

VXL CAPITAL LIMITED

卓越金融有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 727)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board would like to inform the Shareholders and potential investors that the unaudited interim results of the Group for the six months ended 30 September 2008 are expected to record a loss as compared to a profit for the corresponding period ended 30 September 2007.

Shareholders and potential investors are advised to exercise caution when dealing in the shares and warrants of the Company.

This announcement is made by VXL Capital Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on information currently available, the unaudited interim results of the Group for the six months ended 30 September 2008 are expected to record a loss as compared to a profit for the corresponding period ended 30 September 2007. The loss is mainly attributable to (i) increase in operating expenses and finance costs associated with the Group’s on going acquisition and setting up of “U” Inn budget hotel chain as planned and (ii) increase in operating expenses and finance costs arising from the management and commissioning of 長壽商業廣場 (Changshou Commercial Plaza*) in Shanghai (the “**Changshou Properties**”).

Reference is made to the announcement of the Company dated 5 November 2008 in relation to, among other things, the completion of the disposal of a 95% beneficial interest in Changshou Properties, and the Board would like to draw the attention of the Shareholders and potential investors that the profits arising from such disposal will be booked only in the second half of the financial year ending 31 March 2009.

The information contained in this announcement is only based on the preliminary estimates from the unaudited management accounts of the Group for the six months ended 30 September 2008 which have not been finalized as at the date hereof. Details of the Group's performance will be disclosed in the interim results announcement of the Group on 15 December 2008.

Shareholders and potential investors are therefore advised to exercise caution when dealing in the shares and warrants of the Company.

** English translation only*

By Order of the Board
VXL Capital Limited
Percy ARCHAMBAUD-CHAO
Director and Chief Executive Officer

Hong Kong, 9 December 2008

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

Executive Directors:

Datuk LIM Chee Wah
Mr. Percy ARCHAMBAUD-CHAO
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