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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)**

**PROPOSED BONUS ISSUE OF SHARES  
AND  
CHANGE IN BOARD LOT SIZE**

**PROPOSED BONUS ISSUE**

The Board proposed the Bonus Issue on the basis of one (1) Bonus Share for every one (1) existing Share held by the Shareholders. The Bonus Shares will be issued and credited as fully paid by way of capitalisation of an application of an amount of HK\$7,825,407.21 in the share premium account of the Company. The Bonus Shares will, subject to the Articles, rank *pari passu* in all respects with the existing Shares in issue on the date of the issue of the Bonus Shares. In order to qualify for the entitlements to the Bonus Issue, all transfers of Shares must be duly completed, accompanied by the relevant share certificates and lodged with the share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 2 December 2015.

**CHANGE IN BOARD LOT SIZE**

The Board also proposed to change the board lot size for trading in the Shares from 10,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Wednesday, 23 December 2015, subject to the fulfillment of the conditions of the Bonus Issue as set out in the section headed "Conditions of the Bonus Issue" in this announcement.

## **EGM**

An EGM is proposed to be convened for the Shareholders to consider, and if thought fit, to approve the Bonus Issue. A circular containing, amongst other things, further information on, (i) the Bonus Issue; and (ii) the change in board lot size, together with the notice convening the EGM, will be despatched to the Shareholders as soon as practicable on or before Thursday, 12 November 2015.

## **PROPOSED BONUS ISSUE**

Reference is made to the interim result announcement of the Company dated 27 August 2015 in relation to, among others, the condensed consolidated statement of comprehensive income of the Group for the twelve months ended 30 June 2015.

On 9 November 2015, the Board proposed a Bonus Issue on the basis of one (1) Bonus Share for every one (1) existing Share held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date.

As at the date of this announcement, the issued share capital of the Company is 1,565,081,441 Shares. Assuming no further Shares will be issued or repurchased before the Record Date, 1,565,081,441 Bonus Shares will be issued under the Bonus Issue. Immediately after completion of the Bonus Issue, there will be a total 3,130,162,882 Shares in the enlarged issued share capital of the Company.

Subject to the conditions as set out under the paragraph headed “Conditions of the Bonus Issue” below, the Bonus Shares will be issued and credited as fully paid by way of capitalisation of an application of an amount of HK\$7,825,407.21 in the share premium account of the Company.

### **Status of the New Bonus Shares**

The Bonus Shares will, subject to the Articles, rank *pari passu* in all respects with the existing Shares in issue on the date of the issue of the Bonus Shares. Holders of the Bonus Shares will be entitled to receive all future dividends and distributions (if any) which are declared, made or paid after the date on which the Bonus Shares are allotted and issued. The Bonus Issue should not result in any change in the rights or interests of the Shares traded on the Stock Exchange.

### **Conditions of the Bonus Issue**

The Bonus Issue is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM approving the Bonus Issue;
- (b) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and

- (c) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and Articles to effect the Bonus Issue.

Application will be made to the Listing Committee of the Stock Exchange in respect of such approval for the listings of, and permission to deal in, the Bonus Shares. Apart from making listing application to the Listing Committee of the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares. No new class of securities is to be listed pursuant to the Bonus Issue and that all necessary arrangements will be made to enable the Bonus Shares to be admitted into CCASS established and operated by HKSCC.

If the conditions of the Bonus Issue are not fulfilled, the Bonus Issue will not proceed.

### **Adjustments of Warrant exercise price**

As at the date of this announcement, save for the outstanding Warrants entitling the holders thereof to subscribe for up to 30,555,530 new Shares, the Company has no outstanding options, warrants or securities which are convertible or exchangeable into Shares. The Bonus Issue may lead to adjustments to the exercise price and the number of Shares which may fall to be issued upon exercise of the outstanding Warrants. The Company will make further announcement upon the aforesaid adjustments, if any adjustment is required and to be made.

### **Application for Listing**

An application will be made to the Listing Committee for listing of, and permission to deal in, the Bonus Shares to be issued pursuant to the Bonus Issue. As at the date of this announcement, there is no equity or debt securities of the Company listed or dealt in on any stock exchange other than the Stock Exchange or is listing or permission to deal in the equity or debt securities being or proposed to be sought from any stock exchange other than the Stock Exchange.

### **Reasons for the Bonus Issue**

The Board believes that the Bonus Issue (i) will provide the Company with a wider capital base and therefore enhance the liquidity of the Shares; and (ii) is a return to the long-term support and care of the Shareholders. Despite the share price per Share on an ex-entitlement basis might be reduced by the same proportion and the Bonus Issue is not expected to increase the Shareholders' proportionate interests in the Company, the Bonus Issue will increase the number of Shares to be held by the Shareholders and will capitalise part of the share premium account. Without affecting the retained profits of the Company which are available for dividend distribution in the future. While the Bonus Issue will not increase the proportionate interests of each of the Shareholders, the

Bonus Issue will increase the number of Shares to be held by the Shareholders and may have a return in the long run. In addition, having considered the improving performance of the Group over the twelve months ended 30 June 2015, the Board decides to propose the Bonus Issue.

### **Overseas Shareholders**

If as at the close of business on the Record Date, a Shareholder's address as recorded on the register of members of the Company is in a place outside Hong Kong, the Board will make enquiries as to whether the Bonus Issue to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that there is no legal restriction(s) under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, such Overseas Shareholders will be permitted to participate in the Bonus Issue. If, however, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restriction(s) under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer to such Overseas Shareholders, no issue of the Bonus Shares will be made to such Overseas Shareholders.

Overseas Shareholders receiving a copy of the circular concerning the Bonus Issue may not treat the same as an invitation to participate in the Bonus Issue unless such invitation could lawfully be made to him/her/it without having to comply with any registration or other legal requirements in the relevant territory.

In circumstances where any Overseas Shareholders are not permitted to participate in the Bonus Issue, arrangements will then be made for the Bonus Shares which would otherwise have been issued to those Overseas Shareholders to be sold in the market as soon as practicable after dealings in Bonus Shares commence, if a premium, net of expenses, can be obtained. Any net proceeds of such sale, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro rata to the respective shareholding and remittances will be posted to them, at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

The Bonus Shares are to be issued by the Company with the preference and intention that the Shareholders do not on-sell the Bonus Shares but remain medium to long term holders of such Bonus Shares. It is the responsibility of the Shareholders (including Overseas Shareholders) to observe the local legal requirements applicable to the Shareholders for taking up and on-sale (if applicable) of the Bonus Shares under the Bonus Issue.

All Shareholders residing outside Hong Kong should consult their bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the Bonus Shares.

## **CHANGE IN BOARD LOT SIZE**

In order to increase the value of each board lot of the Shares after the Bonus Issue, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposed to change the board lot size for trading in the Shares from 10,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Wednesday, 23 December 2015, subject to the fulfillment of the conditions of the Bonus Issue as set out in the section headed “Conditions of the Bonus Issue” above.

The Shares are currently traded in board lot of 10,000 Shares and the market value per board lot of the Shares is HK\$3,750 (based on the closing price of HK\$0.375 per Share as quoted on the Stock Exchange on 9 November 2015). Based on the closing price on 9 November 2015, the theoretical ex-entitlement price per Share after the Bonus Issue is HK\$0.1875 and with the existing board lot size of 10,000 Shares, the theoretical ex-entitlement value per board lot will be HK\$1,875.

Upon the change in board lot size becoming effective, the Shares will be traded in board lot of 20,000 Shares and the estimated market value per board lot of the Shares will be HK\$7,500. Based on the theoretical ex-entitlement price per Share after the Bonus Issue of HK\$0.1875 and the proposed board lot size of 20,000 Shares, the theoretical ex-entitlement value per new board lot will be HK\$3,750.

The change in board lot size will not result in any change in the relative rights of the Shareholders.

The Board believes that the Change in Board Lot Size will help to reduce the overall transaction costs for dealing in the Shares which are calculated on per board lot basis. Accordingly, the Board considers that the Change in Board Lot Size is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **CLOSURE OF BOOKS**

The register of members of the Company will be closed for the purpose of determining Shareholders who are qualified for the entitlement to the Bonus Shares, the register of members of the Company will be closed from Thursday, 3 December 2015 to Tuesday 8 December 2015 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for the entitlement to the Bonus Shares, all transfer documents should be lodged for registration with Company’s Hong Kong share registrar at the above address not later than 4:30 p.m. on Wednesday, 2 December 2015.

**Expected timetable (all times refer to Hong Kong local time)**

The expected timetable for the Bonus Issue and the change in board lot size is set out below:

Set out below is an expected timetable for the Bonus Issue (*Notes*):

Latest time for lodging form of proxy for the EGM (in any event not less than 48 hours before the time of the EGM or any adjournment thereof) . . . . .	3:00 p.m. on Wednesday, 25 November 2015
Date and time of the EGM . . . . .	3:00 p.m. on Friday, 27 November 2015
Announcement of poll results of the EGM . . . . .	Friday, 27 November 2015
Last day of dealings in Shares on a cum-entitlement basis . . . . .	Monday, 30 November 2015
First day of dealing in Shares on an ex-entitlement basis . . . . .	Tuesday, 1 December 2015
Latest time for lodging transfer of Shares for registration in order to qualify for the Bonus Issue. . . . .	4:30 p.m. on Wednesday, 2 December 2015
Closure of register of members for determining entitlement to the Bonus Shares . . . . .	Thursday, 3 December 2015 to Tuesday, 8 December 2015 (both days inclusive)
Record Date for determining entitlement to the Bonus Shares . . . . .	Tuesday, 8 December 2015
Despatch of share certificates for the Bonus Shares . . . . .	on or before Tuesday, 22 December 2015
Dealings in the Bonus Shares commence . . . . .	9:00 a.m. on Wednesday, 23 December 2015
Effective date of new board lot of 20,000 Shares . . . . .	9:00 a.m. on Wednesday, 23 December 2015

The expected timetable may be subject to change by the Company and is subject to fulfillment of all conditions. The Company will make further announcement(s) in compliance with the Listing Rules if such changes are made.

## EGM

An EGM is proposed to be convened for the Shareholders to consider, and if thought fit, to approve the Bonus Issue. A circular containing, amongst other things, further information on,

- (i) the Bonus Issue; and
- (ii) the change in board lot size, together with the notice convening the EGM

will be despatched to the Shareholders on or before Thursday, 12 November 2015.

## DEFINITIONS

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

“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors of the Company
“Bonus Issue”	the proposed issue of Bonus Shares to the Qualifying Shareholder(s) on the basis of one (1) Bonus Share for every one (1) existing Share held on the Record Date
“Bonus Shares”	new Shares to be allotted and issued under the Bonus Issue by the Company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size for trading in the Shares from 10,000 Shares to 20,000 Shares
“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, the Shares of which are listed on main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be held at 3:00 p.m. on Friday, 27 November 2015 and any adjournment thereof, to consider and, if thought fit, approve the Bonus Issue



“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) who is/are excluded from the Bonus Issue and as defined and more particularly described in the section headed “Overseas Shareholders” in this announcement
“Overseas Shareholder(s)”	shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“Qualifying Shareholder(s)”	the Shareholder(s) whose names appear on the register of members of the Company on the Record Date and who are entitled to the Bonus Issue
“Record Date”	means Tuesday, 8 December 2015, being the record date for the purpose of determination of entitlement to the Bonus Issue of each Qualifying Shareholder
“Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Warrant(s)”	non-listed warrants in the outstanding principal amount of HK\$12,527,767.00 issued by the Company entitling the holder(s) thereof to subscribe for up to 30,555,530 new Shares at the initial exercise price of HK\$0.41 per Share (subject to adjustment)



“%”

per cent.

By order of the Board  
**Capital VC Limited**  
**Chan Cheong Yee**  
*Executive Director*

Hong Kong, 9 November 2015

*As at the date of this announcement, the board comprises Mr. Kong Fanpeng and Mr. Chan Cheong Yee as executive directors; and Mr. Lam Kwan, Mr. Ong Chi King and Mr. Lee Ming Gin as independent non-executive directors.*

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*