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**CAPITAL
VC LIMITED**

首都創投有限公司

Capital VC Limited
首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*

(Stock Code: 02324)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Infast Brokerage Limited

進滙證券有限公司

PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 2 February 2018 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed to place, on a best endeavour basis, to not less than six independent Placees for up to 550,000,000 new Shares at a price of HK\$0.050 per Placing Share.

The Placing is conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares; and (ii) the Placing Agreement is not having been terminated in accordance with the terms thereof on or before the Long Stop Date. If such condition is not fulfilled, the Placing will not proceed.

The maximum number of 550,000,000 Placing Shares represents approximately 19.96% of the entire issued share capital of the Company of 2,754,882,496 Shares as at the date of this announcement and approximately 16.64% of the Company's entire issued share capital as enlarged by the Placing Shares. The maximum net proceeds from the Placing will be approximately HK\$26.6 million (assuming the Placing Shares are fully placed and after all relevant expenses).

As the Placing Agreement may or may not be completed, the Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

2 February 2018 (after trading hours)

Parties

- (a) the Company; and
- (b) the Placing Agent

To the best of the Board's knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares will be placed to not less than six Placees (which will be independent individual, corporate and/or institutional investors), their ultimate beneficial owners will be Independent Third Parties, and the placees are professional investors (as defined in the SFO as extended by the Professional Investor Rules).

It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company.

Number of Placing Shares

Up to 550,000,000 new Shares, to be placed by the Placing Agent on a best endeavour basis, assuming the Placing Shares are fully placed, the Placing Shares represents approximately 19.96% of the entire issued share capital of the Company of 2,754,882,496 Shares as at the date of this announcement and approximately 16.64% of the Company's entire issued share capital as enlarged by the Placing Shares. The aggregate nominal value of the Placing Shares is HK\$13,750,000.

Placing Price

The Placing Price of HK\$0.050 per Placing Share represents:

- (i) a discount of approximately 13.8% to the closing price of HK\$0.058 per Share as quoted on the Stock Exchange on 2 February 2018, being the date of the Placing Agreement; and
- (ii) a discount of approximately 11.7% to the average of the closing prices of HK\$0.0566 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Subscriber with reference to the recent trading prices of the Shares. The Directors consider that the terms and conditions of the Placing Agreement (including the Placing Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Placing Commission

The Placing Agent will receive a placing commission of 3% on the gross proceeds of the Placing. Such placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing market conditions. The Board considers that the placing commission is fair and reasonable based on the current market conditions.

General Mandate

The Placing Shares will be issued pursuant to the General Mandate. As at the date of this announcement, no Share has been issued pursuant to the General Mandate.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Placing Shares.

Condition of the Placing

Completion of the Placing Agreement is conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares; and (ii) the Placing Agreement is not having been terminated in accordance with the terms thereof on or before the Long Stop Date.

If the above condition is not satisfied on or before the Long Stop Date, all obligations of the Placing Agent and of the Company hereunder shall cease and determine and none of the parties hereto shall have any claim against the other in relation thereto.

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares. The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued under the General Mandate.

Completion of the Placing

Completion shall take place on the third Business Day after the fulfillment of the conditions set out in the Placing Agreement (or such other date as the parties hereto may agree in writing).

Termination of the Placing Agreement

The Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date if:

- (i) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or
- (ii) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or
- (iii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (iv) any statement contained in all announcements, circulars, interim and annual reports issued by the Company to the Stock Exchange and/or the Shareholders since the publication of the announcement of the Company relating to the annual results of the Company for the year ended 30 September 2017 has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

Upon termination of the Placing Agreement, all liabilities of the parties hereto hereunder shall cease and determine and no party hereto shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement save in respect of any antecedent breach of any obligation under the Placing Agreement.

The Board considers that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

REASONS FOR ENTERING INTO THE PLACING AGREEMENT AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are securities trading and investment holding. The Board considers that the Placing represents a good opportunity for the Company to raise additional funds and to widen the Company's shareholder base, and the terms of the Placing Agreement are on normal commercial terms. Accordingly, the Directors consider that the terms of the Placing are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate gross proceeds of the Placing will be approximately HK\$27.5 million and the aggregate net proceeds of the Placing, after deduction of expenses, are estimated to be approximately HK\$26.6 million, representing a net issue price of approximately HK\$0.048 per Placing Share. The net proceeds from the Placing are intended to be used for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company.

WARNING OF THE RISKS OF DEALING IN SHARES

Shareholders and potential investors should note that Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares, and is subject to fulfillment of other conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

Apart from the fund raising activities mentioned below, the Company has not carried out any fund raising exercises during the 12 months immediately preceding the date of this announcement.

Date of announcements

11 November 2016, 7 February 2017 and 14 March 2017

Fund raising activities

Rights Issue, which was on the basis of three Rights Shares for every Share held on the record date of 17 February 2017 and completed on 15 March 2017

Intended use of net proceeds

- (i) approximately HK\$337.0 million for the investment in listed securities in various industries in Hong Kong within six months from the date of receiving the proceeds from the Rights Issue;
- (ii) approximately HK\$60.0 million for the investment in unlisted securities in various industries mainly in Hong Kong and the PRC within one year from the date of receiving the proceeds from the Rights Issue; and
- (iii) the remaining of approximately HK\$8.6 million for general working capital needs (being “general and administrative expenses and financial expenses before depreciation”) of the Group within eight months from the date of receiving the proceeds from the Rights Issue.

Actual use of the net proceeds as at the date of this announcement

Used as intended

EFFECT ON SHAREHOLDING

The following table illustrates the shareholding structure of the Company as at the date of this announcement and immediately upon issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to Completion (other than as a result of the allotment and issue of the Placing Shares on Completion)):

	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Public Shareholders				
– Placees	–	–	550,000,000	16.64
– Other public Shareholders	<u>2,754,882,496</u>	<u>100.00</u>	<u>2,754,882,496</u>	<u>83.36</u>
Total	<u>2,754,882,496</u>	<u>100.00</u>	<u>3,304,882,496</u>	<u>100.00</u>

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“Board”	the board of Directors
“Business Day(s)”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Capital VC Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange
“Completion”	completion of the Placing pursuant to the terms and conditions of the Placing Agreement
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 22 March 2017 to allot or otherwise deal with the unissued shares of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties which are not connected persons of the Company (as defined in the Listing Rules) and are independent of the Company and its connected persons
“Listing Rules”	the Rule Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	23 February 2018 (or such later date to be agreed between the Company and the Placing Agent in writing)
“Placees”	any professional, institutional or other investor(s) or any of their respective subsidiaries or associates procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement

“Placing”	the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Infast Brokerage Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 2 February 2018 entered into between the Placing Agent and the Company in relation to Placing
“Placing Price”	HK\$0.050 per Placing Share
“Placing Shares”	a maximum of 550,000,000 new Shares to be placed pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“Rights Issue”	the issue of 2,066,161,872 Rights Shares at the HK\$0.20 per Rights Share on the basis of three (3) Rights Shares for every one (1) Share held by the qualifying Shareholders at the close of business on the record date, which is 17 February 2017, payable in full on acceptance
“Rights Share(s)”	new Share(s) to be allotted and issued in respect of the Rights Issue
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“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 of
Capital VC Limited
Chan Cheong Yee
Executive Director

Hong Kong, 2 February 2018

As at the date of this announcement, the Board comprises Mr. Kong Fanpeng and Mr. Chan Cheong Yee as executive directors; and Mr. Lee Ming Gin, Ms. Lai Fun Yin and Mr. Cheung Wai Kin as independent non-executive directors.

The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.