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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: 2324)**

**PROPOSED CAPITAL REORGANISATION  
AND  
PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE  
FOR EVERY TWO ADJUSTED SHARES HELD ON THE RECORD DATE**

**Underwriter of the Rights Issue  
RADLAND INTERNATIONAL LIMITED**

**PROPOSED CAPITAL REORGANISATION**

The Company proposes to put forward to the Shareholders the Capital Reorganisation which will comprise: (i) the consolidation of every ten (10) issued Shares of HK\$0.10 each into one (1) Consolidated Share of HK\$1.00; (ii) the reduction in paid-up capital of each Consolidated Share from HK\$1.00 each to HK\$0.001 by cancelling paid-up capital to the extent of HK\$0.999 on each Consolidated Share so as to form an Adjusted Share of HK\$0.001; (iii) the application of the credit arising from such reduction to cancel the accumulated deficit of the Company with the balance (if any) to be transferred to the distributable capital reduction reserve account of the Company; and (iv) the sub-division of each of the authorised but unissued Shares of HK\$0.10 into one hundred (100) Adjusted Shares of HK\$0.001 each.

The Capital Reorganisation is conditional upon, inter alia, the approval of the Capital Reorganisation by the Shareholders at the EGM and approval of the Adjustment Proposal by the Court.

## **PROPOSED RIGHTS ISSUE**

The Company proposes, subject to the Capital Reorganisation becoming effective, to raise approximately HK\$32.8 million before expenses (assuming (i) none of the outstanding Options has been exercised; (ii) the Scheme Mandate Limit and the Issue Mandate are not utilised and (iii) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date) to HK\$40.4 million before expenses (assuming (i) the outstanding Options have been fully exercised; (ii) the Scheme Mandate Limit is fully utilised and the subscription rights attaching to the maximum number of Options to be granted pursuant to the Scheme Mandate Limit are fully exercised; (iii) the Issue Mandate is fully utilised; and (iv) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date) by issuing not less than 50,464,341 Adjusted Shares and not more than 62,180,120 Adjusted Shares to the Qualifying Shareholders by way of the Rights Issue at a price of HK\$0.65 per Rights Share on the basis of one Rights Share for every two Adjusted Shares held on the Record Date. The Rights Issue will not be available to the Non-Qualifying Shareholders.

The Rights Issue is fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement.

The estimated net proceeds of the Rights Issue will be approximately HK\$30.9 million (assuming (i) none of the outstanding Options has been exercised; (ii) the Scheme Mandate Limit and the Issue Mandate are not utilised and (iii) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date) to approximately HK\$38.3 million (assuming (i) the outstanding Options have been fully exercised; (ii) the Scheme Mandate Limit is fully utilised and the subscription rights attaching to the maximum number of Options to be granted pursuant to the Scheme Mandate Limit are fully exercised; (iii) the Issue Mandate is fully utilised; and (iv) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date). The Company intends to apply such net proceeds for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company.

**The Rights Issue is conditional, inter alia, upon the fulfillment of the conditions set out under the sub-paragraph headed “Conditions of the Rights Issue” below. In particular, the Rights Issue is subject to the Underwriter not terminating the Underwriting Agreement in accordance with the terms set out therein. Accordingly, the Rights Issue may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares or Adjusted Shares (as the case may be) and/or Rights Shares in their nil-paid form up to the date when the conditions of the Rights Issue are fulfilled will bear the risk that the Rights Issue does not become unconditional and may not proceed.**

**GENERAL**

A circular containing, among others, further particulars of the Capital Reorganisation and notice of the EGM, will be despatched to the Shareholders on or before 23 January 2013.

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Posting Date and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

**PROPOSED CAPITAL REORGANISATION**

The Directors propose to effect the Capital Reorganisation pursuant to which:

- i. every ten (10) issued Shares of HK\$0.10 each will be consolidated into one (1) Consolidated Share of HK\$1.00;
- ii. the paid-up capital of each Consolidated Share will be reduced from HK\$1.00 to HK\$0.001 by cancelling paid-up capital to the extent of HK\$0.999 on each Consolidated Share by way of a reduction of capital so as to form an Adjusted Share of HK\$0.001;
- iii. the credit arising from such capital reduction will be applied towards cancelling the accumulated deficit of the Company (if any) with the balance (if any) to be transferred to the distributable capital reduction reserve account of the Company; and
- iv. each of the authorised but unissued Shares of HK\$0.10 will be subdivided into one hundred (100) Adjusted Shares of HK\$0.001 each.

The Adjustment Proposal comprises points (ii) and (iii) above.

Any fraction of Adjusted Shares arising from the Capital Reorganisation will not be issued to the Shareholders but will be aggregated and, if possible, sold (if a premium, net of expenses, can be obtained) for the benefit of the Company.

**Conditions of the Capital Reorganisation**

The Capital Reorganisation (which will be effected in accordance with the articles of association of the Company and the Companies Law) is conditional upon:

- i. the passing of a special resolution to approve the Capital Reorganisation by the Shareholders at the EGM;
- ii. approval of the Adjustment Proposal to the extent required by the Court;
- iii. compliance with any conditions imposed by the Court; and

- iv. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue upon the Capital Reorganisation becoming effective.

No Shareholder is required to abstain from voting on the Capital Reorganisation at the EGM.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Adjusted Shares.

### **Expected effective date of the Capital Reorganisation**

Subject to the above conditions being fulfilled, the Capital Reorganisation will become effective after the Court's approval and registration of the order of the Court confirming the reduction of issued share capital and the minutes approved by the Court at the Registrar of Companies in the Cayman Islands, which is expected to take approximately 2 months from the date of the EGM.

### **Effects of the Capital Reorganisation**

As at the date of this announcement, the authorised share capital of the Company is HK\$200,000,000 comprising 2,000,000,000 Shares of HK\$0.10 each and the issued share capital is HK\$100,928,683.10 divided into 1,009,286,831 Shares. Assuming that no further Shares are issued or repurchased between the date of this announcement and the effective date of the Capital Reorganisation, immediately after the Share Consolidation and the Capital Reduction, the issued share capital of the Company will become HK\$100,928.68 divided into 100,928,683 Adjusted Shares of HK\$0.001 each. As such, a credit of approximately HK\$100.83 million will arise in the books of the Company as a result of the Share Consolidation and the Capital Reduction. Such credit will be used to set off any accumulated deficit of the Company at the relevant time (if any) with the balance (if any) to be transferred to the distributable capital reduction reserve account of the Company which may be utilised by the Directors as distributable reserve in accordance with the articles of association of the Company. The accumulated losses of the Company was approximately HK\$78.00 million as shown in the audited financial statements of the Company for the year ended 30 June 2012.

The authorised share capital of the Company immediately after the Capital Reorganisation becoming effective will be HK\$200,000,000 divided into 200,000,000,000 Adjusted Shares of HK\$0.001 each, of which 100,928,683 Adjusted Shares will be in issue (assuming that no further Shares are issued or repurchased between the date of this announcement and the effective date of the Capital Reorganisation).

The effect of the Capital Reorganisation on the share capital of the Company is summarised below:

	<b>Prior to the Capital Reorganisation</b>	<b>Immediately upon the Capital Reorganisation becoming effective</b>
Nominal value of each share	HK\$0.10	HK\$0.001
Number of authorised shares	2,000,000,000	200,000,000,000
Authorised share capital	HK\$200,000,000	HK\$200,000,000
Number of shares of the Company in issue	1,009,286,831	100,928,683
Issued and fully paid-up share capital	HK\$100,928,683.10	HK\$100,928.68

Other than the relevant expenses incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, liabilities, business, operations, management or financial position of the Company and the Group or the interests of the Shareholders as a whole save for any fractional Adjusted Shares (if any) to which the Shareholders would otherwise be entitled. The Directors believe that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

The Adjusted Shares will rank pari passu in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

### **Reasons for the Capital Reorganisation**

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting its securities. In view of the recent trading price of the Shares, the Board proposes to effect the Share Consolidation in order to comply with the trading requirements of the Listing Rules. The Capital Reduction will enable the Company to apply the credit arising from the Capital Reduction to eliminate its accumulated deficit with the balance (if any) to be transferred to a distributable reserve account of the Company to be applied in such manner as the Directors consider appropriate and in accordance with the articles of association of the Company and all applicable laws.

The proposed Capital Reorganisation will reduce the total number of Shares currently in issue. It is expected to bring about a corresponding upward adjustment in the trading price of the Adjusted Shares on the Stock Exchange.

Accordingly, the Board is of the view that the Capital Reorganisation is beneficial to the Company and the Shareholders as a whole.

### **Trading arrangement and free exchange of Adjusted Share certificates**

The Shares are currently traded in board lots of 10,000 Shares each and the market value per board lot of the Shares is HK\$870, based on the closing price of HK\$0.087 per Share as quoted on the Stock Exchange on the Last Trading Day. Assuming the Capital Reorganisation becomes effective, the Adjusted Shares will be traded in board lots of 10,000 Adjusted Shares and the estimated market value per board lot of the Adjusted Shares will be HK\$8,700, based on the closing price of HK\$0.87 per Adjusted Share (based on the closing price of HK\$0.087 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Capital Reorganisation).

Subject to the Capital Reorganisation becoming effective, the Shareholders may, during a period to be specified in the section headed “Expected timetable” in this announcement, submit certificates for the Shares to the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong for exchange, at the expense of the Company, for certificates for the Adjusted Shares. Thereafter, certificates for the Shares will be accepted for exchange only on payment of a fee of the higher of HK\$2.50 or such other amount as may from time to time be allowed by the Stock Exchange for each new certificate issued for Adjusted Shares or old certificates cancelled. Certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for Adjusted Shares at any time at the expense of the Shareholders.

### **Odd lots arrangements and matching services**

In order to alleviate the difficulties arising from the existence of odd lots of Adjusted Shares, the Company has appointed Radland International Limited to provide matching services for sale and purchase of the odd lots of Adjusted Shares on a best effort basis during the period from Thursday, 18 April 2013 to Thursday, 9 May 2013 (both dates inclusive). Shareholders who wish to take advantage of this facility should contact Mr. KK Au Yeung of Radland International Limited at 26th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong during office hours of such period. Shareholders should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares are not guaranteed and will depend on there being adequate amounts of odd lots of Adjusted Shares available for such matching.

**If you are in any doubt as to the above arrangements, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.**

## PROPOSED RIGHTS ISSUE

The Rights Issue is proposed to take place after and is conditional upon the Capital Reorganisation becoming effective.

### Issue statistic

Basis of the Rights Issue	:	One Rights Share for every two Adjusted Shares held on the Record Date
Number of Shares in issue as at the date of this announcement	:	1,009,286,831 Shares
Number of Adjusted Shares in issue assuming the Capital Reorganisation becoming effective	:	100,928,683 Adjusted Shares (assuming no further issue of the Shares from the date of this announcement up to the effective date of the Capital Reorganisation)
Number of Rights Shares (Note)	:	Not less than 50,464,341 Rights Shares (assuming (i) none of the outstanding Options has been exercised; (ii) the Scheme Mandate Limit and the Issue Mandate are not utilised and (iii) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date); and not more than 62,180,120 Rights Shares (assuming (i) the outstanding Options have been fully exercised; (ii) the Scheme Mandate Limit is fully utilised and the subscription rights attaching to the maximum number of Options to be granted pursuant to the Scheme Mandate Limit are fully exercised; (iii) the Issue Mandate is fully utilised; and (iv) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date).
Subscription Price	:	HK\$0.65 per Rights Share

### Notes:

- i. there are outstanding 32,000,000 Options granted under the Share Option Scheme at exercise price of HK\$0.365 per Share. Assuming the outstanding Options are fully exercised on or before the Record Date, 32,000,000 Shares or 3,200,000 Adjusted Shares will be issued and an additional 1,600,000 Rights Shares will be issued.
- ii. there are unutilised Shares from the Scheme Mandate Limited up to 458,217 Shares or 45,821 Adjusted Shares which was approved at the annual general meeting on 26 November 2010. If the Scheme Mandate Limit is fully utilised and the subscription rights attaching to the maximum number of Options to be granted pursuant to the Scheme Mandate Limit to the Scheme Mandate Limit are fully exercised on or before the Record Date, an additional 22,910 Rights Shares will be issued.

- iii. the Issue Mandate was approved at the annual general meeting held on 31 December 2012.
- iv. Save for the outstanding Options, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to convert into or subscribe for Shares as at the date of this announcement.

Assuming that (i) none of the outstanding Option has been exercised; (ii) the Scheme Mandate Limit and the Issue Mandate are not utilised and (iii) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date, the 50,464,341 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the Company's issued share capital (assuming that the Capital Reorganisation becomes effective) as at the date of this announcement and 33.3% of the Company's issued share capital as enlarged by the issue of the Rights Shares.

### **Qualifying Shareholders**

The Company will send the Prospectus Documents to the Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, Shareholders must lodge their transfers of Shares or Adjusted Shares (as the case may be) (together with the relevant share certificates) with the Company's branch registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Monday, 8 April 2013.

### **Closure of register of members**

The register of members of the Company will be closed from Tuesday, 9 April 2013 to Thursday, 11 April 2013, both dates inclusive. No transfer of Shares or Adjusted Shares (as the case may be) will be registered during this period.

### **Rights of Overseas Shareholders**

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.



The Company will make enquiries pursuant to Rule 13.36(2) of the Listing Rules regarding the feasibility of extending the Rights Issue to the Overseas Shareholders. If, based on legal opinions, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any PAL and EAF to them.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, of more than HK\$100 will be paid pro rata to the Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for the benefits of the Company. Any unsold entitlement of the Non-Qualifying Shareholders, together with any Rights Shares provisionally allotted but not accepted, will be made available for excess application on EAFs by the Qualifying Shareholders.

### **Subscription Price**

The Subscription Price is HK\$0.65 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- i. a discount of approximately 25.29% to the theoretical closing price of HK\$0.870 per Adjusted Share, based on the closing price of HK\$0.087 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account the effect of the Capital Reorganisation;
- ii. a discount of approximately 18.41% to the theoretical ex-rights price of approximately HK\$0.797 per Adjusted Share, based on the closing price of HK\$0.087 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account the effect of the Capital Reorganisation; and
- iii. a discount of approximately 21.69% to the average theoretical closing price of approximately HK\$0.830 per Adjusted Share, based on the average closing price of HK\$0.083 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day and adjusted taking into account the effect of the Capital Reorganisation.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. The Directors consider that the discount of the Subscription Price would encourage the Shareholders to participate in the Rights Issue and accordingly maintain their pro-rata shareholdings in the Company and participate in the future growth of the Group, and that the terms of the Rights Issue (including the rate of commission) are fair and reasonable and in the interests of the Group and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares (assuming (i) none of the outstanding Options has been exercised; (ii) the Scheme Mandate Limit and the Issue Mandate are not utilised and (iii) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date) will be approximately HK\$0.612.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be one Rights Share for every two Adjusted Shares in issue and held as at the close of business on the Record Date, being not less than 50,464,341 Rights Shares and not more than 62,180,120 Rights Shares at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

### **Fractions of Rights Shares**

The Company will not provisionally allot fractions of Rights Shares. The aggregate of fractions of the Rights Shares will be sold by the Company in the market, and, if a net premium can be obtained the proceeds will be retained by the Company for its own benefit. Any unsold aggregate of fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders.

### **Status of the Rights Shares**

The Rights Shares, when allotted, issued and fully paid, will rank pari passu in all respects with the Adjusted Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

### **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders.

Applications for excess Rights Shares may be made by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

1. preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse this mechanism; and
2. subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares) and with board lot allocations to be made on a best effort basis.

Investors with their Shares or Adjusted Shares (as the case may be) held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares or Adjusted Shares (as the case may be) held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares or Adjusted Shares (as the case may be) in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares or Adjusted Shares (as the case may be) are held by their nominee(s) and who would like to have their names registered on the register of members of the Company at the close of business on the Record Date must lodge all necessary documents with the Company's branch registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for completion of the relevant registration by 4:30 p.m. on Monday, 8 April 2013.

### **Share certificates and refund cheques for Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before 13 May 2013. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before 13 May 2013 by ordinary post to the applicants at their own risk.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 10,000), which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- i. the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong respectively on or prior to the Posting Date of one copy of each of the Prospectus Documents each duly certified in compliance with section 342C of the Companies Ordinance (and all other documents required to be attached thereto);
- ii. the posting on the Posting Date of copies of the Prospectus Documents to the Qualifying Shareholders;
- iii. compliance by the Company with its obligations under the Underwriting Agreement in respect of the allotment and offer of the Rights Shares by the times specified;
- iv. the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Business Day prior to the commencement of the trading of the Rights Shares (in their nil-paid and full-paid forms respectively) and the Listing Committee of the Stock Exchange not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the Settlement Date;

- v. the Shares or Adjusted Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares or the Adjusted Shares not having been withdrawn or the trading of the Shares or Adjusted Shares not having been suspended for a consecutive period of more than 5 trading days (other than any suspension pending clearance of this announcement) and no indication being received before 4:00 p.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;
- vi. the passing of the relevant resolution(s) by the Shareholders approving the Capital Reorganisation at an extraordinary general meeting in accordance with the Listing Rules;
- vii. the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement; and
- viii. the Capital Reorganisation becoming effective.

In the event that the above conditions (other than the conditions (i) to (iv), (vi) and (viii) above which cannot be waived) have not been satisfied and/or waived in whole or in part by the Underwriter on or before the Posting Date (or the relevant dates set out therein) or in the event that the condition in (iv) above has not been satisfied on or before 4.00 p.m. on the Settlement Date or in the event that the condition in (vi) above has not been satisfied on or before the Record Date (or in each case, such later date as the Underwriter and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and determine and none of the parties shall have any claim against the other save that all such reasonable costs, fees and other out-of-pocket expenses (excluding sub-underwriting fees and related expenses) as have been properly incurred by the Underwriter in connection with the underwriting of the Underwritten Shares by the Underwriter (but not the underwriting commission) shall to the extent agreed by the Company be borne by the Company and the Rights Issue will not proceed.

## **The Underwriting Agreement**

Date : 3 January 2013

Underwriter : Radland International Limited, is a corporation licensed to carry out type 1 (dealing in securities) regulated activity under the SFO. To the best of the Directors' knowledge and information, Radland International Limited and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons

Total number of Rights Shares being underwritten by the Underwriter : The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Issue on a fully underwritten basis, not less than 50,464,341 Rights Shares (assuming (i) none of the outstanding Options has been exercised; (ii) the Scheme Mandate Limit and the Issue Mandate are not utilised and (iii) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date); and not more than 62,180,120 Rights Shares (assuming (i) the outstanding Options have been fully exercised; (ii) the Scheme Mandate Limit is fully utilised and the subscription rights attaching to the maximum number of Options to be granted pursuant to the Scheme Mandate Limit are fully exercised; (iii) the Issue Mandate is fully utilised; and (iv) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date) subject to the terms and conditions of the Underwriting Agreement

Commission : 3% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date

The Board considers the terms of the Underwriting Agreement including the commission rate accord with the market practice and are fair and reasonable so far as the Company and the Shareholders are concerned.

### **Termination of the Underwriting Agreement**

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to 4:00 p.m. on the Settlement Date if there occurs:

- i. an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or

- ii. any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- iii. any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the reasonable opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Settlement Date:

- i. the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- ii. the Underwriter shall receive notification pursuant to the Underwriting Agreement, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Underwriter shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- iii. the Company shall, after certain matter or event referred to in the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company;

the Underwriter shall be entitled (but not bound) by notice in writing issued by the Underwriter to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

Upon the giving of notice pursuant to the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and none of the parties to the Underwriting Agreement shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (but not the underwriting commission) referred to in the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

**EXPECTED TIMETABLE**

**2013**

Despatch of Circular and proxy form of EGM . . . . . Wednesday, 23 January

Latest time for return of proxy form of EGM . . . . . 4:30 p.m., Wednesday, 6 February  
(not less than 48 hours prior to time of EGM)

Expected date and time of EGM . . . . . 4:30 p.m., Friday, 8 February

Announcement of poll results of EGM . . . . . Friday, 8 February

*The following events are conditional on the poll results of the EGM and the date of the Court hearing(s). The dates are therefore tentative.*

Effective date of the Capital Reorganisation . . . . . After 5:00 p.m., Tuesday, 2 April

Commencement of dealings in Adjusted Shares . . . . . 9:00 a.m., Wednesday, 3 April

Original counter for trading in Shares . . . . . 9:00 a.m., Wednesday, 3 April  
(in board lots of 10,000 Shares) to be closed

Temporary counter for trading in Adjusted Shares . . . . . 9:00 a.m., Wednesday, 3 April  
in board lots of 1,000 Adjusted Shares  
(in form of existing share certificates) to be opened

Free exchange of existing share certificates . . . . . Wednesday, 3 April  
for new share certificates of the  
Adjusted Shares commences

Last day of dealings in Adjusted Shares . . . . . Wednesday, 3 April  
on a cum-rights basis

First day of dealings in Adjusted Shares on an ex-rights basis . . . . . Friday, 5 April



Latest time for lodging transfer of the Shares . . . . . 4:30 p.m. on Monday, 8 April  
in order to be qualified for the Rights Issue

Register of members to be closed . . . . . Tuesday, 9 April to Thursday, 11 April  
(both dates inclusive)

Record Date . . . . . Thursday, 11 April

Register of members to be reopened . . . . . Friday, 12 April

Prospectus Documents to be posted . . . . . Monday, 15 April

First day of dealings in nil-paid Rights Shares . . . . . Wednesday, 17 April

Designated broker starts to stand in the market . . . . . 9:00 a.m., Thursday, 18 April  
to provide matching services for the sale  
and purchase of odd lots of Adjusted Shares

Original counter for trading in Adjusted Shares . . . . . 9:00 a.m., Thursday, 18 April  
(in board lots of 10,000 Adjusted Shares  
in the form of new share certificates  
for Adjusted Shares) reopens

Parallel trading in Adjusted Shares . . . . . 9:00 a.m., Thursday, 18 April  
(in form of new certificate and  
existing certificate) commences

Latest time for splitting nil-paid Rights Shares . . . . . 4:30 p.m. on Friday, 19 April

Last day of dealings in nil-paid Rights Shares . . . . . Wednesday, 24 April

Latest time for acceptance of and payment . . . . . 4:00 p.m. on Monday, 29 April  
for Rights Shares and for application and  
payment for excess Rights Shares

Latest time for the Rights Issue to become unconditional . . . 4:00 p.m. on Friday, 3 May

Temporary counter for trading in Adjusted Shares . . . . . 4:00 p.m., Thursday, 9 May  
in board lots of 1,000 Adjusted Shares  
(in form of existing share certificates) to be closed

Parallel trading in Adjusted Shares . . . . . 4:00 p.m., Thursday, 9 May  
(in form of new and existing certificate) ends

Designated broker ceases to stand in the market . . . . .4:00 p.m., Thursday, 9 May  
to provide matching services for the sale and  
purchase of odd lots of Adjusted Shares

Announcement of the results of acceptance . . . . . Thursday, 9 May  
and excess application of the Rights Issue

Refund cheques for wholly and partially unsuccessful . . . . . Monday, 13 May  
applications for excess Rights Shares expected  
to be posted on or before

Share certificates for fully-paid Rights Shares expected to be. . . . . Monday, 13 May

First day of dealing in fully-paid Rights Shares . . . . .9:00 a.m. on Tuesday, 14 May

Free exchange of existing share certificates for. . . . . Tuesday, 14 May  
new share certificates ends

All times and dates in this announcement refer to Hong Kong local times and dates.

Dates or deadlines specified in this announcement are indicative only. Any changes to  
the expected timetable will be published or notified to the Shareholders as and when  
appropriate.

## SHAREHOLDING IN THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Rights Issue:

### Scenario 1:

Assuming (i) none of the outstanding Options has been exercised; (ii) the Scheme Mandate Limit and the Issue Mandate are not utilised; and (iii) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date:

	As at the date of this announcement		Immediately after the Capital Reorganisation becoming effective but before completion of the Rights Issue		Immediately after completion of the Rights Issue and assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue and assuming no Qualifying Shareholders take up any of the Rights Shares and the Underwriter takes up the Rights Shares to the maximum extent	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
<b>Substantial Shareholder</b>								
Willie International Holdings Limited	233,960,000	23.18	23,396,000	23.18	35,094,000	23.18	23,396,000	15.46
<b>Underwriter (Notes)</b>	-	-	-	-	-	-	50,464,341	33.33
<b>Public Shareholders</b>	775,326,831	76.82	77,532,683	76.82	116,299,024	76.82	77,532,683	51.21
<b>Total</b>	<u>1,009,286,831</u>	<u>100.00</u>	<u>100,928,683</u>	<u>100.00</u>	<u>151,393,024</u>	<u>100.00</u>	<u>151,393,024</u>	<u>100.00</u>

## Scenario 2:

Assuming (i) the outstanding Options have been fully exercised; (ii) the Scheme Mandate Limit is fully utilised and the subscription rights attaching to the maximum number of Options to be granted pursuant to the Scheme Mandate Limit are fully exercised; (iii) the Issue Mandate is fully utilised; and (iv) no other issue or repurchase of Shares or Adjusted Shares, on or before the Record Date:

	As at the date of this announcement		Before Share Consolidation but after (i) outstanding Options have been fully exercised; (ii) Options granted under the Scheme Mandate Limit being exercised fully; and (iii) the Issue mandate being fully utilised				Immediately after completion of the Rights Issue and assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue and assuming no Qualifying Shareholders take up any of the Rights Shares and the Underwriter takes up the Rights Shares to the maximum extent	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
<b>Substantial Shareholder</b>										
Willie International Holdings Limited	233,960,000	23.18	233,960,000	18.81	23,396,000	18.81	35,094,000	18.81	23,396,000	12.54
<b>Underwriter (Notes)</b>	-	-	-	-	-	-	-	-	62,180,120	33.33
<b>Public Shareholders</b>										
Outstanding Options have been fully exercised	-	-	32,000,000	2.57	3,200,000	2.57	4,800,000	2.57	3,200,000	1.72
New Shares issued under Issue Mandate	-	-	201,857,366	16.23	20,185,736	16.23	30,278,604	16.23	20,185,736	10.82
Scheme mandate Limit being fully utilised and Options granted thereafter fully exercised	-	-	458,217	0.04	45,821	0.04	68,731	0.04	45,821	0.03
Other Public Shareholders	775,326,831	76.82	775,326,831	62.35	77,532,684	62.35	116,299,026	62.35	77,532,684	41.56
<b>Total</b>	<u>1,009,286,831</u>	<u>100.00</u>	<u>1,243,602,414</u>	<u>100.00</u>	<u>124,360,241</u>	<u>100.00</u>	<u>186,540,361</u>	<u>100.00</u>	<u>186,540,361</u>	<u>100.00</u>

*Notes:*

This scenario is for illustrative purpose only. Pursuant to the Underwriting Agreement, the Underwriter undertakes that in the event that the Underwriter is required to take up the Rights Shares pursuant to its underwriting obligations:

- 1) The Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within meaning of the Takeovers Code) with it in the Company to exceed 29.9% or more of the issued share capital of the Company upon the completion of the Rights Issue;
- 2) The Underwriter shall and shall cause the sub-underwriters to procure independent places to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with upon completion of the Rights Issue.

### **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Company and its subsidiaries are principally engaged in investment in listed and unlisted companies mainly in Hong Kong and the PRC.

The Directors consider that the Rights Issue, which is on a fully underwritten basis, will (i) allow the Group to strengthen its financial position without having to incur interest expenses as compared to debt financing; (ii) increase the capital base of the Company for future investment purposes; and (iii) provide funding to capture suitable investment opportunities when arises. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company, hence the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The gross proceeds of the Rights Issue will be approximately HK\$32.8 million to approximately HK\$40.4 million. The estimated net proceeds of the Rights Issue will be approximately HK\$30.9 million to approximately HK\$38.3 million and the Company intends to apply such net proceeds for general working capital of the Group and for future investments pursuant to the investment objectives of the Company.

## **FUND RAISING EXERCISES OF THE COMPANY**

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
23 August 2012	Placing of new Shares	HK\$9 million	For future potential investment and working capital	Use as intended
9 June 2011	Placing of new Shares	HK\$72.43 million	For general working capital of the Group and/or funding of appropriate investment opportunities if arise	Use as intended

## **POSSIBLE ADJUSTMENTS TO THE OPTIONS**

As a result of the Capital Reorganisation and the Rights Issue, the exercise price and the number of Shares to be issued pursuant to the Options may be adjusted in accordance with the respective terms and conditions of the Share Option Scheme. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

## **WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES**

**The Adjusted Shares will be dealt in on an ex-rights basis from Friday, 5 April 2013. Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 17 April 2013 to Wednesday, 24 April 2013 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.**

**Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Friday, 5 April 2013 to Wednesday, 24 April 2013 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares or the Adjusted Shares (as the case may be) up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during the period from Friday, 5 April 2013 to Wednesday, 24 April 2013 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

## **GENERAL**

As the proposed Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of the Shareholders under the Listing Rules.

A circular containing, among others, further particulars of the Capital Reorganisation and notice of the EGM, will be despatched to the Shareholders on or before 23 January 2013.

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on the Posting Date and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

## **DEFINITIONS**

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

“Acceptance Date”	4:00 p.m. on Monday, 29 April 2013 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for the excess Rights Shares)
“Adjusted Share(s)”	ordinary share(s) of HK\$0.001 each in the capital of the Company upon the Capital Reorganisation becoming effective
“Adjustment Proposal”	the Capital Reduction and the application of the credit arising from the Capital Reduction as described in the section headed “Proposed Capital Reorganisation” in this announcement
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and Public Holiday) on which banks are generally open for business more than five hours in Hong Kong
“Capital Reduction”	the proposed reduction of the issued share capital of the Company as described in the section headed “Proposed Capital Reorganisation” in this announcement

“Capital Reorganisation”	the Share Consolidation, Adjustment Proposal and subdivision of authorised but unissued Shares as described in the section headed “Proposed Capital Reorganisation” in this announcement
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular to be despatched to the Shareholders containing, among other things, further details of the Capital Reorganisation and the notice of the EGM
“Companies Law”	The Company Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“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 main board of the Stock Exchange
“connected person(s)”	the meaning ascribed to it under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$1.00 each in the issued share capital of the Company upon the Share Consolidation becoming effective
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares in connection with the Rights Issue
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Capital Reorganisation
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited



“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate granted at the annual general meeting of the Company held on 31 December 2012 pursuant to which the Directors have been authorised to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at 31 December 2012
“Last Trading Day”	3 January 2013, being the last trading day of the Shares before the release of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on legal advice provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Issue to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Options”	the options to subscribe for Shares under the Share Option Scheme
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is(are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders
“Posting Date”	Monday, 15 April 2013, or such other date as the Underwriter may agree in writing with the Company, as the date for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders

“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be despatched to the Shareholders in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Thursday, 11 April 2013 or such other date as the Underwriter may agree in writing with the Company as the date by reference to which entitlements to the Rights Issue are to be determined
“Rights Issue”	the proposed issue by way of rights of one Rights Share for every two Adjusted Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	not less than 50,464,341 Adjusted Shares and not more than 62,180,120 Adjusted Shares to be allotted and issued pursuant to the Rights Issue
“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 any other share option schemes of the Group
“Settlement Date”	9 May 2013, or such other time or date as the Underwriter and Company may agree in writing
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share Consolidation”	the proposed consolidation of every ten (10) issued Shares of HK\$0.10 each into one (1) Consolidated Share of HK\$1.00 each as described in the section headed “Proposed Capital Reorganisation” in this announcement

“Share Option Scheme”	the share option scheme adopted by the Company on 30 September 2003
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company as at the date hereof and before the Capital Reorganisation becoming effective
“Shareholder(s)”	holder(s) of Share(s) or Adjusted Share(s) (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.65 per Rights Share
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Underwriter”	Radland International Limited, (a company incorporated in Hong Kong with limited liability), is a corporation licensed to carry out type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 3 January 2013 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwriting Shares”	not less than 50,464,341 Rights Shares and not more than 62,180,120 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%” or “per cent.”	percentage or per centum

By Order of the Board  
**Chan Cheong Yee**  
*Executive Director*

Hong Kong, 3 January 2013

*As at the date of this notice, the board of directors of the Company comprises executive directors Mr. Kong Fanpeng and Mr. Chan Cheong Yee; non-executive director Mr. Hung Cho Sing; and independent non-executive directors Mr. Lam Kwan, Mr. Ong Chi King and Mr. Cheung Kwok Yu.*