VXL Capital Limited, a company incorporated in Hong Kong, whose Shares are listed on the Main Board
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	the date and time at which Completion takes place, which shall be the third (3rd) Business Day immediately after the Placing Period (or such other date as the Company and the Placing Agent may agree in writing)
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“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

“Long Stop Date”	2 July 2014 (or such later time and date as the Placing Agent and the Company shall agree in writing)
“Main Board”	the Main Board maintained and operated by the Stock Exchange
“Placee(s)”	placee(s) who are independent third parties procured or to be procured by the Placing Agent to subscribe for the Promissory Notes pursuant to the provisions of the Placing Agreement
“Placing”	the placing of the Promissory Notes through the Placing Agent to the Placees pursuant to the provisions of the Placing Agreement
“Placing Agent”	ChangJiang Securities Brokerage (HK) Limited, a company incorporated in Hong Kong and a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 19 June 2014 entered into between the Placing Agent and the Company in relation to the placing of the Promissory Notes in the aggregate principal amount of up to HK\$120,000,000
“Placing Period”	the period commencing from the date of the Placing Agreement and ending at 5:00 p.m. on the Completion or the Long Stop Date whichever the earliest (or such other date as the Placing Agent and the Company may agree in writing)
“Promissory Note(s)”	3% promissory notes due on the first anniversary date of the date of issue of it up to an aggregate principal amount HK\$120,000,000 to be issued by the Company to the Placees pursuant to the Placing Agreement

“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary shares of HK\$0.01 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
VXL Capital Limited
WONG Hoi Kin
Chairman

Hong Kong, 19 June 2014

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. WONG Hoi Kin and Mr. LIAO Pin Tsung; two non-executive Directors, namely Mr. LIU Hong Shen and Mr. MENG Jin Long and three independent non-executive Directors namely, Mr. LONG Tao, Mr. REN Guo Hua and Mr. CHEN Fang.