
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **VXL Capital Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

This circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other material facts the omission of which would make any statement contained in this circular misleading.

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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)

NOTICE OF ANNUAL GENERAL MEETING PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND RETIREMENT OF DIRECTOR

A notice of convening the annual general meeting of VXL Capital Limited to be held at 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Friday, 28 September 2012 at 9:30 a.m. is set out in this circular. Whether or not you propose to attend the said meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same to the registered office of the Company at Room 603A, 6th Floor, Empire Centre, No. 68 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong or at the office of the Company's Registrar, Boardroom Share Registrars (HK) Limited at 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong, as soon as possible and in any event not less than 48 hours before the time for holding the meeting or any adjournment thereof. Completion and delivery of this form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof if you so wish.

13 July 2012

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LETTER FROM THE BOARD

VXL CAPITAL LIMITED

卓越金融有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 727)

Executive Directors:

Datuk LIM Chee Wah

Mr. XIAO Huan Wei

Independent Non-Executive Directors:

Mr. Alan Howard SMITH, J.P.

Dr. Allen LEE Peng Fei, J.P.

Mr. David YU Hon To

Registered Office:

Room 603A, 6th Floor

Empire Centre

No. 68 Mody Road

Tsim Sha Tsui East

Kowloon, Hong Kong

13 July 2012

To the Shareholders,

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING
PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES
AND
RETIREMENT OF DIRECTOR**

The Board hereby cordially invites you to attend the 2012 AGM to be held on Friday, 28 September 2012 at 9:30 a.m.

The 2012 AGM will deal with the following ordinary businesses and the special businesses:–

- (i) considering and receiving the audited consolidated financial statements and the reports of the Directors and the Auditor of the Company for the year ended 31 March 2012;
- (ii) appointment of Auditor;
- (iii) granting to the Directors the Share Issue Mandate;

LETTER FROM THE BOARD

- (iv) granting to the Directors the Share Repurchase Mandate;
- (v) extending the Share Issue Mandate by adding to it the aggregate nominal amount of the Shares which may be repurchased under the Share Repurchase Mandate; and
- (vi) authorizing the Board to fix the Directors' remuneration for the year ending 31 March 2013.

Details of the above businesses are set out in the section "Directors' Recommendation for the 2012 AGM" and the Appendices.

RETIREMENT OF DIRECTOR

Pursuant to Article 133 of the Articles of Association, at each annual general meeting of the Company one-third of the Directors (the number nearest to and less than one-third) who have been longest in office since they were last elected or appointed by the Shareholders shall retire but shall be eligible for re-election. Accordingly, Dr. Allen LEE Peng Fei, *J.P.* ("Dr. Allen Lee") shall retire from office at the 2012 AGM. However, due to other business engagement which requires more of his attention, Dr. Allen Lee being eligible, would not offer himself for re-election and will cease to be Chairman of Remuneration, Quality and Nomination Committee and member of Audit Committee on conclusion of 2012 AGM. Dr. Allen Lee has confirmed that he has no disagreement with the Board and there are no other matters that need to be brought to the attention of Shareholders or the Stock Exchange in relation to his retirement. The Board expresses its sincere gratitude to Dr. Allen Lee for his contribution during his tenure of office.

Save as Dr. Allen Lee, no other director shall retire at the 2012 AGM.

It is an important day for the Board to communicate with the Shareholders. If you are unable to attend the 2012 AGM, we sincerely invite you to appoint a proxy to attend and vote on your behalf.

Yours faithfully
For and on behalf of the Board
Datuk LIM Chee Wah
Chairman

DIRECTORS' RECOMMENDATION FOR THE 2012 AGM

RESOLUTION NUMBERED 1 – CONSIDERING AND RECEIVING AUDITED CONSOLIDATED FINANCIAL STATEMENTS

An ordinary resolution will be proposed at the 2012 AGM for the purpose of considering and receiving the audited consolidated financial statements and the reports of the Directors and the Auditor of the Company for the year ended 31 March 2012, which are set out in the Annual Report sent to Shareholders together with this circular.

RESOLUTION NUMBERED 2 – APPOINTMENT OF AUDITOR

Pan-China (H.K.) CPA Limited (“Pan-China”) was appointed as the Auditor of the Company with effect from 5 March 2012 to fill the casual vacancy arising from the resignation of PricewaterhouseCoopers (“PwC”) on 5 March 2012.

As stated in the Company’s announcement dated 6 March 2012, PwC has confirmed that there was no circumstances connected with its resignation that it considered should be brought to the attention of the Shareholders or creditors of the Company.

A special notice has been received from a Shareholder, pursuant to Section 132(1) of the Companies Ordinance, of the intent to propose a resolution to be considered at the 2012 AGM to appoint Pan-China as Auditor of the Company.

RESOLUTION NUMBERED 3(I) – SHARE ISSUE MANDATE

An ordinary resolution will be proposed at the 2012 AGM for the purpose of renewing the Existing Share Issue Mandate granted to Directors to allot, issue and dispose of the Shares. The Existing Share Issue Mandate will expire at the conclusion of the 2012 AGM. On the basis that the issued share capital of the Company comprised 1,529,600,200 Shares as at Latest Practicable Date and no further Shares are issued or repurchased on or before 28 September 2012, being the date of the 2012 AGM, the Company would be allowed under the Share Issue Mandate to allot, issue and deal with additional Shares up to a maximum of 305,920,040, representing 20% of the issued share capital of the Company. The Share Issue Mandate is subject to a limit equal to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.

DIRECTORS' RECOMMENDATION FOR THE 2012 AGM

RESOLUTION NUMBERED 3(II) – SHARE REPURCHASE MANDATE

An ordinary resolution will be proposed at the 2012 AGM for the purpose of renewing the Existing Share Repurchase Mandate granted to the Directors to repurchase Shares. The Existing Share Repurchase Mandate will expire at the conclusion of the 2012 AGM. The Share Repurchase Mandate is subject to a limit equal to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution. An explanatory statement on the Share Repurchase Mandate is set out in Appendix II to this circular.

RESOLUTION NUMBERED 3(III) – EXTENSION OF THE SHARE ISSUE MANDATE

Subject to the passing at the 2012 AGM of the proposed resolutions regarding the Share Issue Mandate and the Share Repurchase Mandate, an ordinary resolution will be proposed at the 2012 AGM to approve the addition to the Share Issue Mandate for the aggregate nominal amount of Shares which may be repurchased under the Share Repurchase Mandate.

With reference to resolutions numbered 3(I) to 3(III), the Board wishes to state that it has no immediate plans to repurchase any Shares or to issue any new Shares, whether for cash or otherwise, pursuant to the relevant mandates.

RESOLUTION NUMBERED 4 – AUTHORIZATION TO FIX THE DIRECTORS' REMUNERATION

An ordinary resolution will be proposed at the 2012 AGM to authorize the Board to fix the Directors' remuneration for the year ending 31 March 2013.

RECOMMENDATION

Shareholders are referred to the 2012 AGM Notice for details of the proposed ordinary resolutions.

The Board considers that the proposed ordinary resolutions for considering and receiving the audited consolidated financial statements, the appointment of Auditor, the grant of the Share Issue Mandate and the Share Repurchase Mandate, the extension of the Share Issue Mandate and the authorization to fix the Directors' remuneration are in the interests of the Company and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the 2012 AGM.

2012 AGM NOTICE

VXL CAPITAL LIMITED

卓越金融有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 727)

NOTICE OF THE 2012 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2012 annual general meeting of VXL Capital Limited (the “Company”) will be held at 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong on Friday, 28 September 2012 at 9:30 a.m. for the following purposes:

1. To consider and receive the audited consolidated financial statements and the reports of the Directors and the Auditor of the Company for the year ended 31 March 2012.
2. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution, Special Notice of Intention to propose which has been received pursuant to Sections 116C and 132(1) of the Companies Ordinance:

“**THAT** Pan-China (H.K.) CPA Limited, the retiring Auditor who was appointed as Auditor by the Directors to fill the casual vacancy occasioned by the resignation of PricewaterhouseCoopers, be and is hereby appointed as Auditor of the Company to hold office until the conclusion of the next annual general meeting and to authorize the Board of Directors to fix its remuneration.”

As special businesses and, if thought fit, to pass with or without amendments, the following ordinary resolutions:

3. (I) “**THAT:**
 - (a) a general mandate be and is hereby unconditionally given to the Board of Directors of the Company (“Directors”) to exercise during the Relevant Period all the powers of the Company to allot, issue and dispose of additional shares of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers either during or after the Relevant Period, not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of this Resolution, otherwise than any shares which may be issued pursuant to the following events:
 - (i) a rights issue;

2012 AGM NOTICE

- (ii) any option scheme or similar arrangement for the time being adopted for the grant or issue to the Directors and employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company;
 - (iii) any scrip dividend or similar arrangement in accordance with the Articles of Association of the Company; or
 - (iv) upon the exercise of the subscription rights attaching to any warrants issued by the Company; and
- (b) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting;
- (ii) the expiration of the period within which the next annual general meeting is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.

“Rights Issue” means an offer of shares open for a period fixed by the Directors to shareholders of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong).”

2012 AGM NOTICE

(II) “**THAT**:

(a) a general mandate be and is hereby unconditionally granted to the Directors to exercise during the Relevant Period all the powers of the Company to repurchase ordinary shares of HK\$0.01 each in the capital of the Company in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate nominal amount of shares to be repurchased pursuant to the approval in this paragraph shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of this Resolution; and

(b) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting;
- (ii) the expiration of the period within which the next annual general meeting is required by the Articles of Association of the Company or any applicable law to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.”

(III) “**THAT** conditional upon the passing of Resolutions 3(I) and 3(II) set out in the notice of annual general meeting of which this Resolution forms part, the aggregate nominal amount of Shares which may be repurchased by the Company pursuant to Resolution 3(II) shall be added to the aggregate nominal amount of the Shares which may be issued pursuant to Resolution 3(I) provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution.”

4. “**THAT** the Board of Directors be authorized to fix the Directors’ remuneration for the year ending 31 March 2013.”

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

Hong Kong, 13 July 2012

2012 AGM NOTICE

Notes:

- (1) Any shareholder entitled to attend and vote at the meeting (or at any adjournment thereof) shall be entitled to appoint one or more proxies to attend and vote on a poll vote on his behalf. A proxy need not be a shareholder of the Company but must attend the meeting, or any adjournment thereof, in person to represent you.
- (2) In order to be valid, the proxy form, duly executed, and the power of attorney or other authority, if any, under which it is signed or an office copy or a notarially certified copy thereof, must be deposited at the registered office of the Company at Room 603A, 6th Floor, Empire Centre, No. 68 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong or at the office of the Company's Registrar, Boardroom Share Registrars (HK) Limited at 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time for holding the meeting or any adjournment thereof.
- (3) A circular containing further information concerning proposals for general mandate to issue and repurchase shares, appointment of auditor and authorization to fix the directors' remuneration will be sent to shareholders together with the Annual Report for the year ended 31 March 2012.
- (4) The Chinese version of the notice is for reference only. Should there be any discrepancies, the English version will prevail.

Pursuant to Rule 13.39(4) of the Listing Rule, all votes of shareholders at general meetings must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural and administrative matter to be voted on by a show of hands. The Chairman of the 2012 AGM will therefore demand a poll for all resolutions put to vote of the 2012 AGM in accordance with Article 89 of the Articles of Association.

Article 89 of the Articles of Association sets out the procedures of demand a poll as below:

“At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (a) by the Chairman; or
- (b) by at least three (3) Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorized representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.”

After the conclusion of the 2012 AGM, the results of the poll will be announced in accordance with Rule 13.39(5) of the Listing Rules.

The following is the Explanatory Statement required to be sent to the Shareholders under the Listing Rules which provides requisite information in connection with the proposed general mandate for repurchase of Shares and also constitutes the memorandum required under section 49BA of the Companies Ordinance.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,529,600,200 Shares.

Exercise in full of the Share Repurchase Mandate, on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Share Repurchase Mandate, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 152,960,020 Shares representing not more than 10% of the issued share capital of the Company.

2. REASONS FOR REPURCHASE

The Directors believe that the Share Repurchase Mandate is in the best interests of the Company and its Shareholders. Such repurchase(s) may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or its earnings per Share and will only be made when the Directors believe that such repurchase(s) will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds entirely from the Company's available cash flow or working capital facilities which will be funds legally available in accordance with the provisions of the Articles of Association for the time being in force and the laws of Hong Kong for the purpose. It is envisaged that the funds required for any repurchase would be derived from those funds of the Company, legally permitted to be utilized in this connection, including capital paid up on the Shares to be repurchased, profits otherwise available for distribution and sums standing to either the share premium account or contributed surplus account of the Company.

On the basis of the consolidated financial position of the Company as at 31 March 2012 (being the date to which the latest published audited financial statements of the Company have been made up) and in particular the working capital position of the Company at that time and the number of Shares now in issue, the Directors consider that there might be a material adverse impact on the working capital or gearing position of the Company in the event that the Share Repurchase Mandate is to be exercised in full during the proposed repurchase period. No repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing position of the Company which in the opinion of the Directors is from time to time appropriate to the Company.

4. SHARE PRICES

The highest and lowest market prices at which the Shares have traded on the Stock Exchange in each of the twelve months preceding the Latest Practicable Date are as follows:–

	Shares Prices	
	Highest (HK\$)	Lowest (HK\$)
2011		
July	0.210	0.174
August	0.205	0.145
September	0.177	0.104
October	0.131	0.082
November	0.160	0.101
December	0.135	0.101
2012		
January	0.130	0.094
February	0.147	0.104
March	0.154	0.108
April	0.128	0.108
May	0.120	0.090
June	0.120	0.070
July (up to the Latest Practicable Date)	0.085	0.073

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange, so far as the same may be applicable, to exercise the power of the Company to make repurchases pursuant to the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, have a present intention, if the Share Repurchase Mandate is approved by Shareholders, to sell any Shares to the Company under the Share Repurchase Mandate.

No other connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company, or have undertaken not to do so, if the Share Repurchase Mandate is approved by Shareholders.

6. TAKEOVERS CODE

If, as a result of a repurchase of the Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for purposes of the Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to Section 336 of the SFO, Datuk LIM Chee Wah ("Datuk Lim"), through VXL Capital Partners Corporation Limited ("VXLCPL"), a company wholly and beneficially owned by Datuk Lim, and Huge More Limited, a company wholly-owned by VXLCPL, respectively, controlled approximately 69.90% of the entire issued share capital of the Company. If the Share Repurchase Mandate is exercised in full, the controlling interests of Datuk Lim in the Company will increase to 77.68%. In the opinion of the Directors, such an increase would not give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code but would contravene the requirement under Rule 8.08 of the Listing Rules that at least 25% of the Shares must be held by the public. The Directors have no present intention to exercise the power to repurchase Shares pursuant to the Share Repurchase Mandate to such an extent as would result in the level of shareholdings in the Company held by public Shareholders falling below 25%. The Company will comply with the public float requirement under the Listing Rules.

7. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

In this Circular, unless the content otherwise requires, the following expressions shall have the following meanings:

“2012 AGM”	The annual general meeting of the Company to be held on Friday, 28 September 2012 at 9:30 a.m. at 12th Floor, The Lee Gardens, 33 Hysan Avenue, Causeway Bay, Hong Kong
“2012 AGM Notice” or “Notice of Annual General Meeting”	The notice convening the 2012 AGM, which is set out on pages 5 to 8 of this circular
“Articles of Association”	The Articles of Association of the Company
“Board”	The board of Directors
“Company”	VXL Capital Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Companies Ordinance”	The Companies Ordinance (Chapter 32) of the Laws of Hong Kong, as amended from time to time
“Director(s)”	Director(s) of the Company
“Existing Share Issue Mandate”	A general mandate granted to the Directors at the annual general meeting held on 19 September 2011 to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the then issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Existing Share Repurchase Mandate”	A general mandate granted to the Directors at the annual general meeting held on 19 September 2011 to repurchase Shares not exceeding 10% of the aggregate nominal amount of the then issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Group”	The Company and its subsidiaries

“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	9 July 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“SFO”	The Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong, as amended from time to time
“Share Issue Mandate”	A general mandate proposed to be granted to the Directors at the 2012 AGM to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Share Repurchase Mandate”	A general mandate proposed to be granted to the Directors at the 2012 AGM to repurchase Shares not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution granting such mandate
“Share(s)”	Ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	Holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission of Hong Kong