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**CAPITAL
VC LIMITED**

首都創投有限公司

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

(Stock Code: 2324)

- (1) CAPITAL REORGANISATION AND RIGHTS ISSUE;
(2) ADJUSTMENTS TO THE CONVERTIBLE BONDS;
AND
(3) ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS**

CAPITAL REORGANISATION AND RIGHTS ISSUE

The Court has approved the Capital Reorganisation at the hearing on 7 June 2013 (Cayman time). Upon the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue and registration of an official copy of the order and the minute granted by the Court sanctioning the Capital Reorganisation with the Registrar of Companies of the Cayman Islands which is expected to take place on 13 June 2013 (Cayman Islands time), the Capital Reorganisation will become effective on 13 June 2013 (Cayman Islands time) and the Rights Issue will proceed in accordance with the expected timetable as set out in this announcement below (same as that set out in the Company's announcement dated 11 April 2013).

ADJUSTMENTS TO THE CONVERTIBLE BONDS

Pursuant to the terms and conditions of the instrument constituting the convertible bonds (the "**Convertible Bonds**"), adjustments are required to be made to the conversion price of and/or the number of Adjusted Shares to be issued upon exercise of the conversion rights attaching to the outstanding Convertible Bonds as a result of the Capital Reorganisation.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

Pursuant to the terms of the Share Option Scheme, adjustments are required to be made to the exercise price of and/or the number of Adjusted Shares that can be subscribed for under the outstanding share options (the “**Share Options**”) as a result of the Capital Reorganisation.

GENERAL

Details of the free exchange of new share certificates and trading arrangements of the Adjusted Shares are set out in the Company’s announcements and Circular.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares or 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. Any Shareholders or other person dealing in the Shares or Adjusted Shares (as the case may be) up to the date on which all the conditions to which the Rights Issue 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, 27 March 2013 and 11 April 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.

CAPITAL REORGANISATION AND RIGHTS ISSUE

The Court approved the Capital Reorganisation at the hearing on 7 June 2013 (Cayman time). Upon the Stock Exchange granting the listing of, and permission to deal in, the Adjusted Shares in issue and registration of an official copy of the order and the minute granted by the Court sanctioning the Capital Reorganisation with the Registrar of Companies of the Cayman Islands on 13 June 2013 (Cayman Islands time), the Capital Reorganisation will become effective on 13 June 2013 (Cayman Islands time) and the Rights Issue will proceed in accordance with the expected timetable as below.

EXPECTED TIMETABLE FOR CAPITAL REORGANISATION AND RIGHTS ISSUE

Set out below is the expected timetable for the arrangements of dealing in the Adjusted Shares and the Rights Issue upon the Capital Reorganisation becoming effective after 5:00 p.m. on Thursday, 13 June 2013 which is the same as that set out in the announcement dated 11 April 2013:

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 certificates) 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

Unless otherwise stated, all times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected time table above are indicative only. Any changes to the expected time table will be published or notified to Shareholders as and when appropriate.

ADJUSTMENTS TO THE CONVERTIBLE BONDS

Pursuant to the terms and conditions of the instrument constituting the Convertible Bonds, adjustments are required to be made to the conversion price of and/or the number of Adjusted Shares to be issued upon exercise of the conversion rights attaching to the outstanding Convertible Bonds as a result of the Capital Reorganisation. The outstanding Convertible Bonds will be adjusted in the following manner with effect from 14 June 2013.

Before completion of the Capital Reorganisation		Immediate upon completion of the Capital Reorganisation	
Number of Shares to be issued upon exercise of the conversion rights attaching to the outstanding Convertible Bonds	Conversion price per Share in respect of outstanding Convertible Bonds (HK\$)	Number of Adjusted Shares to be issued upon exercise of the conversion rights attaching to the outstanding Convertible Bonds	Conversion price per Adjusted Share in respect of the outstanding Convertible Bonds (HK\$)
200,000,000	0.10	20,000,000	1.00

Save for the above adjustments, all other terms of the Convertible Bonds remain unchanged.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

Pursuant to the terms of the Share Option Scheme, adjustments are required to be made to the exercise price of and/or the number of Adjusted Shares that can be subscribed for under the outstanding Share Options as a result of the Capital Reorganisation.

In accordance with the terms of the Share Option Scheme and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustment of share options under Rule 17.03(13) of the Listing Rules, the exercise price of and the number of Adjusted Shares that can be subscribed for under the outstanding Share Options will be adjusted in the following manner with effect from 14 June 2013.

Date of grant	Exercise price per Share before completion of the Capital Reorganisation (HK\$)	Exercise price per Adjusted Share upon completion of the Capital Reorganisation (HK\$)	Number of Shares entitled to be subscribed for before completion of the Capital Reorganisation	Number of Adjusted Shares entitled to be subscribed for upon completion of the Capital Reorganisation
13 June 2011	0.365	3.65	32,000,000	3,200,000

Save for the above adjustments, all other terms of the Share Option Scheme remain unchanged.

The adjustments of the outstanding Share Options and the Convertible Bonds have been reviewed and confirmed by the auditor of the Company.

GENERAL

Details of the free exchange of new share certificates and trading arrangements of the Adjusted Shares are set out in the Company's announcements and Circular.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares or 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. Any Shareholders or other person dealing in the Shares or Adjusted Shares (as the case may be) up to the date on which all the conditions to which the Rights Issue 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
Chan Cheong Yee
Executive Director

Hong Kong, 10 June 2013

As at the date of this announcement, the Board comprises executive directors Mr. Kong Fanpeng, 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.