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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: 02324)

VOLUNTARY ANNOUNCEMENT
CHANGE OF INVESTMENT MANAGER

The Existing IM Agreement will be terminated with effect from 1 December 2020.

The Company entered into the New IM Agreement on 30 November 2020 to appoint ESL as its new investment manager for an initial term of three years commencing from 8 December 2020.

This announcement is made by the Company on a voluntary basis.

TERMINATION OF EXISTING IM AGREEMENT

In October 2020, the Company received a notice (the “**Termination Agreement Notice**”) from CES to terminate the Existing IM Agreement, which will be officially terminated immediately after 30 November 2020. There is no penalty and/or compensation to any parties in relation to the termination of the Existing IM Agreement.

NEW IM AGREEMENT

Parties

The Company and ESL

Date

30 November 2020

Terms and Conditions of the New IM Agreement

ESL has been appointed as the investment manager of the Company for an initial term of three years commencing from 8 December 2020 and the appointment is terminated at any time by either the Company or ESL serving not less than 3 months' prior notice in writing on the other. The appointment of ESL as the new investment manager of the Company will be governed by the terms and conditions of the New IM Agreement.

The Company shall pay to ESL in aggregate an investment management fee payable monthly in Hong Kong Dollars at HK\$50,000 with effect from 8 December 2020. The investment management fee was agreed after arms-length negotiations between the Company and ESL.

Duties of ESL

ESL is responsible for making investment proposals in accordance with the New IM Agreement, the articles of association of the Company and the investment policies of the Company. The Board may then at its sole discretion resolve and decide on whether to approve any of the proposals submitted by ESL.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE NEW IM AGREEMENT

As mentioned above, in October 2020, the Company received the Termination Agreement Notice, pursuant to which the Existing IM Agreement will be officially terminated immediately after 30 November 2020. The Company then appointed ESL as the new investment manager to provide investment management services with effect from 1 December 2020. Under the New IM Agreement, the annual management fee to be paid will be the same as the annual management fee paid under the Existing IM Agreement. Furthermore, ESL also has extensive investment management experience in relation to investment companies (“**Chapter 21 Company(ies)**”) whose shares are listed on the Stock Exchange under Chapter 21 of the Listing Rules. The key persons of the management team of ESL serving the Company come from the management team of the existing investment manager, CES. Accordingly, the Directors consider that ESL has adequate experience and knowledge of the Company, and can provide professional investment services and fulfil its role as the investment manager of the Company.

The Directors believe that ESL will be able to contribute to the Company's new business development and direction, and provide professional investment services to the Company. The Directors also consider that the investment experience of ESL goes in line with the investment strategies of the Company and are of the view that the expertise of ESL will be beneficial to the Company and its shareholders as a whole. Therefore, the Company appoints ESL as the Company's new investment manager.

BACKGROUND OF ESL

ESL is formerly known as Grand Investment (Securities) Limited, a company incorporated in Hong Kong in 1989, and was acquired by China Evergrande Group in 2018 and became its wholly-owned subsidiary. China Evergrande Group (“**Evergrande**”) is a company listed on the Hong Kong Stock Exchange (stock code: 3333).

ESL is a wholly-owned subsidiary of Evergrande in Hong Kong. It is licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO.

ESL can provide investment management services for Chapter 21 Companies. Mr. Chan Cheong Yee (“**Mr. Chan**”), the newly appointed responsible officer of ESL, has longed been serving as the executive director and/or team member of investment manager of a number of Chapter 21 Companies, including China Innovation Investment Limited (stock code: 1217), China Investment and Finance Group Limited (stock code: 1226), China Investment Development Limited (stock code: 204), China New Economy Fund Limited (stock code: 80), Core Economy Investment Group Limited (stock code: 339), Unity Investments Holdings Limited (stock code: 913) and the Company. All of these companies principally invest in the greater China region and the Asia-Pacific region.

Mr. Chan is an executive director of the Company. As of the date of this announcement, save as 2,750,000 outstanding share options of the Company, which were granted to Mr. Chan on 13 February 2020, Mr. Chan does not have any interest in the shares of the Company within the meaning of Part XV of the SFO.

EXEMPTED CONTINUING CONNECTED TRANSACTION

ESL is a connected person of the Company pursuant to the definition of connected person under the Listing Rules and shall also be deemed as a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules upon the New IM Agreement becoming effective. The investment management fee payable to ESL is expected to fall below the de-minimis threshold under Rule 14A.76(1) of the Listing Rules, and accordingly, the New IM Agreement is fully exempted from the requirements of announcement, circular and independent shareholders’ approval.

GENERAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands. The Company is a Chapter 21 Company. The Company is principally engaged in investments in a diversified portfolio of listed and unlisted companies mainly in Hong Kong and the PRC.

The Directors (including the independent non-executive Directors) consider the New IM Agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Company. The management fee is reached after arm's length negotiation between the Company and ESL and determined with reference to the prevailing market rates with reference to those charged by investment managers of other investment companies listed on the main board of the Stock Exchange. The Directors have no material interests in the New IM Agreement. The Directors believe that the terms of the New IM Agreement are fair and reasonable as far as the independent shareholders of the Company are concerned.

DEFINITIONS

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

“Board”	the board of directors of the Company
“CES”	China Everbright Securities (HK) Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Company”	Capital VC Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“ESL”	Evergrande Securities (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Existing IM Agreement”	the investment management agreement entered into by the Company and CES on 29 December 2017 and to be terminated with effect from 1 December 2020

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New IM Agreement”	the investment management agreement dated 30 November 2020 entered into between the Company and ESL
“PRC”	the People’s Republic of China
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 30 November 2020

As at the date of this announcement, the Board comprises Mr. Kong Fanpeng and Mr. Chan Cheong Yee as executive directors; and Mr. Lee Ming Gin, Ms. Lai Fun Yin and Mr. Cheung Wai Kin as independent non-executive directors.

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