
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your securities in Capital VC Limited (the “Company”), you should at once hand this Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, having attached hereto the written consent referred to under the paragraph headed “Expert and Consent” in appendix IV to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Prospectus Documents.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.



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: 2324)

RIGHTS ISSUE OF 50,464,341 RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF HK\$0.65 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE BY QUALIFYING SHAREHOLDERS

Underwriter of the Rights Issue



ENERCHINE SECURITIES LIMITED **(formerly known as RADLAND INTERNATIONAL LIMITED)**

It should be noted that the Shares have been dealt in on an ex-entitlement basis since Tuesday, 25 June 2013. Dealings in the Rights Shares in their nil-paid form are expected to take place from Monday, 8 July 2013 to Monday, 15 July 2013 (both dates inclusive). Any person contemplating buying or selling of the Shares from now up to the date on which all conditions of the Rights Issue are fulfilled and dealings in the Rights Shares in their nil-paid form between Monday, 8 July 2013 to Monday, 15 July 2013 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional and may not proceed. Investors should seek professional advice regarding dealings in the Shares and nil-paid Rights Shares if they are in any doubt.

The latest time for application and payment for the Rights Shares is 4:00 p.m. on Thursday, 18 July 2013. The procedures for application of Rights Shares are set out on pages 8 to 11 of this Prospectus.

The Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” in this Prospectus). Accordingly, the Rights Issue may or may not proceed.

4 July 2013

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing issued to the Company at any time prior to 4:00 p.m. on the Settlement Date if there occurs:

- i. an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- ii. any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- iii. any act of god, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

and in the reasonable opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Settlement Date:

- i. the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- ii. the Underwriter shall receive notification pursuant to the Underwriting Agreement, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Underwriter shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- iii. the Company shall, after certain matter or event referred to in the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company,

TERMINATION OF THE UNDERWRITING AGREEMENT

the Underwriter shall be entitled (but not bound) by notice in writing issued by the Underwriter to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

Upon the giving of notice pursuant to the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and none of the parties to the Underwriting Agreement shall have any claim against the other parties in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (but not the underwriting commission) referred to in the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2013

First day of dealings in nil-paid Rights Shares	Monday, 8 July
Latest time for splitting nil-paid Rights Shares	4:30 p.m., Wednesday, 10 July
Last day of dealings in nil-paid Rights Shares	Monday, 15 July
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Thursday, 18 July
Temporary counter for trading in Adjusted Shares in board lots of 1,000 Adjusted Shares (in form of existing share certificates) to be closed.	4:00 p.m., Friday, 19 July
Parallel trading in Adjusted Shares (in form of new and existing certificate) ends	4:00 p.m., Friday, 19 July
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Adjusted Shares	4:00 p.m., Friday, 19 July
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 23 July
Free exchange of existing share certificates for new share certificates of Adjusted Shares ends	Tuesday, 23 July
Announcement of the results of acceptance and excess application of the Rights Issue	Monday, 29 July
Refund cheques for wholly and partially unsuccessful applications for excess Rights Shares expected to be posted on or before	Tuesday, 30 July
Share certificates for fully-paid Rights Shares expected to be posted on or before.	Tuesday, 30 July
First day of dealing in fully-paid Rights Shares	9:00 a.m., Wednesday, 31 July

All times and dates in this Prospectus refer to Hong Kong local times and dates.

Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	4:00 p.m. on Thursday, 18 July 2013 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“Adjusted Shares”	Shares adjusted according to the Capital Reorganisation
“Announcements”	the announcement of the Company dated 3 January 2013, 27 March 2013, 11 April 2013 and 10 June 2013 relating to, <i>inter alia</i> , the Rights Issue
“Articles”	the articles of association of the Company
“A\$”	Australian dollar, the lawful currency of Australia
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holidays) on which banks are generally open for business more than five hours in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Capital Reorganisation”	the reorganisation of the capital of the Company by way of (i) the Share Consolidation; (ii) Adjustment Proposal; and (iii) subdivision of authorised but unissued Shares as referred in the circular of the Company dated 16 January 2013
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Capital VC Limited, a company incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as CNI VC Limited, whose Shares are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Convertible Bonds”	the 10% unsecured convertible bonds due 2014 in the aggregate principal amount of HK\$20 million constituted and issued by the Company on 27 March 2013
“Custodian”	Standard Chartered Bank

DEFINITIONS

“Custodian Agreement”	the custodian agreement dated 7 October 2003 entered into between the Company and the Custodian
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares in connection with the Rights Issue
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investment Management Agreement”	the management agreement dated 31 May 2012 entered into between the Company and the Investment Manager and renewed annually
“Investment Manager”	China Angel Fund Management (HK) Company Limited, a company incorporated in Hong Kong
“Issue Mandate”	the general mandate granted at the annual general meeting of the Company held on 31 December 2012 pursuant to which the Directors have been authorized to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at 31 December 2012
“Last Trading Day”	3 January 2013, being the date of the Underwriting Agreement
“Latest Practicable Date”	2 July 2013, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

DEFINITIONS

“Options”	the options to subscribe for Shares under the Share Option Scheme
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders
“Posting Date”	Thursday, 4 July 2013, or such other date as the Underwriter may agree in writing with the Company, as the date for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders
“Prospectus”	the Prospectus despatched to Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholders”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Tuesday, 2 July 2013, or such other date as the Underwriter may agree in writing with the Company as the date by reference to which entitlements to the Rights Issue are to be determined
“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue by way of rights of one Rights Share for every two Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	50,464,341 new Shares to be allotted and issued pursuant to the Rights Issue
“Scheme Mandate Limit”	the refreshment of the Scheme Mandate Limit which the Directors were authorised to issue 32,458,217 Options, being the 10% of the then Shares in issue as at the annual general meeting held on 28 November 2010 and approved by the Shareholders

DEFINITIONS

“Settlement Date”	29 July 2013, or such other time or date as the Underwriter and Company may agree in writing
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the company
“Share Option Scheme”	the share option scheme adopted by the Company on 30 September 2003
“Shareholder(s)”	the holder(s) of Issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.65 per Rights Share
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriter”	Enerchine Securities Limited (formerly known as Radland International Limited), (a company incorporated in Hong Kong with limited liability), is a corporation licensed to carry out type 1 (dealing in securities) regulated activity under the SFO
“Underwriting Agreement”	the underwriting agreement dated 3 January 2013 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwriting Shares”	50,464,341 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%” or “per cent”	percentage or per centum.

LETTER FROM THE BOARD



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: 2324)

Executive Directors:

Mr. Kong Fanpeng
Mr. Chan Cheong Yee
Mr. Tang Tsz Tung

Non-executive Director:

Mr. Hung Cho Sing

Independent non-executive Directors:

Mr. Lam Kwan
Mr. Ong Chi King
Mr. Lee Ming Gin

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong*

Room 602, 6th Floor
New World Tower
16-18 Queen's Road Central
Hong Kong

4 July 2013

To the Shareholders

Dear Sirs/Madams,

**RIGHTS ISSUE OF 50,464,341 RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF
HK\$0.65 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD
ON THE RECORD DATE BY QUALIFYING SHAREHOLDERS**

INTRODUCTION

On 3 January 2013, the Board announced that subject to the Capital Reorganisation becoming effective, the Company proposed to raise approximately HK\$32.8 million before expenses by issuing 50,464,341 Rights Shares to the Qualifying Shareholders by way of a Rights Issue at the Subscription Price of HK\$0.65 per Rights Share on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date.

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Number of Shares in issue as at the Latest Practicable Date	:	100,928,683 Shares (<i>Note</i>)
Number of Rights Shares	:	50,464,341 Shares
Subscription Price	:	HK\$0.65 per Rights Share with nominal value of HK\$0.001 each

Note:

As at the Latest Practicable Date, the Company has (i) outstanding 3,200,000 Options (adjusted following the Capital Reorganisation became effective on 13 June 2013) under the Share Option Scheme; (ii) the unutilised Shares from the Scheme Mandate Limit up to 45,821 Shares (adjusted following the Capital Reorganisation became effective on 13 June 2013); (iii) the unutilised Shares from the Issue Mandate up to 185,736 Shares (adjusted following the Capital Reorganisation became effective on 13 June 2013); and (iv) the Convertible Bonds.

Save as disclosed, as at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. The 50,464,341 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the Company's issued share capital as at the Latest Practicable Date and 33.3% of the Company's issued share capital as enlarged by the issue of the 50,464,341 Rights Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

Rights of Overseas Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

Based on the register of members of the Company, the Company does not have any Overseas Shareholders as at the Record Date. Therefore, there are no Non-Qualifying Shareholder for the purpose of the Rights Issue.

LETTER FROM THE BOARD

Subscription Price

The subscription price for the Rights Shares is HK\$0.65 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 25.29% to the theoretical closing price of HK\$0.870 per Share, based on the closing price of HK\$0.087 per share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 21.69% to the average theoretical closing price of approximately HK\$0.830 per Share, based on the average closing price of HK\$0.083 per share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 18.41% to the theoretical ex-rights price of approximately HK\$0.797 per Share, based on the closing price of HK\$0.087 per share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a discount of approximately 83.10% to the unaudited consolidated net asset value per Share of approximately HK\$3.862 per Share as at 31 May 2013 (adjusted following the Capital Reorganisation became effective on 13 June 2013), being the latest unaudited consolidated net asset value per Share published on 13 June 2013; and
- (v) a discount of approximately 8.4% to the closing price of HK\$0.71 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the shares. The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price which has been set as a discount to the closing price of the Shares on the Last Trading Day with an objective to encourage existing Qualifying Shareholders to take up their entitlements so as to participate in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.612.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares in issue and held on Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Board had not received any information from any substantial Shareholders (as defined under the Listing Rules) of its intention to take up all or any of the Rights Shares provisionally allotted to it. Furthermore, the Company had not received any undertaking from any substantial Shareholders (as defined under the Listing Rules) to subscribe for all or any of the Rights Shares provisionally allotted to them.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. The aggregate of fractions of the Rights Shares in nil-paid form will be sold by the Company in the market, and, if a net premium can be obtained the proceeds will be retained by the Company for its own benefit. Any unsold aggregate of fractions of the Rights Shares in nil-paid form will be made available for excess application by the Qualifying Shareholders. No odd lot matching services will be provided.

Procedure for acceptance and payment or transfer

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles them to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar so as to be received by no later than 4:00 p.m. on Thursday, 18 July 2013. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Capital VC Limited – Provisional Allotment Account" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been received by the Registrar by 4:00 p.m. on Thursday, 18 July 2013, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for excess application under the EAFs by the Qualifying Shareholders.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Wednesday, 10 July 2013 with the Registrar who will cancel the original PAL and issue new PAL(s) in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

LETTER FROM THE BOARD

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to obtain permission of the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of this Prospectus, the PAL or the EAF in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/its behalf an application for the Rights Shares to satisfy himself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith. Completion and return of the PAL by anyone outside Hong Kong will constitute a warranty and representation to the Company that all these local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in doing so would violate the applicable securities or other laws or regulations of any jurisdiction. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the rights to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders, any Rights Shares provisionally allotted but not accepted and aggregate fractional entitlements.

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/its provisional allotment must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar so as to be received by no later than 4:00 p.m.

LETTER FROM THE BOARD

on Thursday, 18 July 2013. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Capital VC Limited – Excess Application Account" and crossed "Account Payee Only".

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

1. preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
2. subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares), and with board lot applications to be made on a best effort basis.

In applying principle (1) & (2) above, reference will only be made to the number of excess Rights Shares applied for. No reference will be made to Rights Shares comprised in applications by PAL or the existing number of Shares held by Qualifying Shareholders.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on or about Monday, 29 July 2013. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that the amount tendered on application will be refunded in full without interest on or before Tuesday, 30 July 2013. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application monies are also expected to be refunded to them without interest on or before Tuesday, 30 July 2013.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

LETTER FROM THE BOARD

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all these local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriter exercises the right to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by the ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 30 July 2013. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Tuesday, 30 July 2013 by ordinary post to the applicants at their own risk. Successful applicant(s) will receive one share certificate for all the fully-paid Rights Shares issued to him/her/it.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on Wednesday, 31 July 2013.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second Settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 10,000 Shares.

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Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following being fulfilled:

1. the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong respectively on or prior to the Posting Date of one copy of each of the Prospectus Documents each duly certified in compliance with section 342C of the Companies Ordinance (and all other documents required to be attached thereto);
2. the posting on the Posting Date of copies of the Prospectus Documents to the Qualifying Shareholders;
3. compliance by the Company with its obligations under the Underwriting Agreement in respect of the allotment and offer of the Rights Shares by the times specified;
4. the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Business Day prior to the commencement of the trading of the Rights Shares (in their nil-paid and full-paid forms respectively) and the Listing Committee of the Stock Exchange not having withdrawn or revoked such listings and permission on or before 4:00 p.m. on the Settlement Date;
5. the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days (other than any suspension pending clearance of this announcement dated 3 January 2013) and no indication being received before 4:00 p.m. on the Settlement Date from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;

LETTER FROM THE BOARD

6. the passing of the relevant resolution(s) by the Shareholders approving the Capital Reorganisation at an extraordinary general meeting in accordance with the Listing Rules;
7. the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement; and
8. the Capital Reorganisation becoming effective.

As at the Latest Practicable Date, the conditions (6) and (8) had been fulfilled. In the event that the above conditions (other than the conditions (1), (2), (3) and (4) above which cannot be waived) have not been satisfied and/or waived in whole or in part by the Underwriter on or before the Posting Date (or the relevant dates set out therein) or in the event that the condition in (4) above has not been satisfied on or before 4.00 p.m. on the Settlement Date, all liabilities of the parties to the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breach of the Underwriting Agreement and the Rights Issue will not proceed.

UNDERWRITING ARRANGEMENT

The Underwriting Agreement

Date	:	3 January 2013
Underwriter	:	Enerchine Securities Limited, is a corporation licensed to carry out type 1 (dealing in securities) regulated activity under the SFO. To the best of the Directors' knowledge and information, Enerchine Securities Limited and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons
Total number of Rights Shares being underwritten by the Underwriter	:	The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis to a maximum extent, being 50,464,341 Rights Shares, subject to the terms and conditions of the Underwriting Agreement
Commission	:	3% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date

LETTER FROM THE BOARD

Termination of the Underwriting Agreement

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the Settlement Date, if there occurs:

- i. an introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof); or
- ii. any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not such are of the same nature as any of the foregoing) or of the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market; or
- iii. any act of god, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out;

in the reasonable opinion of the Underwriter, such change would have a material and adverse effect on the business, financial or trading position or prospects of the Group as a whole or the success of the Rights Issue or make it inadvisable or inexpedient to proceed with the Rights Issue.

If, at or prior to 4:00 p.m. on the Settlement Date:

- i. the Company commits any material breach of or omits to observe any of the obligations, undertakings, representations or warranties expressed to be assumed by it under the Underwriting Agreement which breach or omission will have a material and adverse effect on its business, financial or trading position; or
- ii. the Underwriter shall receive notification pursuant to the Underwriting Agreement, or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate or would be untrue or inaccurate if repeated as provided in the Underwriting Agreement, and the Underwriter shall, in its reasonable opinion, determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the business, financial or trading position or prospects of the Group taken as a whole or is otherwise likely to have a materially prejudicial effect on the Rights Issue; or
- iii. the Company shall, after certain matter or event referred to in the Underwriting Agreement has occurred or come to the Underwriter's attention, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company;

LETTER FROM THE BOARD

the Underwriter shall be entitled (but not bound) by notice in writing issued by the Underwriter to the Company to elect to treat such matter or event as releasing and discharging the Underwriter from its obligations under the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (but not the underwriting commission) referred to in the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares have been dealt on an ex-rights basis since Tuesday, 25 June 2013. Dealings in the Rights Shares in the nil-paid form will take place from Monday, 8 July 2013 to Monday, 15 July 2013 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Monday, 8 July 2013 to Monday, 15 July 2013 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during such period will accordingly bear the risk that the Rights Issue could not become unconditional or does not proceed.

LETTER FROM THE BOARD

FUND RAISING EXERCISES OF THE COMPANY IN THE PAST 24 MONTHS

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
11 March 2013	Placing of Convertible Bonds of an aggregate principal amount of HK\$20 million	HK\$19.3 million	For future investments pursuant to investment objectives of the Company and general working capital of the Group	Used as intended
23 August 2012	Placing of new shares	HK\$9 million	For future potential investment and working capital	Used as intended
9 June 2011	Placing of new shares	HK\$72.43 million	For general working capital of the Group and/or funding of appropriate investment opportunities if arise	Used as intended

Save as abovementioned, the Company had not conducted any fund raising exercise in the 24 months immediately preceding the Latest Practicable Date.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company and its subsidiaries are principally engaged in investment in listed and unlisted companies mainly in Hong Kong and the PRC.

The Directors consider that the Rights Issue, which is on a fully underwritten basis, will (i) allow the Group to strengthen its financial position without having to incur interest expenses as compared to debt financing; (ii) increase the capital base of the Company for future investment purposes; and (iii) provide funding to capture suitable investment opportunities when arises. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company, hence the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The gross proceeds of the Rights Issue will be approximately HK\$32.8 million. The estimated net proceeds of the Rights Issue will be approximately HK\$30.9 million. The Company intends to apply approximately HK\$18 million of the net proceeds from the Rights Issue for general working capital of the Group and the remaining balance from the Rights Issue for future investments pursuant to the investment objectives of the Company.

As at the Latest Practicable Date, the Company does not have any specific plans of investments or business development.

LETTER FROM THE BOARD

The Company has considered other financing methods such as placing and banking facilities.

(i) Placing

In regard to placing, the Directors are of the view that given the substantial amount of the Shares to be issued, a placing would cause material dilution effect to the shareholding of the existing Shareholders. As fund raising through placing would deprive the rights of Shareholders to maintain their proportional shareholdings, and not all Shareholders would be offered the opportunity to participate.

(ii) Banking facilities

The Directors consider that banking facilities might give rise to a pledge of assets and/or negative impact to the gearing ratio of the Group.

(iii) Rights issue

In regard to Rights Issue, the Directors do note the potential dilution effect of the Shareholders' interests, however, the Directors consider the foregoing factors would offset this consideration:

- i. Qualifying Shareholders have the option whether or not to subscribe the Rights Shares;
- ii. Qualifying Shareholders who do not take up their entitlements can sell the nil-paid Rights Shares in the market in return for cash;
- iii. the Rights Issue offers the Qualifying Shareholders the opportunity to subscribe for their pro-rata Rights Shares and to maintain their respective shareholding interests in the Company at a relatively low price as compared to the historical and prevailing market price of the Shares; and
- iv. the Rights Issue will not negatively impact the gearing ratio of the Group.

Taking into consideration the rights of the Qualifying Shareholders to maintain their proportional shareholdings, the Directors selected the Rights Issue as a more preferred source of financing over other alternative fund-raising methods such as a placing and banking facilities.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue.

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholders takes up any of the Rights Shares and the Underwriter takes up the Rights Shares to the maximum extent	
	<i>Number of (approximately)</i>		<i>Number of (approximately)</i>		<i>Number of (approximately)</i>	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Underwriter	-	-	-	-	50,464,341	33.33%
Public Shareholders	100,928,683	100%	151,393,024	100%	100,928,683	66.67%
Total	<u>100,928,683</u>	<u>100.00%</u>	<u>151,393,024</u>	<u>100.00%</u>	<u>151,393,024</u>	<u>100.00%</u>

Notes:

This scenario is for illustrative purpose only. Pursuant to the Underwriting Agreement, the Underwriter undertakes that in the event that the Underwriter or any of the sub-underwriters is required to take up the Rights Shares pursuant to its underwriting/sub-underwriting obligations:

- 1) The Underwriter and the Sub-underwriters shall not subscribe, for its own account, for such number of untaken Rights Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to exceed 29.9% or more of the issued share capital of the Company upon the completion of the Rights Issue;
- 2) The Underwriter shall and shall cause the sub-underwriters to procure independent placees to take up such number of Rights Shares as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with upon completion of the Rights Issue.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

POSSIBLE ADJUSTMENTS TO THE OPTIONS AND THE CONVERTIBLE BONDS

As a result of the Rights Issue, the conversion price of the Convertible Bonds and the exercise price and the number of Shares to be issued pursuant to the Options may be adjusted in accordance with the respective terms and conditions of the Convertible Bonds and the Share Option Scheme and the Listing Rules or guidelines issued by the Stock Exchange from time to time. The Company will instruct its auditors to certify the adjustments, if any, to the Convertible Bonds and the Options and will inform the holders of the Convertible Bonds and the holders of the Options of the adjustments, if any, accordingly. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

By Order of the Board
Capital VC Limited
Chan Cheong Yee
Executive Director

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 30 June 2010, 2011 and 2012 are disclosed in the annual reports of the Company for the years ended 30 June 2010 (pages 27 to 104), 2011 (pages 24 to 104) and 2012 (pages 28 to 108) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.capital-vc.com). The auditor's report as set out in the annual reports of the Company for the year ended 30 June 2010, 2011 and 2012 are unqualified. The unaudited consolidated financial statements of the Group for the six months ended 31 December 2012 with the relevant notes to the consolidated financial statements of the Group can be found from pages 3 to 19 of the interim report of the Company for the six months ended 31 December 2012.

2. INDEBTEDNESS

As at 31 May 2013, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding indebtedness comprising unsecured interest-bearing borrowings of approximately HK\$14,222,000 from an independent third party, convertible bonds with the face value of HK\$20,400,000 and finance lease obligation of approximately HK\$114,000. The Group has pledged its plant and equipment with carrying value of HK\$nil for the finance lease and financial assets at fair value through profit or loss, which are approximately HK\$84,221,000 to secure margin financing facilities obtained from regulated securities dealers.

Save as disclosed above and apart from intra-group liabilities, the Group did not have any other outstanding bank or other borrowings, mortgages, charges, debentures or other loan capital, bank overdrafts, loans or other similar indebtedness, guarantee, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchase or other finance lease commitments or other contingent liabilities.

Saved as disclosed above, the Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 May 2013.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the present financial resources and the estimated net proceeds from the Rights Issue, in the absence of unforeseen circumstances, the Group has sufficient working capital for its present requirements for at least the next twelve months following the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 30 June 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. BUSINESS AND FINANCIAL REVIEW AND TRADING PROSPECTS

Operation Review

The Company and its subsidiaries are principally engaged in investment in listed and unlisted companies mainly in Hong Kong and the PRC.

Result Review

For the six months ended 31 December 2012 (the “Period”), the Group recorded a turnover of HK\$7.1 million (2011: negative HK\$107.0 million) and a profit attributable to equity holders of the Company of HK\$3.0 million (2011: loss of HK\$66.5 million). The change in the result attributable to the equity holders of the Company from loss to profit is principally attributable to the improvement in the global investment atmosphere. Net profit on financial assets of HK\$5.1 million was recorded in the Period as compared to net loss of HK\$111.0 million recognised in the corresponding period of last year. There has been a slowdown in the growth of the Group’s associate, CNI Bullion Limited’s profit of only HK\$1.7 million (2011: HK\$30.9 million) was shared to the Group during the Period.

For the six months ended 31 December 2012, the Group’s net asset value (“NAV”) only increased from HK\$370 million as at 30 June 2012 to HK\$381.8 million as at 31 December 2012.

Liquidity and Financial Resources and Capital Structure

The Group’s liquidity position maintained stable as compared to the situation as at 30 June 2012 and its bank balances as at 31 December 2012 amounted to approximately HK\$1.1 million (As at 30 June 2012: approximately HK\$0.7 million) which represented approximately 0.4% (As at 30 June 2012: approximately 0.3%) of the Group’s total current assets. Although the Group only held slim bank balance and cash, the Group’s current assets of HK\$253.2 million, was adequate to settle all liabilities of HK\$35.2 million. The Board considered the Group still maintained a healthy financial position as at 31 December 2012.

As at 31 December 2012, the Group’s gearing ratio, which is calculated on the Group’s total liabilities divided by its total assets, improved from 10.6% as at 30 June 2012 to 8.4% as 31 December 2012. The Group had no material capital commitment as at 31 December 2012. In connection with the contingent liabilities of the Company, the Company and Longlife Group Holdings Limited have jointly entered into a tenancy agreement for the lease of office premises for a term of three years from 5 July 2010 to 4 July 2013. As at 31 December 2012, the maximum liabilities of rental and corresponding administrative charges of the Company due to default of payment of Longlife Group Holdings Limited would be HK\$702,960 (30 June 2012: HK\$1,405,920).

Business Review

As compared to the first half of 2011/12, in which a series of unfavourable events including European debt crisis and downgrade of US government credit rating happened, the performance of global investment market greatly improved in the current period. As benefited from the easing of monetary policies adopted by major central banks worldwide and the market's expectation of China able to avoid a hard economic landing, the global investment atmosphere has turned optimistic since the third quarter of 2012. The Group's investments also have a better performance in the current period and recorded a net profit on financial assets of approximately HK\$5.1 million, whereas a loss of approximately HK\$111.0 million was recorded in the corresponding period of last year.

Looking forward, we expect the US economy will return to a rate of historical growth in 2013 after a sluggish year – 2012. In the East, not only will the Chinese economy avoid a hard landing in 2012, but it could be on the cusp of worldwide economic development with very strong GDP growth in 2013. Together with the continuing easing of monetary policies adopted by major central banks, we believe the investment environment in 2013 will be favourable to equity investments. Even so, the directors will continue to adopt cautious measures to manage the portfolio of the Group's investments.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma financial information of the Group (the “Unaudited Pro Forma Financial Information”) attributable to equity shareholders of the Company is prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the proposed Rights Issue on the basis of one Rights Share for every two existing Shares held on the Record Date at HK\$0.65 per Rights Share on the consolidated net tangible assets of the Group as if the Rights Issue had been completed on 31 December 2012.

The Unaudited Pro Forma Financial Information of the Group is prepared for illustrative purposes only, based on the judgements and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Rights Issue as at the date to which it is made up or at any future date.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net tangible assets attributable to equity shareholders of the Company as at 31 December 2012 and adjusted to reflect the effect of the Rights Issue:

		HK\$	No. of Shares outstanding	Per Share HK\$
Unaudited consolidated net tangible assets of the Group attributable to the equity shareholders of the Company as at 31 December 2012	<i>Note 1</i>	381,802,503	1,009,286,831	0.3783
Adjusted for consolidation of every 10 issued Shares into 1 Share (“Share Consolidation”)	<i>Note 2</i>	–	908,358,148	–
Unaudited consolidated net tangible assets of the Group attributable to the equity shareholders of the Company after Share Consolidation	<i>Note 3</i>	381,802,503	100,928,683	3.7829
Estimated net proceeds from the Rights Issue	<i>Note 4</i>	30,901,822	50,464,341	
Unaudited consolidated net tangible assets of the Group attributable to the equity shareholders of the Company as at 31 December 2012	<i>Note 5</i>	<u>412,704,325</u>	<u>151,393,024</u>	<u>2.7260</u>

Notes:

- (1) The unaudited consolidated net tangible assets attributable to equity shareholders of the Company at 31 December 2012 is extracted from the published interim report of the Company for the period ended 31 December 2012.

- (2) Pursuant to the circular dated 16 January 2013, every ten issued Shares of the Company would be consolidated into 1 Share. The Share Consolidation was completed on 13 June 2013. Prior to the Share Consolidation, the number of Shares in issue was 1,009,286,831. Number of Shares in issue immediately upon the Share Consolidation is 100,928,683. The difference is adjusted to reflect the number of Shares before the Rights Issue.
- (3) The calculation of the unaudited consolidated net tangible assets attributable to equity shareholders of the Company after Share Consolidation per Share is based on the unaudited consolidated net tangible assets attributable to equity shareholders of the Company of HK\$381,802,503 at 31 December 2012 and on the basis of 100,928,683 Shares in issue after the Share Consolidation.
- (4) The estimated net proceeds from the issue of the Rights Shares of approximately HK\$30,901,822 are based on 50,464,341 Rights Shares to be issued at the Subscription Price of HK\$0.65 per Rights Share (on the basis of 100,928,683 Shares in issue as at the Latest Practicable Date) and after deduction of estimated related expenses of approximately HK\$1,900,000 and take no account of any additional Shares or Rights Shares to be issued as a result of the exercise of any vested Share Options.
- (5) The unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company per Share after completion of the Rights Issue is calculated based on the unaudited pro forma adjusted consolidated net tangible assets attributable to equity shareholders of the Company after the completion of the Rights Issue of HK\$412,704,325 and on the basis of 151,393,024 Shares in issue, representing an aggregate of 100,928,683 Shares in issue after Share Consolidation and adjusted for the effect of the 50,464,341 Rights Shares (calculated on the basis of 100,928,683 Shares in issue as at the Latest Practicable Date) issued under the Rights Issue assuming the Rights Issue has been completed on 31 December 2012.
- (6) No adjustment other than those adjusted above has been made to reflect any trading results or other transactions of the Group subsequent to 31 December 2012.

B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the independent reporting accountants, Cheng & Cheng Limited, Certified Public Accountants, Hong Kong, prepared for the sole purpose of incorporation in this Prospectus, in respect of the unaudited pro forma financial information of the Group.

**CHENG & CHENG LIMITED**

CERTIFIED PUBLIC ACCOUNTANTS

鄭 鄭 會 計 師 事 務 所 有 限 公 司

10/F, Allied Kajima Building,
138 Gloucester Road, Wanchai, Hong Kong
香港灣仔告士打道138號聯合鹿島大廈10樓

4 July 2013

The Board of Directors
Capital VC Limited
Room 602, 6th Floor,
New World Tower,
16-18 Queen's Road Central,
Hong Kong.

Dear Sirs,

We report on the unaudited pro forma financial information (the "Pro Forma Financial Information") of Capital VC Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") as set out on in section A of Appendix II to the prospectus of the Company dated 4 July 2013 (the "Prospectus"), which has been prepared by the directors of the Company solely for illustrative purposes to provide information about how the right issue might have affected the financial information presented. The basis of preparation of the Pro Forma Financial Information is set out in the section A of Appendix II to the Prospectus.

Respective Responsibilities of Directors of the Company and Reporting Accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the respective dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or review performed in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA and, accordingly, we do not express any such audit or review assurance on the unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Company and that the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the directors of the Company, and because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 31 December 2012 or any future date.

Opinion

In our opinion:

- (a) the unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Cheng & Cheng Limited
Certified Public Accountants
Hong Kong

This appendix serves as an additional disclosure requirement pursuant to Rule 21.09 of Listing Rules in connection with the listing document of investment company. This appendix includes particulars given in compliance with the Listing Rules for the purpose of giving information to the public with regard to the Company.

INVESTMENT MANAGEMENT INFORMATION

Investment Manager	China Angel Fund Management (HK) Company Limited Rooms 3201-02, COSCO Tower 183 Queen's Road Central Hong Kong
Directors of the Investment Manager	Jiang Qi Hang, Howard Rooms 3201-02, COSCO Tower 183 Queen's Road Central Hong Kong Cheung Lai Yan, Charles Rooms 3201-02, COSCO Tower 183 Queen's Road Central Hong Kong Sum Nai Bun, Stephen Rooms 3201-02, COSCO Tower 183 Queen's Road Central Hong Kong
Custodian	Standard Chartered Bank 15/F, Standard Chartered Tower 388 Kwun Tong Road Kwun Tong, Kowloon, Hong Kong

The Investment Manager

China Angel Fund Management (HK) Company Limited (the “**CAFM**”) is a company incorporated in Hong Kong in 2010 with limited liability and is a corporation licensed under the SFO.

The following are the directors of CAFM:

Jiang Qi Hang, Howard (“**Mr. Jiang**”) obtained a Bachelor's degree in Business Administration at the Zhong Shan University, the PRC. and a Master's degree in Business Administration at the Australian Graduate School of Management of University of New South Wales in Australia. Mr. Jiang has over 18 years of professional experience in securities and asset management industry. He had served at Credit Lyonnais Securities Asia Ltd., BNP Paribas Peregrine Securities Ltd. and BOCI Securities Ltd.

Cheung Lai Yan, Charles (“**Mr. Cheung**”) holds a Bachelor’s degree in science from the University of Hong Kong and Master’s degree in Business Administration from the UWIST (Cardiff University), the United Kingdom. He has over 25 years of experience in the financial service industry, in particular with exceeding 20 years of experience in fund management. Since his graduation in 1985, Mr. Cheung had worked in Standard Chartered Securities Limited and Kim Eng Securities Ltd as analyst and manager respectively. During the period between 1990 and 1995, he was the director of the People’s Leveraged Fund and was responsible for managing the Fund. Mr. Cheung joined the Guotai Junan Group in year 1996 and was the Managing Director and Head of Guotai Junan Assets (Asia) Ltd until March 2011. Mr. Cheung is currently a responsible officer in respect of Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Sum Nai Bun, Stephen (“**Mr. Sum**”) obtained a Bachelor’s degree in Economics at the University of Leicester, England and a Master’s degree in Investment Analysis (with distinction) at the University of Stirling, Scotland. Mr. Sum has over 18 years’ of experience in the investment management industry. He had served at Nexus Investment Management Limited, Cheemimet Finance Limited and Qi Yuan Asset Management (HK) Limited as an investment management professional. Mr. Sum is currently a responsible officer in respect of Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Duties of CAFM

CAFM is responsible for making investment proposals in accordance with the Investment Management Agreement, the Articles and the investment policies of the Company.

The Custodian

Standard Chartered Bank was appointed as the Custodian pursuant to the Custodian Agreement.

The Directors confirm that none of the directors of the investment company, the management company, any investment adviser or any distribution company, or any associate of any of those persons, is or will become entitled to receive any part of any brokerage charged to the investment company, or any reallowance of other types on purchases charged to the investment company.

RISKS RELATING TO THE COMPANY

The Company is an investment company and its funds will be invested in listed and unlisted companies mainly in Hong Kong and the PRC. These investments will be subject to market fluctuations and to the risks inherent in all investments. Investors should also be aware that the Company’s income and its Net Asset Value are liable to be adversely affected by external factors beyond the control of the Company. As a result, income of the fund and its Net Asset Value may therefore go down as well as go up, subject to the prevailing market conditions.

INVESTMENT OBJECTIVES AND POLICIES

The Company is an investment company incorporated in the Cayman Islands with the primary objective of achieving earnings in the form of short to medium term (i.e. less than five years) capital appreciation as well as income from interest and dividends by investing in listed and unlisted companies mainly in Hong Kong and the PRC. The Company may from time to time make other investments outside the PRC and Hong Kong should the Directors believe that such investments may provide attractive returns. The Company also intends to invest in unlisted companies with the potential to seek a listing on the Stock Exchange or any overseas stock exchanges.

The Company has adopted the following investment policies:

1. at least 70% of the Company's total investments will be invested in equity securities, convertible notes, preference shares, options, warrants, futures contracts, debt securities, mutual fund and unit trusts issued by listed and unlisted companies in Hong Kong and the PRC, or such other types of investments in accordance with the investment objectives and policies and restrictions adopted by the Company from time to time and the requirements of the Memorandum, the Articles, the Listing Rules and the Investment Management Agreement;
2. investments will normally be made in the form of equity or equity related securities and debt instruments in listed and unlisted companies engaged in different industries including (but not limited to) information technology, manufacturing, pharmaceutical, service, property, telecommunications, life and environmental and infrastructure sectors. This helps to maintain a balance in the Company's exposure to different industry sectors in order to minimize the effect on the Company of any downturn in any particular sector;
3. investment will normally be made in enterprises which are established in their respective fields and in which the Board believes that there are prospects of earnings growth and/or capital appreciation. In particular, the Company will seek to identify business or entities with a potential for profit growth, strong management, high levels of technical expertise and research and development capabilities as well as management commitment to long term growth of such companies. However, the Company may invest in companies or other entities which are considered by the Board and/or the Investment Manager as being special or in recovery situations on a case by case basis. The Board believes that the present market conditions offer various special and attractive investment opportunities;
4. where possible, the Board and the Investment Manager will seek to identify investments where there is a certain degree of synergy with other investee companies and where cooperation between such companies would be of mutual benefit to each other;
5. the Company's investments may take the form of equity joint ventures, co-operative joint ventures or participation in unincorporated investments. In the event that the entity in which an investment is made is an unlimited company under the PRC laws, the Company may invest through a wholly-owned subsidiary or an intermediate investment holding company with limited liability. The Board will seek to ensure that the Company will not be directly and unnecessarily exposed to any unlimited liability on its investments;

6. the Company's investments are intended to be held for short to medium term (i.e. less than five years) capital appreciation and there is no present intention to realize any of such investments in any specific period or by any specific date. Nevertheless, the Directors will from time to time realize investments where they believe the realisation would be in the best interests of the Company or where the terms on which such realisation can be achieved are considered by the Directors to be favourable to the Company; and
7. the investment limit exercisable by the Board for any single investment is the lower of 20% of the Net Asset Value or HK\$10,000,000 or such other amount as may be resolved by the Board from time to time.

Investors should note that while it is the intention of the Company to invest its funds in accordance with the investment objectives and policies outlined above as soon as practicable, it may take some time before the funds of the Company are fully invested due to market and other investment considerations.

INVESTMENT RESTRICTIONS

Under the Articles and the Listing Rules relating to the listing of investment companies, certain restrictions on investments are imposed on the Company. To abide by such restrictions, the Board has resolved that the Company may not:

1. either on its own or in conjunction with any connected person (as defined in the Listing Rules) take legal, or effective, management control of underlying investments and in no event will the Company itself or through its wholly owned subsidiaries, if any, own(s) or control(s) more than 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) of the voting rights in such company or other entity, except in relation to wholly-owned subsidiaries of the Company, if any;
2. invest in any company or entity other than wholly-owned subsidiaries of the Company, if any, for the purpose of holding investments only, if such investment will result in more than 20% of the Net Asset Value being invested in such company or entity as at the date the investment is made so as to ensure that a reasonable spread of investments will at all times be maintained by the Company;
3. buy or sell commodities, commodity contracts or precious metals, except that it may purchase and sell futures contracts on stock indices and securities which are secured by commodities or precious metals;
4. invest more than 30% of the Company's assets outside Hong Kong and the PRC to the extent of contravening its primary objective of achieving short to medium term (i.e. less than five years) capital appreciation by investing in listed and unlisted companies in Hong Kong and the PRC; and
5. engage in transactions in options and futures except for hedging purposes.

The Company has to comply with investment restrictions 1 and 2 above at all the times while it remains listed as an investment company under Chapter 21 of the Listing Rules. These restrictions are contained in the Articles and cannot be changed so long as the Shares remain listed on the Stock Exchange under Chapter 21 of the Listing Rules.

Investment restrictions 3 and 5 can be changed by a resolution of the Board without Shareholders' approval.

BORROWING POWER

Pursuant to and in accordance with the provisions of the Articles, the Company may exercise its borrowing power to borrow up to an aggregate principal amount representing not more than 50% of the latest available Net Asset Value at the time the borrowing is made. Shareholders' approval at general meeting is required if the borrowing exceeds 50% of the latest Net Asset Value at the time the borrowing is made. The Company's assets may be charged or pledged as security for borrowings. Subject to the provisions of the Memorandum, the Articles and the Investment Management Agreement, the Investment Manager may from time to time advise the Company to borrow for the purposes of providing liquidity or taking advantage of investment opportunities.

DISTRIBUTION POLICY

It is the Board's intention to distribute any excess balance by way of dividend to the extent permitted by applicable laws, the Memorandum and the Articles. Dividends will only be paid to the extent that they are covered by net income received from underlying investments. Distribution will be made annually after the annual accounts of the Company are approved by the Shareholders but interim distribution may be made from time to time to Shareholders as appear to the Board to be justified by the financial position of the Company and permissible by the Articles. Distributions will be made in Hong Kong dollars.

FOREIGN CURRENCY MANAGEMENT AND EXCHANGE CONTROL

The Group has a number of investment projects in the PRC and may be subjected to a certain degree of investment return risk. In spite of this, the Board believes that foreign exchange risks are minimal as the Group mainly uses Hong Kong dollars to carry out its business transactions. Therefore, no financial instrument was made to hedge such exposures.

TAXATION

The taxation of income and capital gains of the Company are subject to the fiscal law and practice of Hong Kong. Prospective investors should consult their own professional advisers on the tax implications of investing, holding or disposing of Shares under the laws of the jurisdiction in which they are liable to taxation.

FEES AND EXPENSES

The Company will pay the fees of the Investment Manager and the Custodian, as described below. In addition, the Company will pay certain other costs and expenses incurred in its operation, including taxes (other than Hong Kong profits tax), expenses for legal, auditing and consulting services, promotional expenses, registration fees and other expenses due to supervisory authorities in various jurisdictions, insurance, interest and brokerage cost and the cost of publishing the net assets value of the Company on a monthly basis.

Investment management fees

The Company will pay the Investment Manager monthly fee of HK\$40,000.

Custodian fees

Pursuant to the Custodian Agreement, the Custodian will receive a fund services fee at a fixed fee per annum per portfolio for the provision of stand reports available for fund services including portfolio valuation, acquisition and disposal statement, cash reconciliation etc., payable in monthly installments and will be reimbursed of all out-of-pocket expenses. In addition, the Custodian will be paid for provision of securities services at the following rate, subject to revision by the Custodian from time to time in accordance with the terms of the Custodian Agreement:

- i. custody fee of 0.05% to 0.08% per annum depending on the trading market, payable monthly, based on month-end portfolio valuations and subject to a minimum charge per annum;
- ii. transaction fee of US\$30 to US\$90 depending on the trading market for each receipt or delivery of securities.

The annual portfolio is charged on a monthly basis on the market value of the portfolio as at month end. The annual portfolio fee includes the Custodian's charges for safekeeping, preparing registration, collection of income and corporate action processing for the above markets.

The transaction fee will be charged by the Custodian for each transaction and third party expenses and all out-of-pocket expenses will be billed at cost by Custodian.

Save for the fees mentioned hereinabove, the Investment Manager and the Custodian are not entitled to receive any other fees from the Company.

INVESTMENT PORTFOLIO

The follows are the details of the ten largest investments of the Group as at 30 June 2012 and 31 December 2012, which include all listed investments and all other investments with a value of more than 5% of the Group's gross assets as at 30 June 2012 and 31 December 2012. Save for the investments disclosed herein, there are no other listed investments and all other investments with a value of more than 5% of the Company's gross assets as at 30 June 2012 and 31 December 2012.

As at 30 June 2012

Name of investee company	Stock code	Number of shares held	Effective Shareholding interest (Approximate)	Cost/carrying value up to 30 June 2012 (Approximate) HK\$'000	Market value/fair value as at 30 June 2012 (Approximate) HK\$'000	Unrealised holding gain (loss) arising on revaluation (Approximate) HK\$'000	Dividend received/receivable during the year (Approximate) HK\$'000
(i) Sage International Group Limited	8082	206,962,000	13.64%	88,867	21,110	(67,757)	-
(ii) Quidam Assets Limited	N/A	26,070	18.25%	15,267	21,000	5,733	-
(iii) 247 Capital Limited	N/A	241,642	3.98%	19,008	19,008	-	-
(iv) Heritage International Holdings Limited	0412	200,000,000	2.56%	60,000	18,800	(41,200)	-
(v) Longlife Group Holdings Limited	8037	83,410,000	8.69%	21,201	14,180	(7,022)	-
(vi) Fairson Holdings Limited	8132	43,340,000	7.88%	10,586	9,361	(1,224)	-
(vii) Birmingham International Holdings Limited	2309	21,290,000	0.55%	4,258	3,279	(979)	-
(viii) Netel Technology (Holdings) Limited	8256	22,528,000	4.06%	3,562	1,982	(1,580)	-
(ix) China Technology Solar Power Holdings Limited	8111	13,235,000	1.43%	2,948	1,601	(1,347)	-
(x) Xinhua News Media Holdings Limited	0309	5,760,000	0.49%	1,835	1,526	(309)	-

As at 31 December 2012

Name of investee company	Stock code	Number of shares held	Effective Shareholding interest (Approximate)	Cost/carrying value up to 31 December 2012 (Approximate) HK\$'000	Market value/fair value as at 31 December 2012 (Approximate) HK\$'000	Unrealised holding gain (loss) arising on revaluation (Approximate) HK\$'000	Dividend received/receivable during the six months ended 31 December 2012 (Approximate) HK\$'000
(i) Sage International Group Limited	8082	184,834,000	12.18%	71,833	21,995	(49,838)	-
(ii) Quidam Assets Limited	N/A	26,070	18.25%	15,267	21,000	5,733	-
(iii) Heritage International Holdings Limited	0412	40,000,000	2.13%	60,000	20,800	(39,200)	-
(iv) 247 Capital Limited	N/A	241,642	3.98%	19,008	19,008	-	-
(v) Longlife Group Holdings Limited	8037	74,210,000	6.44%	18,554	10,686	(7,867)	-
(vi) China Automotive Interior Decoration Holdings Limited	8321	34,664,000	3.21%	4,415	6,933	2,518	-
(vii) Fairson Holdings Limited	8132	25,270,000	4.59%	6,016	4,902	(1,113)	-
(viii) Birmingham International Holdings Limited	2309	21,290,000	0.55%	4,258	3,279	(979)	-
(ix) China Print Power Group Limited	6828	3,100,000	1.78%	3,098	2,914	(184)	-
(x) China Technology Solar Power Holdings Limited	8111	13,150,000	1.42%	2,912	1,631	(1,281)	-

A brief description of the business and financial information of the listed and unlisted investee companies which represents a significant portion of the Group's assets, based on their latest published annual reports or valuation report.

- (a) Sage International Group Limited (stock code: 8082) and its subsidiaries are principally engaged in the operation of cemetery and funeral services in the PRC and trading of automobile and related accessories. For the financial year ended 31 December 2012, the audited consolidated loss attributable to equity holders of Sage International Group Limited was HK\$45,327,000 with basic loss per share of HK3.4 cents. As at 31 December 2012, its audited consolidated net asset value was HK\$215,672,000.
- (b) Quidam Assets Limited ("Quidam") and its subsidiaries are principally engaged in provision of factoring and guaranty services in the PRC. Quidam is an unlisted equity security. For the financial year ended 31 December 2012, the unaudited consolidated loss attributable to equity holders of Quidam was approximately RMB1,205,876 (equivalent to approximately HK\$1,495,000) and its unaudited consolidated net asset value was approximately RMB25,956,765 (equivalent to approximately HK\$32,186,000).

- (c) 247 Capital Limited is principally engaged in investment holding which owns 100% equity interest in Go Markets Pty Limited which carries on the business of online trading in Australia. For the financial year ended 31 December 2012, the unaudited consolidated loss attributable to equity holders of 247 Capital Limited was approximately A\$139,000 (equivalent to approximately HK\$1,132,000) and its unaudited consolidated net asset value was approximately A\$6,199,000 (equivalent to approximately HK\$50,495,000).
- (d) Heritage International Holdings Limited (stock code: 0412) and its subsidiaries are principally engaged in property investment, investments in securities, money lending, investment holding, Chinese medicine clinic operations and holding of certain rights and interests in respect of certain forest land. For the financial year ended 31 March 2013, the audited consolidated loss attributable to equity holders of Heritage International Holdings Limited was HK\$71,594,000 with basic and diluted loss per share of HK7 cents. As at 31 March 2013, its audited consolidated net asset value was HK\$1,033,566,000.
- (e) Longlife Group Holdings Limited (stock code: 8037) and its subsidiaries are principally engaged in the manufacture, research and development and distribution of consumer cosmetic, health related products, health supplement wine and dental materials and equipment and operates only in the PRC and trading of securities in Hong Kong. For the financial year ended 30 September 2012, the audited consolidated loss attributable to equity holders of Longlife Group Holdings Limited was HK\$20,698,000 with basic loss per share of HK2.14 cents. As at 30 September 2012, its audited consolidated net asset value was HK\$106,815,000.
- (f) Fairson Holdings Limited (stock code: 8132) and its subsidiaries are principally engaged in manufacture and sales of power and data cords. For the financial year ended 31 March 2013, the audited consolidated loss attributable to equity holders of Fairson Holdings Limited was HK\$9,702,924 with basic and diluted loss per share of HK1.76 cents. As at 31 March 2013, its audited consolidated net asset value was HK\$53,955,003.
- (g) Birmingham International Holdings Limited (stock code: 2309) and its subsidiaries are principally engaged in professional football operation, apparel sourcing and trading, entertainment and media services. For the financial year ended 30 June 2012, the audited consolidated profit attributable to equity holders of Birmingham International Holdings Limited was HK\$136,911,000 with basic and diluted earnings per share of HK3.52 cents. As at 30 June 2012, its audited consolidated net asset value was HK\$21,634,000.
- (h) Netel Technology (Holdings) Limited (stock code: 8256) and its subsidiaries are principally engaged in trading of telecommunication equipment and provision of long distance call service in Hong Kong. For the financial year ended 31 May 2012, the audited consolidated loss attributable to equity holders of Netel Technology (Holdings) Limited was HK\$3,907,000 with basic and diluted loss per share of HK0.7 cents. As at 31 May 2012, its audited consolidated net asset value was HK\$1,686,000.

- (i) China Technology Solar Power Holdings Limited (stock code: 8111) and its subsidiaries are principally engaged in sales of self-service automatic teller machine systems and printing system; provision of hardware and software technical support services; and power system integration business. For the financial year ended 31 March 2013, the audited consolidated profit attributable to equity holders of China Technology Solar Power Holdings Limited was HK\$578,000 with basic earnings per share of HK0.06 cent. As at 31 March 2013, its audited consolidated net asset value was HK\$224,690,000.
- (j) Xinhua News Media Holdings Limited (stock code: 0309) and its subsidiaries are principally engaged in provision of cleaning and related services, medical waste treatment services, waste treatment services, television screen broadcasting services and management consulting services. For the financial year ended 31 March 2013, the audited consolidated loss attributable to equity holders of Xinhua News Media Holdings Limited was HK\$56,569,000 with basic and diluted loss per share of HK4.57 cents. As at 31 March 2013, its audited consolidated net asset value was HK\$260,968,000.
- (k) China Automotive Interior Decoration Holdings Limited (stock code: 8321) and its subsidiaries are principally engaged in manufacture and trading of nonwoven fabric products used in automotive interior decoration parts and infrastructure and trading of rubber. For the financial year ended 31 December 2012, the audited consolidated profit attributable to equity holders of China Automotive Interior Decorations Holdings Limited was RMB 10,798,000 (approximately HK\$13,713,000) with basic and diluted earnings per share of RMB 2 cents (approximately HK 2.54 cents). As at 31 December 2012, its audited consolidated net asset value was RMB 187,994,000 (approximately HK\$238,752,000).
- (l) China Print Power Group Limited (stock code: 6828) and its subsidiaries are principally engaged in printing business and sales of paper and leather products. For the financial year ended 31 December 2012, the audited consolidated loss attributable to equity holders of China Print Power Group Limited was HK\$14,734,000 with basic loss per share of HK8.8 cents. As at 31 December 2012, its audited consolidated net asset value was HK\$217,351,000.

The Group reviews the fair value of its unlisted equity investments to determine whether there is any indication that those investment has required to make provision. At as 30 June 2012 and 31 December 2012, the Group does not aware any provision should be made for those investments.

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors and the directors of the Investment Manager collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors and the directors of the Investment Manager, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue were and are expected to be as follows:

(a) As at the Latest Practicable Date

<i>Authorised share capital</i>	<i>HK\$</i>
200,000,000,000 Shares of HK\$0.001 each	200,000,000

<i>Issued share capital</i>	<i>HK\$</i>
100,928,683 Shares of HK\$0.001 each	100,928.68

(b) Immediately upon completion of the Rights Issue

<i>Rights Shares to be issued</i>	<i>HK\$</i>
50,464,341 Shares of HK\$0.001 each	50,464.34

<i>Shares in issue immediately upon completion of the Rights Issue</i>	<i>HK\$</i>
151,393,024 Shares of HK\$0.001 each	151,393.02

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank pari passu with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the Main Board of the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, save as (i) the outstanding 3,200,000 Options (adjusted following the Capital Reorganisation became effective on 13 June 2013) under the Share Option Scheme; (ii) the unutilised Shares from the Scheme Mandate Limit up to 45,821 Shares (adjusted following the Capital Reorganisation became effective on 13 June 2013); (iii) the unutilised Shares from the Issue Mandate up to 185,736 Shares (adjusted following the Capital Reorganisation became effective on 13 June 2013); and

(iv) the Convertible Bonds, the Company had no outstanding convertible securities, options, or warrants in issue which confer any right to subscribe for, convert or exchange into Shares, none of the capital of any member of the Group has under option, or agreed conditionally or unconditionally to be put under option and there were no arrangements under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, no options over Shares had been granted to the current Directors under the Share Option Schemes of the Company.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

Save as disclosed below, as at the Latest Practicable Date, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no person or company had an interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Long positions in the Shares

Name of shareholders	Capacity	Number of Shares	Approximate % of the total issued Shares
Choi Koon Shum Jonathan	Beneficial owner	53,190,000	5.27%(Note)

Note:

The percentage of shareholding in the Company is calculated on the basis of 100,928,683 Shares in issue as at the Latest Practicable Date.

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had, or had had, any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to any member of the Group, since 30 June 2012, the date to which the latest published audited financial statements of the Company were made up.

There was no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

6. EXPERT AND CONSENT

The following is the qualifications of the expert who have given opinion or advice, which are contained in this Prospectus:

Name	Qualification
Cheng & Cheng Limited	Certified Public Accountants

As at the Latest Practicable Date, Cheng & Cheng Limited did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to the Company or any of their respective subsidiaries, respectively, since 30 June 2012, the date to which the latest published audited financial statements of the Group were made up.

Cheng & Cheng Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of its reports and references to its name in the form and context in which they appear.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contracts with the Company or any other member of the Group (excluding contracts expiring or determinable by the Company within a year without payment of any compensation (other than statutory compensation)).

8. LITIGATION

On 21 October 2011, the legal representative of the Company filed an Acknowledgement of Service of Writ of Summons on behalf of the Company in respect of a law suit HCA 1700/2011. The said law suit involves a dishonoured cheque for the amount of HK\$39,000,000 allegedly payable to the plaintiff. However, the plaintiff has not proceeded further since the issuance of the writ of summons. Having thoroughly looked into the matter and taken full legal advice, the Company is advised that the plaintiff's claim is without reasonable ground and the Company may apply for court to strike out the plaintiff's case. No provision for any losses or liabilities in respect of the aforesaid proceedings has been made for the year ended 30 June 2012.

Save as disclosed above, as at the Latest Practicable Date, so far as the Board is aware, there was no litigation or arbitration proceedings of material importance made or threatened to be made against any member of the Group.

9. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of the Latest Practicable Date and are or may be material:

- (1) an agreement on 9 September 2011 entered into between the Company and a purchaser for the disposal of 20% issued share capital of UCCTV Holdings Limited, an investee company of the Company, for a consideration of HK\$38 million in aggregate;
- (2) a placing agreement entered into between the Company and Chung Nam Securities Limited (as placing agent) and Willie International Holdings Limited (as subscriber) on 9 June 2011 for placing 250,000,000 new shares of the Company to the subscriber at a placing price of HK\$0.30 per share under a specific mandate;
- (3) an agreement on 15 September 2011 entered into between Million Full Assets Limited, a wholly owned subsidiary of the Company, and a purchaser for the disposal of 15% issued share capital of IIN Network Education (BVI) Limited, an investee company of the Company, for a consideration of HK\$32 million in aggregate;
- (4) a sale and purchase agreement dated 2 May 2012 entered into between the Company as the purchaser and independent third parties as the vendors in relation to the acquisition of an interest in Long Surplus Investments Limited in consideration of HK\$19,008,480 to be settled by issuing 84,116,984 consideration shares;
- (5) a placing agreement dated 23 August 2012 entered into between the Company and Orient Securities Limited regarding the placing of 84,000,000 new shares at HK\$0.113 per share by the Orient Securities Limited on a best effort basis;
- (6) the Underwriting Agreement;
- (7) a placing agreement dated 11 March 2013 entered into between the Company and Fordjoy Securities and Futures Limited regarding the placing of Convertible Bonds in aggregate principal amount of up to HK\$20,000,000 on a best effort basis; and
- (8) a supplemental placing agreement dated 14 March 2013 entered into between the Company and Fordjoy Securities and Futures Limited in relation to the amendments of certain terms and conditions of the Convertible Bonds.

10. CORPORATION INFORMATION

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong	Room 602, 6th Floor New World Tower 16-18 Queen's Road Central Hong Kong
Company secretary	Mr. Chan Kwan Pak, <i>ACIS</i> Room 602, 6th Floor New World Tower 16-18 Queen's Road Central Hong Kong
Authorized representatives	Mr. Kong Fanpeng Room 602, 6th Floor New World Tower 16-18 Queen's Road Central Hong Kong Mr. Chan Kwan Pak Room 602, 6th Floor New World Tower 16-18 Queen's Road Central Hong Kong
Underwriter	Enerchine Securities Limited 26/F., China United Centre 28 Marble Road North Point Hong Kong

Legal advisers to the Company in relation to the Rights Issue	Shum & Co., Solicitors Suites 2801-03 & 06 28/F., China United Centre 28 Marble Road North Point Hong Kong (As to Hong Kong Law)
	Conyers Dill & Pearman 2901 One Exchange Square 8 Connaught Place, Central Hong Kong (As to Cayman Islands Law)
Auditors and reporting accountants	Cheng & Cheng Limited 10th Floor, Allied Kajima Building 138 Gloucester Road Hong Kong
Hong Kong branch Share registrar of the Company	Tricor Tengis Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong
	Hang Seng Bank 83 Des Voeux Road Central Hong Kong

PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

(a) Name and address of Executive Directors and Non-executive Directors

Name	Address
<i>Executive Directors</i>	
Mr. Kong Fanpeng	Room 602, 6th Floor New World Tower 16-18 Queen's Road Central Hong Kong
Mr. Chan Cheong Yee	Room 602, 6th Floor New World Tower 16-18 Queen's Road Central Hong Kong
Mr. Tang Tsz Tung	Room 602, 6th Floor New World Tower 16-18 Queen's Road Central Hong Kong
<i>Non-executive Director</i>	
Mr. Hung Cho Sing	Room 602, 6th Floor New World Tower 16-18 Queen's Road Central Hong Kong
<i>Independent Non-executive Directors</i>	
Mr. Lam Kwan	Room 602, 6th Floor New World Tower 16-18 Queen's Road Central Hong Kong
Mr. Ong Chi King	Room 602, 6th Floor New World Tower 16-18 Queen's Road Central Hong Kong
Mr. Lee Ming Gin	Room 602, 6th Floor New World Tower 16-18 Queen's Road Central Hong Kong

(b) Profiles of Directors and senior management*Executive Directors:***Mr. Kong Fanpeng (“Mr. Kong”)**

Mr. Kong, aged 44, has been an Executive Director of the Company since 18 March 2010. He obtained a Bachelor’s degree in Finance and Auditing from Zhongshan University, the PRC. Mr. Kong was a manager of Huizhou TCL Information System Limited and Guangzhou Bada Telecommunications Limited. He also worked as the general manager of the PRC market and an executive director respectively at Chief Securities Limited in Hong Kong and Excalibur Securities Limited in Hong Kong, specializing in risk averse arbitrage trading in both Shenzhen and Hong Kong capital market. Mr. Kong has a wealth of experience in the Hong Kong securities market for over 10 years and is well versed in investment in the second board market. Mr. Kong is currently the chairman and an executive director of Shenzhen Wansheng Investment Management Company Limited.

Mr. Chan Cheong Yee (“Mr. Chan”)

Mr. Chan, aged 49, has been an executive Director of the Company since 21 November 2012. Mr. Chan holds a Bachelor of Science degree from the College of Business Administration of The University of South Florida in the United States of America. Mr. CY Chan is currently a licensed person to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading) and type 9 (asset management) regulated activities under the SFO. He is experienced in dealing in securities, fund management, corporate management, corporate finance and managing listed investment companies under Chapter 21 of the Listing Rules.

Mr. Tang Tsz Tung (“Mr. Tang”)

Mr. Tang, aged 39, has been an executive Director of the Company since 6 March 2013. Mr. Tang holds a Bachelor degree in Civil Engineering with minor in Finance and Mathematics from University College London. Mr. Tang is currently a licensed person to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), and type 9 (asset management) regulated activities under the SFO. Mr. Tang has a wealth of working experience in dealing in securities, fund management, corporate management and corporate finance. He worked in Citigroup Global Markets Asia Limited from September 2000 to November 2008. From November 2008 to August 2010, Mr. Tang was employed by HSBC Private Bank (Suisse) SA, the private banking subsidiary of HSBC group (licensed for type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activity under the SFO). Since April 2011, Mr. Tang has worked with Astrum Capital Management Limited, a Hong Kong asset management firm (licensed for type 9 (asset management) regulated activity under the SFO) with focus on the Greater China region.

*Non-executive Director:***Mr. Hung Cho Sing (“Mr. Hung”)**

Mr. Hung, aged 72, has been a non-executive Director of the Company since 15 September 2011. He has over 30 years of experience in the film distribution industry and founded Delon International Film Corporation in 1970. He has been the chairman of Hong Kong Kowloon and New Territories Motion Picture Industry Association Limited since 1991 and was the chairman of Hong Kong Film Awards Association from 1992 to 1995. Mr. Hung was appointed by the HKSAR Government as a member of the Hong Kong Film Development Council since 2007 and up to 31 March 2013. He was also appointed as a director of the China Film Association since 2009. Mr. Hung is also a member of HKSAR Election Committee and a vice-chairman of the Cultural Profession Committee of the Guangdong, Hong Kong and Macau Cooperation Promotion Council.

Mr. Hung is a Chief Executive appointed non-official member of the Working Group on Manufacturing Industries, Innovative Technology, & Cultural & Creative Industries, the Economic Development Commission. He was awarded the Bronze Bauhinia Star (BBS) by the HKSAR Government in 2005 in recognition of his contribution to the Hong Kong Film industry. Mr. Hung is an independent non-executive director each of China Star Entertainment Limited (stock code: 326), Freeman Financial Corporation Limited (stock code: 279), and Mascotte Holdings Limited (stock code: 136).

*Independent Non-Executive Directors:***Mr. Lam Kwan (“Mr. Lam”)**

Mr. Lam, aged 44, has been an independent non-executive Director of the Company since 10 September 2003. He obtained a Bachelor degree in Accountancy from the Hong Kong Polytechnic University. He is a practicing Certified Public Accountant in Hong Kong, a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Lam is currently a director of Charles H.C. Cheung & CPA Limited.

Mr. Ong Chi King (“Mr. Ong”)

Mr. Ong, aged 39, an independent non-executive Director of the Company since 20 January 2012, is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. Mr. Ong received a Bachelor’s degree in Business Administration from The Hong Kong University of Science and Technology and a master’s degree in corporate finance from The Hong Kong Polytechnic University. Mr. Ong has more than 16 years of experience in accounting, finance and company secretarial fields and held senior positions in finance and company secretarial departments in various listed companies listed on the Main Board of the Stock Exchange. Mr. Ong is currently a qualified accountant and company secretary of a company listed on the Main Board of the Stock Exchange.

Mr. Lee Ming Gin (“Mr. Lee”)

Mr. Lee, aged 28, an independent non-executive Director of the Company since 6 March 2013, holds a Bachelor Degree of Quantitative Finance from the Chinese University of Hong Kong. He is currently a licensed person to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. Mr. Lee is experienced in securities, insurance advisory and fund management having been working for several wealth and asset management firms. Mr. Lee was a continuous education training tutor for the Institute of Financial Planners of Hong Kong, and his professional qualifications include Certified Financial Consultant, Certified Financial Planner and member of the Hong Kong Securities Institution.

11. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Chan Kwan Pak, a member of the Institute of Chartered Secretaries and Administrators.
- (b) The English text of this Prospectus shall prevail over the Chinese text in case of inconsistencies.

12. EXPENSES

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$1.9 million and will be payable by the Company.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto, among others, the written consent referred to in the paragraph headed “Expert and Consent” in this appendix, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents for inspection during business hours on any weekday (except Saturdays, Sundays, and public holidays) at the head office and principal place of business in Hong Kong at Room 602, 6th Floor, New World Tower, 16-18 Queen’s Road Central, Hong Kong from the date of this Prospectus up to and including 18 July 2013,

- (a) the Memorandum and Articles;
- (b) the annual reports of the Company for the three years ended 30 June 2010, 30 June 2011 and 30 June 2012 respectively;
- (c) the interim report of the Company for the six months ended 31 December 2012;
- (d) the letter on the unaudited pro forma financial information of the Group issued by Cheng & Cheng Limited set out in appendix II to this Prospectus;

- (e) the written consent from the expert as referred to in the section headed “Expert and Consent” in this Appendix;
- (f) the material contracts disclosed in the section headed “Material Contracts” in this Appendix;
and
- (g) this Prospectus.