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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)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 21 October 2011 the legal representative of the Company filed an Acknowledgement of Service of Writ of Summons on behalf of the Company in respect of a law suit HCA 1700/2011. The said law suit involves a dishonoured cheque for the amount of HK\$39,000,000 allegedly payable to the Plaintiff. Having thoroughly looked into the matter and taken full legal advice, the Company verily believes that the Plaintiff's claim is wholly unmeritorious.

Shareholders of the Company and potential investors are advised to exercise due care when dealing in the shares of the Company.

This announcement is made by Capital VC Limited (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Reference is made to a High Court action commenced by a Mr. Chan Ping Yee (the "Plaintiff") recently against the Company as the defendant under the action number HCA 1700/2011. The cause of action was one of a dishonoured cheque for the amount of HK\$39,000,000 dated 1 May 2011 allegedly payable to the Plaintiff which was presented by the Plaintiff and was bounced.

The Company has thoroughly looked into the matter and has taken full legal advice thereon. The Company was advised and verily believes that the Plaintiff's claim is wholly unmeritorious, since (1) the said cheque did not constitute an enforceable bill of exchange in the circumstances; and (2) the said cheque had been discharged under the Bills of Exchange Ordinance prior to the issuing of the Writ of Summons of the above action.

On 21 October 2011, the legal representative of the Company filed an Acknowledgement of Service of Writ of Summons (No. 14) on behalf of the Company, and will promptly make an application to strike off the claim summarily.

The Company will make further announcement(s) concerning this matter as and when appropriate. Save as disclosed above, so far as the board of directors (the “Board”) of the Company is aware, there are no litigation or arbitration proceedings made or threatened to be made against the Company, which would have a significant impact on the business or operations of the Company or would be discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules.

Shareholders of the Company and potential investors are advised to exercise due care when dealing in the shares of the Company.

By Order of the Board
Yau Chung Hong
Executive Director

Hong Kong, 21 October 2011

As at the date of this announcement, the Board comprises executive directors Mr. Yau Chung Hong, Mr. Chui Tak Keung, Duncan, Mr. Kong Fanpeng and Dr. Liu Ta-pei; non-executive director Mr. Hung Cho Sing; and independent non-executive directors Mr. Lam Kwan, Mr. Chan Ming Sun, Jonathan and Mr. Shiu Siu Tao.