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**VXL CAPITAL LIMITED**  
**卓越金融有限公司**

*(incorporated in Hong Kong with limited liability)*

*(Stock Code: 727)*

**TERMINATION OF ACQUISITION OF  
HOTEL PROPERTY**

The Board announces that after the trading hours of the Stock Exchange on 26 June 2013, “U” Inns Chongqing entered into the Termination Agreement with the Vendor to terminate the acquisition of the Subject Property. Pursuant to the terms of the Termination Agreement, the Vendor shall fully refund the partial consideration of approximately RMB5.9 million (equivalent to approximately HK\$7.4 million) paid by “U” Inns Chongqing for the Subject Property together with a compensation of approximately RMB0.9 million (equivalent to approximately HK\$1.1 million).

Reference is made to the announcement of VXL Capital Limited (the “Company”, together with its subsidiaries, the “Group”) dated 7 March 2008 (the “Announcement”) and the circular of the Company dated 26 March 2008 (the “Circular”) in relation to the Group’s acquisition of 12 hotel properties (the “Hotel Properties”, and each, a “Hotel Property”) in the People’s Republic of China (the “PRC”), including 重慶市秀山縣郵政賓館 (Chongqing City Xiushan County Post Hotel\*) (the “Subject Property”).

**Termination of acquisition of the Subject Property**

As disclosed in the Announcement and the Circular, completion of the acquisition of the Hotel Properties is subject to, among other things, completion of all necessary registration procedures with relevant government authorities in the PRC in respect of the transfer of the title of the Hotel Properties. If the aforesaid registration procedures cannot be completed within 1 year due to reasons unrelated to the Group, the Group shall have the right to be refunded the consideration paid with interest for the relevant Hotel Properties.

Despite the physical handover of the Subject Property, the registration of the transfer of the title of the Subject Property has not been successfully completed. After negotiations between 重慶你的客棧酒店管理有限公司 (Chongqing “U” Inns & Hotels Management Co., Limited\*) (“U” Inns Chongqing”), a wholly-owned subsidiary of the Company, and 重慶市郵政公司 (Chongqing City Post Company\*), the vendor of the Subject Property (the “Vendor”), after the trading hours of the Stock Exchange on 26 June 2013, “U” Inns Chongqing entered into an agreement (the “Termination Agreement”) with the Vendor to terminate the acquisition of the Subject Property. According to the terms of the original sale and purchase agreement of the Subject Property, the consideration for the acquisition of the Subject Property amounted to approximately RMB6.5 million (equivalent to approximately HK\$8.2 million). Pursuant to the terms of the Termination Agreement, “U” Inns Chongqing shall return the legal documents relating to the Subject Property to the Vendor within five business days from the signing of the Termination Agreement. The Vendor shall then fully refund to the Group the partial consideration of approximately RMB5.9 million (equivalent to approximately HK\$7.4 million) paid by the Group for the Subject Property together with a compensation of approximately RMB0.9 million (equivalent to approximately HK\$1.1 million) within five business days of the return of the relevant legal documents for the Subject Property. Within five business days of the receipt of the aforesaid payment, the Group shall hand over the Subject Property to the Vendor. Neither party shall have any liabilities against each other upon termination. As the Subject Property is not in operation, the board of directors of the Company (the “Board”) does not consider the termination has any material adverse effect on the financial positions and operations of the Group.

*For illustration in this announcement, figures denominated in RMB are translated into HK\$ at the approximate exchange rate of RMB1 to HK\$1.26.*

By order of the Board  
**VXL Capital Limited**  
**Datuk LIM Chee Wah**  
*Chairman*

26 June 2013

As at the date of this announcement, the Board comprises:

*Executive Directors:*  
Datuk LIM Chee Wah  
Mr. XIAO Huan Wei

*Independent Non-executive Directors:*  
Mr. Alan Howard SMITH, J.P.  
Mr. David YU Hon To  
Mr. SOO Ying Pooi

*\* for identification purposes only*