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VXL CAPITAL LIMITED

卓越融資有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 727)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange.

The Board was recently informed by the Stock Exchange on the basis of information provided by the SFC, that there was a concentration of Shares in the hands of a small number of investors as at 27 July 2005. In view of the high concentration of Shares in the hands of a small number of shareholders, the price of the Shares could be easily pushed up or down substantially even with a small number of Shares traded.

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

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board (the “Board”) of directors (the “Directors”) of VXL Capital Limited (the “Company”) has recently been informed by the Stock Exchange that on the basis of information provided by the Securities and Futures Commission (the “SFC”), ten investors had held an aggregate of 13,817,000 shares in the Company (the “Shares”), representing approximately 19.19% of the issued share capital of the Company as at 27 July 2005. Such shareholding and those held by VXL Capital Partners Corporation Limited (a wholly and beneficially owned company of Datuk LIM Chee Wah, the Chairman and executive director of the Company, representing approximately 53.42% of the issued Shares), and Huge More Limited (a wholly and beneficially owned company of Mr. Percy ARCHAMBAUD-CHAO, the President, Chief Executive Officer and executive director of the Company, representing approximately 20.83% of the issued Shares) represented approximately 93.45% of the issued Shares. Thus only approximately 6.55% of the issued Shares are held by other small investors.

According to the latest notifications received by the Company in respect of disclosure of interests under the Securities and Futures Ordinance and having made all reasonable enquires, as at 27 July 2005 and the date of this announcement, the shareholding structure of the Company is as follows:–

Shareholders	No. of Shares held	%
VXL Capital Partners Corporation Limited ⁽¹⁾	38,465,400	53.42
Huge More Limited ⁽²⁾	15,000,000	20.83
Other shareholders	18,534,600	25.75
Total	72,000,000	100.00

Notes:

- (1) The wholly and beneficially owned company of Datuk LIM Chee Wah, the Chairman and executive director of the Company.
- (2) The wholly and beneficially owned company of Mr. Percy ARCHAMBAUD-CHAO, the President, Chief Executive Officer and executive director of the Company.

During the period from 30 March 2005 to 6 July 2005, the closing Share price increased from HK\$3.65 to HK\$8.70. During the period, the Company announced its annual results for the year ended 31 December 2004 on 27 April 2005, on which the closing Share price was HK\$6.40, with a net loss after taxation of approximately HK\$6.1 million, compared with a net profit after taxation of approximately HK\$7.5 million in 2003. The tangible asset value of the Company as at 31 December 2004 was HK\$2.63 per Share.

Although as at 27 July 2005 to the date of this announcement, sufficient Shares were held by the public which the Company is in compliance with the Rules Governing the Listing of Securities of the Stock Exchange, given the information received from the SFC suggests the concentration of the Company's public float in the hands of a small number of shareholders as at 27 July 2005, the Company makes this announcement to keep the market informed. In view of the high concentration of Shares in the hands of a small number of shareholders, the price of the Shares could be easily pushed up or down substantially even with a small number of Shares traded.

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

By order of the Board
Datuk LIM Chee Wah
Chairman

Hong Kong, 6 September 2005

As at the date of this announcement, the Board comprises three executive directors, namely Datuk LIM Chee Wah, Mr. Percy ARCHAMBAUD-CHAO and Ms. Patsy SO Ying Chi; and three independent non-executive directors, namely Mr. Michael YEE Kim Shing, Mr. Alan Howard SMITH and Mr. Stephen YUEN Ching Bor.

Please also refer to the published version of this announcement in The Standard.