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Capital VC Limited

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*
(Stock Code: 2324)

FURTHER UPDATE ON PROPOSED CAPITAL REORGANISATION AND RIGHTS ISSUE

The Petition is scheduled to be heard by the Court on 7 June 2013 (Cayman time). If the Court sanctions the Capital Reorganisation and assuming all the other conditions for the Capital Reorganisation set out in the Circular are fulfilled, the Capital Reorganisation will take effect following the registration of the order and the minute approved by the Court with the Registrar of Companies of the Cayman Islands. On such basis, the trading arrangements in respect of dealings in the Company's existing Shares and the Adjusted Shares on the Stock Exchange will be implemented in accordance with the expected timetable set out below.

Shareholders and investors should note that the outcome of the hearing of the Petition is entirely within the jurisdiction of the Court, which may exercise its discretion to grant or not to grant the order as it sees fit. The timetable below will not be implemented if the Petition is not heard by the Court or the Court does not sanction the Capital Reorganisation on 7 June 2013 (Cayman time) or the order and the minute are not registered with the Registrar of Companies of Cayman Islands on 13 June 2013 (Cayman time).

Further announcement(s) will be made by the Company upon the outcome of the Court hearing and/or the actual timetable for the implementation of the Capital Reorganisation and the Rights Issue, if and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares or the Adjusted Shares (as the case may be) and, if they are in any doubt about their position, they should consult their professional adviser(s). The Rights Issue is conditional, inter alia, upon fulfillment of the conditions set out in the Circular. In particular, the Rights Issue is subject to the Capital Reorganisation becoming effective. Any Shareholders or other person 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 will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Reference is made to (i) the announcements of the Company dated 3 January 2013 and 27 March 2013 (the “**Announcements**”); and (ii) the circular of the Company dated 16 January 2013 (the “**Circular**”). Unless the context herein otherwise requires, terms used in this announcement shall have the same meanings as defined in the Announcements and the Circular.

PETITION

The petition for the sanction of the Capital Reorganisation (the “**Petition**”) is scheduled to be heard by the Court on 7 June 2013 (Cayman time). The Capital Reorganisation is conditional, among other things, on the Court sanctioning the Capital Reorganisation and the registration by the Company with the Registrar of Companies of the Cayman Islands an official copy of the order and the minute approved by the Court.

EXPECTED TIMETABLE FOR CAPITAL REORGANISATION AND RIGHTS ISSUE

Set out below is the expected timetable for the implementation of the Capital Reorganisation and the Rights Issue assuming the Court grants the order on 7 June 2013 (Cayman time) and the order and the minute are registered with the Registrar of Companies of the Cayman Islands on 13 June 2013 (Cayman time) and all other conditions of the Capital Reorganisation are fulfilled before 9:00 a.m. on 14 June 2013 (Hong Kong time).

Shareholders and investors should note that the outcome of the hearing of the Petition is entirely within the jurisdiction of the Court, which may exercise its discretion to grant or not to grant the order as it sees fit. The timetable below will not be implemented if the Petition is not heard by the Court or the Court does not sanction the Capital Reorganisation on 7 June 2013 (Cayman time) or the order and the minute are not registered with the Registrar of Companies of the Cayman Islands on 13 June 2013 (Cayman time).

The following events are conditional on the dates of the Court hearing and registration of the court order and minute approved by the Court with the Registrar of Companies in the Cayman Islands. The dates are therefore tentative.

2013

Effective date of the Capital Reorganisation	After 5:00 p.m., Thursday, 13 June
Commencement of dealings in Adjusted Shares	9:00 a.m., Friday, 14 June
Original counter for trading in Shares (in board lots of 10,000 Shares) to be closed	9:00 a.m., Friday, 14 June
Temporary counter for trading in Adjusted Shares in board lots of 1,000 Adjusted Shares (in form of existing share certificates) to be opened	9:00 a.m., Friday, 14 June

Free exchange of existing share certificates for new share certificates for the Adjusted Shares commences	Friday, 14 June
Last day of dealings in Adjusted Shares on a cum-rights basis	Monday, 24 June
First day of dealings in Adjusted Shares on an ex-rights basis	Tuesday, 25 June
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue	4:30 p.m., Wednesday, 26 June
Register of members to be closed (both days inclusive)	Thursday, 27 June to Tuesday, 2 July
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Adjusted Shares	9:00 a.m., Friday, 28 June
Original counter for trading in Adjusted Shares (in board lots of 10,000 Adjusted Shares in the form of new share certificates for Adjusted Shares) reopens	9:00 a.m., Friday, 28 June
Parallel trading in Adjusted Shares (in form of new certificate and existing certificate) commences	9:00 a.m., Friday, 28 June
Record Date	Tuesday, 2 July
Register of members to be reopened	Wednesday, 3 July
Prospectus Documents to be posted	Thursday, 4 July
First day of dealings in nil-paid Rights Shares	Monday, 8 July
Latest time for splitting nil-paid Rights Shares	4:30 p.m., Wednesday, 10 July
Last day of dealings in nil-paid Rights Shares	Monday, 15 July
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Thursday, 18 July

Temporary counter for trading in Adjusted Shares in board lots of 1,000 Adjusted Shares (in form of existing share certificates) to be closed	4:00 p.m., Friday, 19 July
Parallel trading in Adjusted Shares (in form of new and existing certificate) ends	4:00 p.m., Friday, 19 July
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Adjusted Shares	4:00 p.m., Friday, 19 July
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 23 July
Free exchange of existing share certificates for new share certificates ends	Tuesday, 23 July
Announcement of the results of acceptance and excess application of the Rights Issue	Monday, 29 July
Refund cheques for wholly and partially unsuccessful applications for excess Rights Shares expected to be posted on or before	Tuesday, 30 July
Share certificates for fully-paid Rights Shares expected to be posted on or before	Tuesday, 30 July
First day of dealing in fully-paid Rights Shares	9:00 a.m., Wednesday, 31 July

All times and dates in this announcement refer to Hong Kong local times and dates unless otherwise specified. Dates or deadlines specified in the expected timetable above are indicative only. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

Further announcement(s) will be made by the Company upon the outcome of the Court hearing and/or the actual timetable for the implementation of the Capital Reorganisation and the Rights Issue, if and when appropriate.

FREE EXCHANGE OF ADJUSTED SHARE CERTIFICATES AND TRADING ARRANGEMENTS

Holders of the Shares may submit their pink certificates for Shares to Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (the "Registrar") for exchange, at the expense of the Company, for blue certificates for Adjusted Shares from 14 June 2013 to 4:00 p.m. on 23 June 2013 (both days inclusive). Thereafter, certificates for Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other maximum amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued or old certificate cancelled, whichever the number is greater. It is expected that new certificates for Adjusted Shares will be available for collection within a period of ten Business Days from the date of submission of certificates for Shares to the Registrar for exchange. Certificates for Shares will cease to be marketable and will not be acceptable for dealing purpose(s) after 23 June 2013. Nevertheless, certificates for 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 in question.

Application has been made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Adjusted Shares and the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

ODD LOTS ARRANGEMENTS AND MATCHING SERVICES

The Company has appointed Enerchine Securities Limited (formerly known as Radland International Limited) to provide matching services, on a best effort basis, to those Shareholders who wish to acquire old lots of Adjusted Shares to make up a full board lot, or to dispose of their holding of odd lots of the Adjusted Shares. Shareholders who wish to take advantage of this facility should contact Ms. Rhoda Koo of Enerchine Securities Limited at 25th Floor, China United Centre, 28 Marble Road, North Point, Hong Kong at telephone number (852) 3198 0888 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the Adjusted Shares is not guaranteed and will depend on there being adequate amounts of odd lots of Adjusted Shares available for such matching.

If you are in 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.

CLOSURE OF REGISTER OF MEMBERS FOR RIGHTS ISSUE

Assuming the Court grants the order on 7 June 2013 (Cayman time), the register of members of the Company will be closed from 27 June 2013 to 2 July 2013 (both days inclusive) for the purpose of determining entitlements to the Rights Issue. No transfer of Shares or Adjusted Shares (as the case may be) will be registered during this period.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and 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 Registrar in Hong Kong, for registration no later than 4:30 p.m. on 26 June 2013.

COMMENCEMENT OF DEALINGS IN THE SHARES ON AN EX-ENTITLEMENT BASIS

Pursuant to the expected timetable of the Rights Issue in the announcement dated 3 January 2013 and herein mentioned, the last day of dealings in the Adjusted Shares on a cum-entitlement basis is 24 June 2013. Dealings in the Adjusted Shares on an ex-entitlement basis shall commence on 25 June 2013.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares or the Adjusted Shares (as the case may be) and, if they are in any doubt about their position, they should consult their professional adviser(s). The Rights Issue is conditional, inter alia, upon fulfillment of the conditions set out in the announcement dated 3 January 2013. In particular, the Rights Issue is subject to the Capital Reorganisation becoming effective. Any Shareholders or other person 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 will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

By Order of the Board
Tang Tsz Tung
Executive Director

Hong Kong, 11 April 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 and Mr. Tang Tsz Tung; non-executive director Mr. Hung Cho Sing; and independent non-executive directors Mr. Lam Kwan, Mr. Ong Chi King and Mr. Lee Ming Gin.