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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)

## PLACING OF NEW SHARES UNDER GENERAL MANDATE

**Placing Agent**



### PLACING

After trading hours on 19 June 2014, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent conditionally agreed to place up to 300,000,000 Placing Shares to the Placees at the Placing Price of HK\$0.36 on a best effort basis.

The Placing Shares represent approximately 19.61% of the existing issued ordinary share capital of the Company as at the date of this announcement and approximately 16.40% of the issued ordinary share capital of the Company as enlarged by the Placing Shares. The Placing Shares will be issued under the General Mandate and will rank equally among themselves and with the existing Shares in issue on the completion date of the Placing.

The Placing is conditional upon the Listing Committee agreeing to grant a listing of and permission to deal in the Placing Shares.

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE PLACING**

### **Introduction**

After trading hours on 19 June 2014, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent conditionally agreed to place up to 300,000,000 Placing Shares to the Placees at the Placing Price of HK\$0.36 on a best effort basis.

### **Placing Agreement**

**Date** : 19 June 2014 (after trading hours)

**Issuer** : The Company

**Placing Agent** : Changjiang Securities Brokerage (HK) Limited

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner is an Independent Third Party.

### **Placees**

The Placing Shares are expected to be placed to not less than six Placees, who are individuals, corporate, institutional investors or other investors. Further announcement setting out the names of the Placees in accordance with Rule 13.28(7) of the Listing Rules shall be made by the Company if the number of Placees is less than six. The Placees and whose ultimate beneficial owners are expected to be independent of, and not connected with, the Company and its connected persons (as defined in the Listing Rules). It is expected that no Placee will become a substantial Shareholder (as such term is defined in the Listing Rules) immediately following completion of the Placing.

## **Placing Shares**

Up to 300,000,000 Placing Shares, representing approximately 19.61% of the existing issued ordinary share capital of the Company as at the date of this announcement and approximately 16.40% of the issued ordinary share capital of the Company as enlarged by the Placing Shares. The aggregate nominal value of the Placing Shares is HK\$3 million.

## **Ranking of Placing Shares**

The Placing Shares will be issued under the General Mandate and will rank equally among themselves and with the existing Shares in issue on the completion date of the Placing.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## **Placing Price**

The Placing Price of HK\$0.36 per Share represents (i) a discount of approximately 15.29% to the closing price of HK\$0.425 per Share as quoted on the Stock Exchange on the date of the Placing Agreement (i.e. 19 June 2014); (ii) a discount of approximately 17.81% to the average closing price of HK\$0.438 per Share for the last five consecutive trading days immediately prior to the date of the Placing Agreement (excluding the date of the Placing Agreement); and (iii) a discount of approximately 18.92% to the average closing price of HK\$0.444 per Share for the last ten consecutive trading days prior to the date of the Placing Agreement (excluding the date of the Placing Agreement).

The gross proceeds to be raised from the Placing will be about HK\$108,000,000. Based on estimated expenses of about HK\$624,240 for the Placing, the net proceeds to be raised from the Placing will be approximately HK\$107,375,760. On this basis, the net price per Placing Share is approximately HK\$0.358.

The Placing Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

## **General Mandate**

The Placing Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM subject to the limit of up to 20% of the issued ordinary share capital of the Company as at the date of the AGM, (i.e. 305,920,040 Shares, representing 20% of 1,529,600,200 Shares in issue as at the date of the AGM). Up to the date of this announcement, no Shares have been issued or agreed to be issued under the General Mandate. As the Placing Shares will be issued under the unused portion of the General Mandate (i.e. 305,920,040 Shares), the Placing is not subject to the Shareholders' approval.

## **Condition precedent to completion of the Placing**

The Placing is conditional upon the Listing Committee agreeing to grant a listing of and permission to deal in the Placing Shares.

If the above condition precedent are not fulfilled on or before 2 July 2014 (or such later date as may be agreed between the Company and the Placing Agent in writing), all rights, obligations and liabilities of the parties under the Placing Agreement shall cease and determine and none of the parties thereto shall have any claim against the other in respect of the Placing, save for any antecedent breaches of the Placing Agreement.

## **Termination**

The Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement if at any time prior to 12:00 noon on the completion date of the Placing:

- (1) any material breach of any of the representations and warranties under the Placing Agreement; or
- (2) any of the following events:
  - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or

- (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or containing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market condition; or
- (c) the imposition of any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (d) a change or development involving a prospective change in taxation in Hong Kong or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
- (e) any change or deterioration in the condition of local, national or international securities markets occurs.

### **Completion of the Placing**

Completion of the Placing shall take place on the third (3rd) Business Day after the above condition precedent of the Placing Agreement having been fulfilled (or such later date as may be agreed between the Company and the Placing Agent in writing).

Further announcement will be made by the Company upon completion of the Placing.

**Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## REASONS FOR THE PLACING AND USE OF PROCEEDS

The Board considers that the Placing will further strengthen the capital base and financial position of the Group. The net proceeds of the Placing, after deduction of expenses of approximately HK\$624,240, is estimated to be of approximately HK\$107,375,760. The Company intends to apply such net proceeds from the Placing for general working capital of the Group.

### Shareholding Structure of the Company

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company immediately upon completion of the Placing are set out as below:

For illustration purpose only:

	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>No. of Shares</i>	<i>Approximately</i> %	<i>No. of Shares</i>	<i>Approximately</i> %
<b>Shareholders</b>				
Crown Landmark Corporation	1,069,318,000	69.91	1,069,318,000	58.44
<b>Public</b>				
Placees ( <i>Note 1</i> )	–	–	300,000,000	16.40
Other public Shareholders	<u>460,282,200</u>	<u>30.09</u>	<u>460,282,200</u>	<u>25.16</u>
Total	<u><u>1,529,600,200</u></u>	<u><u>100.00</u></u>	<u><u>1,829,600,200</u></u>	<u><u>100.00</u></u>

*Note:*

1. Assuming no other issue of new Shares and no repurchase of existing Shares before completion of the Placing, and Placing Agent has placed a total of 300,000,000 Placing Shares to not less than six independent Placees. It is expected that none of the Placees will become substantial Shareholder(s) (as defined under the Listing Rules) immediately upon completion of the Placing.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not carried out any fund raising activity in the twelve months immediately prior to the date of this announcement.

## **GENERAL**

The principal activities of the Group are hotel investment and operations, and property investment.

## **TERMS USED IN THIS ANNOUNCEMENT**

In this announcement, unless the context otherwise required, the following terms and expressions shall have the following meanings when used herein.

“AGM”	the annual general meeting of the Company held on 4 September 2013
“Board”	board of Directors
“Business Day”	any day (not being a Saturday, Sunday and public or statutory holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	VXL Capital Limited, a company incorporated in Hong Kong, whose shares are listed on the Main Board of the Stock Exchange
“Directors”	directors of the Company
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party (ies)”	third party(ies) independent of and not connected or acting in concert with the Company and any of its connected persons (having the meaning ascribed to it under the Listing Rules) and are not connected persons of the Company
“Listing Committee”	the listing-sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity procured by the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the proposed offer by way of a private placing of the Placing Shares, on best efforts basis, procured by the Placing Agent to selected investors on the terms and subject to the conditions set out in the Placing Agreement
“Placing Agent”	Changjiang Securities Brokerage (HK) Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance(Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional Placing agreement dated 19 June 2014 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.36 per Placing Share



“Placing Shares”	up to a total of 300,000,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board  
**VXL Capital Limited**  
**WONG Hoi Kin**  
*Chairman*

Hong Kong, 19 June 2014

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. WONG Hoi Kin and Mr. LIAO Pin Tsung; two non-executive Directors, namely Mr. LIU Hong Shen and Mr. MENG Jin Long and three independent non-executive Directors namely, Mr. LONG Tao, Mr. REN Guo Hua and Mr. CHEN Fang.*