
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Capital VC Limited (the “**Company**”), you should at once hand this circular and the accompanying form of proxy 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.

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CAPITAL
VC LIMITED

首都創投有限公司

Capital VC Limited
首都創投有限公司

*(Incorporated in the Cayman Islands with limited liability
and carrying on business in Hong Kong as CNI VC Limited)*
(Stock Code: 02324)

**PROPOSED BONUS ISSUE OF SHARES;
CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening an extraordinary general meeting (“EGM”) of Capital VC Limited to be held at Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong at 3:00 p.m. Friday, 11 December 2015 is set out on pages 20 to 21 of this circular. A form of proxy for use by the shareholders of the Company at the EGM is also enclosed with this circular.

Whether or not you intend to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending or voting in person at the EGM or any adjourned meeting thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

26 November 2015

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE	ii
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX – ADDITIONAL DISCLOSURES	10
NOTICE OF EXTRAORDINARY GENERAL MEETING	20

EXPECTED TIMETABLE

Set out below is an expected timetable for the Bonus Issue (*Notes*):

Latest time for lodging form of proxy for the EGM	3:00 p.m. on Wednesday, 9 December 2015 (in any event not less than 48 hours before the time of the EGM or any adjournment thereof)
Date and time of the EGM	3:00 p.m. on Friday, 11 December 2015
Announcement of poll results of the EGM	Friday, 11 December 2015
Last day of dealings in Shares on a cum-entitlement basis	Monday, 14 December 2015
First day of dealing in Shares on an ex-entitlement basis	Tuesday, 15 December 2015
Latest time for lodging transfer of Shares for	4:30 p.m. on Wednesday, 16 December 2015 registration in order to qualify for the Bonus Issue
Closure of register of members for	Thursday, 17 December 2015 to Tuesday, determining entitlement to the Bonus Shares 22 December 2015 (both days inclusive)
Record Date for determining entitlement to the Bonus Shares	Tuesday, 22 December 2015
Despatch of share certificates for the Bonus Shares	on or before Thursday, 7 January 2016
Dealings in the Bonus Shares commence	9:00 a.m. on Friday, 8 January 2016
Effective date of new board lot of 20,000 Shares	9:00 a.m. on Friday, 8 January 2016

Notes:

1. All dates and times in this circular refer to Hong Kong dates and time.
2. Dates or deadlines specified in this circular are indicative only and may be varied by the Company. In the event of any consequential changes to the expected timetable, the Company will notify the Shareholders in a manner in accordance with the Listing Rules.

DEFINITIONS

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

“Articles”	the articles of association of the Company as amended from time to time
“Board”	the board of Directors of the Company
“Bonus Issue”	the proposed issue of Bonus Shares to the Qualifying Shareholder(s) on the basis of one (1) Bonus Share for every one (1) existing Share held on the Record Date
“Bonus Shares”	new Shares to be allotted and issued under the Bonus Issue by the Company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size for trading in the Shares from 10,000 Shares to 20,000 Shares
“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, the Shares of which are listed on main board of the Stock Exchange
“EGM”	an extraordinary general meeting of the Company to be held at 3:00 p.m. on Friday, 11 December 2015 and any adjournment thereof to consider and, if thought fit, approve the Bonus Issue
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment Manager”	Insight Capital Management (Hong Kong) Limited, a licensed corporation registered under the SFO to conduct type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO, the investment manager appointed by the Company

DEFINITIONS

“Investment Management Agreement”	the investment management agreement dated 17 October 2014 entered into between the Company and the Investment Manager
“Latest Practicable Date”	24 November 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company
“Net Asset Value”	the net asset value of the Company calculated in accordance with the provisions of the Articles
“Non-Qualifying Shareholder(s)”	Overseas Shareholder(s) who is/are excluded from the Bonus Issue and as defined and more particularly described in the section headed “Overseas Shareholders” in this circular
“Overseas Shareholder(s)”	shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong
“PRC”	the People’s Republic of China, which for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Qualifying Shareholder(s)”	the Shareholder(s) whose names appear on the register of members of the Company on the Record Date and who are entitled to the Bonus Issue
“Record Date”	means Tuesday, 22 December 2015, being the record date for the purpose of determination of entitlement to the Bonus Issue of each Qualifying Shareholder
“Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Warrant(s)” non-listed warrants in the outstanding principal amount of HK\$12,527,767 issued by the Company entitling the holder(s) thereof to subscribe for up to 30,555,530 new Shares at the initial exercise price of HK\$0.41 per Share (subject to adjustment)

“%” per cent.

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: 02324)

Executive Directors:

Mr. Kong Fanpeng
Mr. Chan Cheong Yee

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

Principal place of business in Hong Kong:

Unit 2302, 23rd Floor
New World Tower 1
18 Queen's Road Central, Hong Kong

26 November 2015

To the Shareholders,

Dear Sir or Madam,

**PROPOSED BONUS ISSUE OF SHARES;
CHANGE IN BOARD LOT SIZE;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolution of approving the Bonus Issue and the change in board lot size and to give you notice of the EGM.

PROPOSED BONUS ISSUE OF SHARES

On 9 November 2015, the Board proposed a Bonus Issue on the basis of one (1) Bonus Share for every one (1) existing Share held by the Qualifying Shareholders whose names appear on the register of members of the Company on the Record Date.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the issued share capital of the Company is 1,565,081,441 Shares. Assuming no further Shares will be issued or repurchased before the Record Date, 1,565,081,441 Bonus Shares will be issued under the Bonus Issue. Immediately after completion of the Bonus Issue, there will be a total 3,130,162,882 Shares in the enlarged issued share capital of the Company.

Subject to the conditions as set out under the paragraph headed “Conditions of the Bonus Issue” below, the Bonus Shares will be issued and credited as fully paid by way of capitalisation of an application of an amount of HK\$7,825,407.21 in the share premium account of the Company.

Status of the New Bonus Shares

The Bonus Shares will, subject to the Articles, rank pari passu in all respects with the existing Shares in issue on the date of the issue of the Bonus Shares. Holders of the Bonus Shares will be entitled to receive all future dividends and distributions (if any) which are declared, made or paid after the date on which the Bonus Shares are allotted and issued. The Bonus Issue should not result in any change in the rights or interests of the Shares traded on the Stock Exchange.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the EGM approving the Bonus Issue;
- (b) the Listing Committee granting the listing of, and permission to deal in, the Bonus Shares; and
- (c) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of the Cayman Islands and Articles to effect the Bonus Issue.

Application will be made to the Listing Committee of the Stock Exchange in respect of such approval for the listings of, and permission to deal in, the Bonus Shares. Apart from making listing application to the Listing Committee of the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares. No new class of securities is to be listed pursuant to the Bonus Issue and that all necessary arrangements will be made to enable the Bonus Shares to be admitted into the CCASS established and operated by HKSCC.

If the conditions of the Bonus Issue are not fulfilled, the Bonus Issue will not proceed.

LETTER FROM THE BOARD

Adjustments of Warrant exercise price

As at the Latest Practicable Date, save for the outstanding Warrants entitling the holders thereof to subscribe for up to 30,555,530 new Shares, the Company has no outstanding options, warrants or securities which are convertible or exchangeable into Shares. The Bonus Issue may lead to adjustments to the exercise price and the number of Shares which may fall to be issued upon exercise of the outstanding Warrants. The Company will make further announcement upon the aforesaid adjustments, if any adjustment is required and to be made.

Application for Listing

An application will be made to the Listing Committee for listing of, and permission to deal in, the Bonus Shares to be issued pursuant to the Bonus Issue. As at the Latest Practicable Date, there is no equity or debt securities of the Company listed or dealt in on any stock exchange other than the Stock Exchange or is listing or permission to deal in the equity or debt securities being or proposed to be sought from any stock exchange other than the Stock Exchange.

Reasons for the Bonus Issue

The Board believes that the Bonus Issue will increase the number of total issued Shares and therefore enhance the liquidity of the Shares. Despite the share price per Share on an ex-entitlement basis might be reduced by the same proportion and the Bonus Issue is not expected to increase the Shareholders' proportionate interests in the Company, the Bonus Issue will increase the number of Shares to be held by the Shareholders as well as the number of total issued Shares. Accordingly, it will be more efficient for the Shareholders to further increase their investments in the Shares or dispose of the Shares, if they wish, and therefore, the Board decides to propose the Bonus Issue. The Company has also considered other programs, such as scrip dividend, in addition to the Bonus to enhance the liquidity of the Shares. Since scrip dividend may incur cash burden to the Group and only minimal amount of approximately HK\$180,000 is incurred for the Bonus Issue, the Company has come to a conclusion that Bonus Issue is the most appropriate way to facilitate the Shareholders to deal with their Shares, based on the improvement in the liquidity of the Shares as mentioned above.

Trading Arrangement

Subject to (i) the granting of the listing of, and permission to deal in, the Bonus Shares on the Stock Exchange and (ii) the compliance with the stock admission requirements of HKSCC, the Bonus Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Bonus Shares or such other date as may be determined by HKSCC. All activities under CCASS are subject to the general rules of CCASS and CCASS operational procedures in effect from time to time.

Settlement of transactions between members of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter.

LETTER FROM THE BOARD

Subject to fulfillment of the conditions of the Bonus Issue as mentioned above, it is expected that certificates for the Bonus Shares (which are not renounceable) will be despatched to the Qualifying Shareholders at their own risk on or before Thursday, 7 January 2016 and the first date of dealing in the Bonus Shares is expected to commence on Friday, 8 January 2016.

Stamp duty in Hong Kong will be payable in respect of dealings in the Bonus Shares.

Overseas Shareholders

If as at the close of business on the Record Date, a Shareholder's address as recorded on the register of members of the Company is in a place outside Hong Kong, the Board will make enquiries as to whether the Bonus Issue to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange. If, after making such enquiry, the Board is of the opinion that there is no legal restriction(s) under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, such Overseas Shareholders will be permitted to participate in the Bonus Issue. If, however, after making such enquiry, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restriction(s) under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer to such Overseas Shareholders, no issue of the Bonus Shares will be made to such Overseas Shareholders.

Overseas Shareholders receiving a copy of the circular concerning the Bonus Issue may not treat the same as an invitation to participate in the Bonus Issue unless such invitation could lawfully be made to him/her/it without having to comply with any registration or other legal requirements in the relevant territory.

In circumstances where any Overseas Shareholders are not permitted to participate in the Bonus Issue, arrangements will then be made for the Bonus Shares which would otherwise have been issued to those Overseas Shareholders to be sold in the market as soon as practicable after dealings in Bonus Shares commence, if a premium, net of expenses, can be obtained. Any net proceeds of such sale, after deduction of expenses, of HK\$100 or more will be distributed in Hong Kong dollars to the Non-Qualifying Shareholders, if any, pro rata to the respective shareholding and remittances will be posted to them, at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100, in which case it will be retained for the benefit of the Company.

The Bonus Shares are to be issued by the Company with the preference and intention that the Shareholders do not on-sell the Bonus Shares but remain medium to long term holders of such Bonus Shares. It is the responsibility of the Shareholders (including Overseas Shareholders) to observe the local legal requirements applicable to the Shareholders for taking up and on-sale (if applicable) of the Bonus Shares under the Bonus Issue.

All Shareholders residing outside Hong Kong should consult their bankers or other professional advisers as to whether any governmental or other consents are required or other formalities need to be observed to enable them to receive the Bonus Shares.

LETTER FROM THE BOARD

CHANGE IN BOARD LOT SIZE

In order to comply with the trading requirement that the expected market value per board lot of shares should be greater than HK\$2,000, the Board proposed to change the board lot size for trading in the Shares from 10,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Friday, 8 January 2016, subject to the fulfillment of the conditions of the Bonus Issue as set out in the section headed “Conditions of the Bonus Issue” above.

The Shares are currently traded in board lot of 10,000 Shares and the market value per board lot of the Shares is HK\$4,650 (based on the closing price of HK\$0.465 per Share as quoted on the Stock Exchange on the Latest Practicable Date). Based on the closing price on the Latest Practicable Date, the theoretical ex-entitlement price per Share after the Bonus Issue is HK\$0.2325 and with the existing board lot size of 10,000 Shares, the theoretical ex-entitlement value per board lot will be HK\$2,325.

Upon the change in board lot size becoming effective, the Shares will be traded in board lot of 20,000 Shares and the estimated market value per board lot of the Shares will be HK\$9,300. Based on the theoretical ex-entitlement price per Share after the Bonus Issue of HK\$0.2325 and the proposed board lot size of 20,000 Shares, the theoretical ex-entitlement value per new board lot will be HK\$4,650. The theoretical ex-entitlement value per new board lot of the Shares remains the same, as compared to the market value of the existing board lot of Shares.

The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board considers that the Change in Board Lot Size is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

CLOSURE OF BOOKS

The register of members of the Company will be closed the purpose of determining Shareholders who are qualified for the entitlement to the Bonus Shares, the register of members of the Company will be closed from Thursday, 17 December 2015 to Tuesday, 22 December 2015 (both days inclusive), during which no transfer of Shares can be registered. In order to qualify for the entitlement to the Bonus Shares, all transfer documents should be lodged for registration with Company’s Hong Kong share registrar at the above address not later than 4:30 p.m. on Wednesday, 16 December 2015.

EGM

Set out on pages 20 to 21 of this circular is a notice convening the EGM at which an ordinary resolution will be proposed to approve the proposed Bonus Issue. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s Hong Kong share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll. The Chairman of the meeting will therefore demand a poll for every resolution put to vote at the EGM in accordance with the Articles and the Listing Rules. An announcement on the poll result will be made by the Company in accordance with the Listing Rules.

RECOMMENDATION

The Board is of the view that the proposed Bonus Issue is in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all resolutions in relation to the Bonus Issue to be proposed at the EGM.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation

Yours faithfully,
By order of the Board
Capital VC Limited
Chan Cheong Yee
Executive Director

This appendix serves as an additional disclosure requirement pursuant to Rule 21.09 of the Listing Rules in connection with the listing document of investment companies.

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 of Association (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 investment 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 its 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. In part to meet such restriction, 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 its 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 metal;

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, in accordance with its Articles, and at all times while it remains listed as an investment company under Chapter 21 of the Listing Rules.

Save for investment restrictions 1 and 2, the investment objectives, policies and restrictions of the Company 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 its 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.

With reference to to the net asset value (the "NAV") of the Group of approximately HK\$1,423.3 million as at 31 October 2015, the Company has exercised its borrowing power for acquisition for the listed securities of approximately HK\$131.4 million, which represents approximately 9.2% of the NAV. Save as disclosed above, the Group did not make any borrowing.

DISTRIBUTION POLICY

It is the Board's intention to distribute any excess balance by way of dividend to the extent permitted by law, 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 position of the Company. 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, 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.

INFORMATION ON THE INVESTMENT MANAGER AND THE CUSTODIAN

Investment Manger	Insight Capital Management (Hong Kong) Limited 16A, Two Chinachem Plaza 135 Des Voeux Road Central Hong Kong
Directors of the Investment Manager	Cheng Chi Wai, Benny 16A, Two Chinachem Plaza 135 Des Voeux Road Central Hong Kong Woo Wing Sum, Samuel 16A, Two Chinachem Plaza 135 Des Voeux Road Central Hong Kong

The Investment Manager

The Investment Manager is a company incorporated in Hong Kong on 5 November 2013 with limited liability and is a licensed corporation registered under the SFO. It is principally engaged in the business of provision of asset management services to clients and is licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

The biographical details of the directors of the Investment Manager are set out as follows:

Mr. Cheng Chi Wai, Benny (“Mr. Cheng”) holds a Bachelor’s degree in economics from the University of New South Wales and a Master’s degree in Business Administration from the California State University. He has over 17 years of experience in the financial service and fund management industry. Mr. Cheng started the fund management career at Baring Asset Management (Asia) Limited in 1999. Mr. Cheng was invited to join Maunakai Capital Partners (MCP) as a Partner in 2006 and he was acting as a responsible officer until June 2014. Mr. Cheng founded the Investment Manager in 2013 and is currently a responsible officer in respect of Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Mr. Woo Wing Sum, Samuel (“Mr. Woo”) obtained a Bachelor’s degree in building construction management and a Master’s degree in real estate from the University of New South Wales. He has around 9 years’ of experience in the asset management industry. During the period from 2005 to 2013, he was the Investment Director of CLSA Capital Partners. Mr. Woo joined Insight Capital Management (Hong Kong) Limited in 2013 and is currently a responsible officer in respect of Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

Investment management fees

The Company will pay the Investment Manager a monthly investment management fee payable at HK\$50,000 per month from 21 October 2014 up to 20 October 2016.

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

The Custodian

As at the Latest Practicable Date, the Group has not appointed any custodian.

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.

PARTICULARS OF THE DIRECTORS**(a) Name and address of the Directors****Executive Directors**

<i>Name</i>	<i>Address</i>
Mr. Kong Fanpeng	Unit 2302, 23rd Floor, New World Tower 1 18 Queen's Road Central, Hong Kong
Mr. Chan Cheong Yee	Unit 2302, 23rd Floor, New World Tower 1 18 Queen's Road Central, Hong Kong

Independent Non-executive Directors

<i>Name</i>	<i>Address</i>
Mr. Lam Kwan	Unit 2302, 23rd Floor, New World Tower 1 18 Queen's Road Central, Hong Kong
Mr. Ong Chi King	Unit 2302, 23rd Floor, New World Tower 1 18 Queen's Road Central, Hong Kong
Mr. Lee Ming Gin	Unit 2302, 23rd Floor, New World Tower 1 18 Queen's Road Central, Hong Kong

(b) Profile of the Directors**Executive Directors**

Mr. Kong Fanpeng ("Mr. Kong"), aged 47, has been an Executive Director 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, specialising in risk averse arbitrage trading in both Shenzhen and Hong Kong capital market. Mr. Kong was the chairman and an executive director of Shenzhen Wansheng Investment Management Company Limited. He has a wealth of experience in the Hong Kong securities market for over 24 years and is well versed in investment in the second board market in both China and Hong Kong. Mr. Kong is the chief partner of Shenzhen CAS Bright Stone Investment Management Limited.

Mr. Chan Cheong Yee (“Mr. Chan”), aged 51, has been an Executive Director since 21 November 2012. He is one of the responsible officers of China Everbright Securities (HK) Limited. Mr. 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. Mr. Chan obtained a Bachelor of Science degree from the College of Business Administration of the University of South Florida in the United States of America. Mr. Chan is experienced in dealing in securities, fund management, corporate management, corporate finance and managing listed investment companies under Chapter 21 of the Listing Rules of Hong Kong Stock Exchanges.

Since June 2003, Mr. Chan joined China Innovation Investment Limited (stock code: 1217), an investment company listed on the Stock Exchange, as executive director. Mr. Chan was an independent non-executive director before 2009 and thereafter an executive director of Bingo Group Holdings Limited (stock code: 8220), a company listed on the Growth Enterprise Market of the Stock Exchange. Mr. Chan was appointed as an executive director of China Investment and Finance Group Limited (stock code: 1226), an investment company listed on the Stock Exchange, in March 2011. Mr. Chan was appointed as an executive director of China Investment Development Limited (stock code: 204), an investment company listed on the Stock Exchange, in May 2012. Mr. Chan was also appointed as an executive director of China New Economy Fund Limited (stock code: 80), an investment company listed on the Stock Exchange, in June 2013. Mr. Chan has resigned as an independent non-executive director of Agritrade Resources Limited (stock code: 1131), a company listed on the Stock Exchange, with effect from 26 October 2015.

Independent Non-Executive Directors

Mr. Lam Kwan (“Mr. Lam”), aged 46, 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 Taxation Institute of Hong Kong. Mr. Lam is currently a director of Charles H.C. Cheung & CPA Limited. Mr. Lam is an independent non-executive director of Pearl Oriental Oil Limited (stock code: 632).

Mr. Ong Chi King (“Mr. Ong”), aged 42, has been 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 20 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 an independent non-executive director of China Environmental Resources Group Limited (stock code: 1130), Hong Kong Education (Int’l) Investments Limited (stock code: 1082), King Force Security Holdings Limited (stock code: 8315), KSL Holding Limited (stock code: 8170), Larry Jewelry International Company Limited (stock code: 8351), WLS Holdings Limited (stock code: 8021) and Wan Kei Group Holdings Limited (stock code: 1718).

Mr. Ong was a director of Fitness Concept International Holdings Limited prior to its dissolution. The said company was incorporated in the Cayman Islands and was dissolved on 30 June 2005 by striking off due to cessation of business.

Mr. Lee Ming Gin (“Mr. Lee”), aged 30, has been an Independent Non-executive Director of the Company since 6 March 2013. Mr. Lee holds a Bachelor Degree of Quantitative Finance from the Chinese University of Hong Kong. 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 and is currently a director of 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.

RISKS RELATING TO THE COMPANY

The Company is an investment company and its funds will be invested in listed and unlisted companies in Hong Kong and 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 likely 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 PORTFOLIO

The follows are the details of the ten largest investments of the Group as at 30 June 2015, 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 2015. 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 2015.

Note	Name of investee company	Stock Code	Number of shares held	Effective interest (Approximate)	Cost as at 30 June 2015 (Approximate)	Market value/Fair value as at 30 June 2015 (Approximate)	Accumulated unrealised holding gain (loss) arising on revaluation (Approximate)	Net asset value to the Group (Approximate)	Profit/(Loss) attributable to the Group for the period (Approximate)	Dividends received/ receivable during the period (Approximate)	Classification of financial assets
(i)	WLS Holdings Ltd	8021	252,000,000	4.95%	9,459	264,600	255,141	13,954	(480)	0	Held for trading
(ii)	Winto Group (Holdings) Ltd	8238	351,376,000	4.88%	51,436	193,257	141,821	3,323	322	0	Held for trading
(iii)	i-Control Holdings Ltd	8355	38,190,000	3.82%	22,901	190,950	168,049	4,221	183	0	Held for trading
(iv)	ICO Group Ltd	8140	33,232,000	3.32%	12,755	180,450	167,695	4,615	667	0	Held for trading
(v)	China Properties Investment Holdings Ltd	736	26,940,000	0.67%	80,936	63,848	(17,088)	3,124	(165)	0	Held for trading
(vi)	GCL New Energy Holdings Limited	451	87,180,000	0.63%	60,791	59,716	(1,075)	19,236	(710)	0	Held for trading
(vii)	Suncorp Technology Limited	1063	112,410,000	0.74%	39,051	58,453	19,402	4,066	(243)	0	Held for trading
(viii)	Finsoft Financial Investment Holdings Ltd	8018	51,730,000	1.29%	47,169	46,557	(612)	765	146	0	Held for trading
(ix)	Sincere Smart International Limited	N/A	1,400	14.00%	42,700	42,700	-	378	(28)	0	Available-for-sale
(x)	Orient Securities International Holdings Ltd	8001	15,600,000	4.33%	39,142	40,872	1,730	11,795	775	0	Held for trading

Based on the latest published annual reports or valuation report of the above companies, a brief description of the business and financial information of such companies is as follows:

- (i) WLS Holdings Ltd (stock code: 8021) (“WLS”) and its subsidiaries are principally engaged in provision of scaffolding and fitting out services, management contracting services, and other services for construction and buildings work. For the financial statements ended 30 April 2015, the net loss of approximately HK\$9.7 million was recognized and the consolidated net asset attributable to the equity holders was approximately HK\$281.9 million.
- (ii) Winto Group (Holdings) Ltd (stock code: 8238) (“Winto”) and its subsidiaries are principally engaged in Sales and free distribution of Chinese-language lifestyle Magazines in Hong Kong through the distribution services provided by the Distributor; and sales of advertising spaces in the Magazines. Net profit of approximately HK\$6.6 million was recognized during the year ended 31 December 2014. As at 30 June 2015, according to the latest published financial statements of Winto, its net asset attributable to the equity holders was approximately HK\$68.1 million.
- (iii) i-Control Holdings Ltd (stock code: 8355) (“i-Control”) and its subsidiaries are principally engaged in provision of solution for audiovisual, conferencing, presentation and multimedia control systems including installation services; and audiovisual system maintenance services. The net profit of approximately HK\$4.8 million was recognized during the year ended 31 March 2015. As at 30 September 2015, according to the latest published financial statements of i-Control, its net asset attributable to the equity holders was approximately HK\$110.5 million.
- (iv) ICO Group Ltd (stock code: 8140) (“ICO”) and its subsidiaries are principally engaged in Provision of IT application and solution development services; secondment services; maintenance and support services; and IT infrastructure solutions. The net profit attributable to equity holders of ICO was approximately HK\$20.1 million was recognised during the year ended 31 March 2015. As at 30 September 2015, according to the latest published financial statements of ICO, its net assets attributable to the equity holders were and HK\$139.0 million.
- (v) China Properties Investment Holdings Ltd (stock code: 736) (“CPI”) and its subsidiaries are principally engaged in Properties investment, investing in mining activities and provision of educational support services. For the financial year ended 31 March 2015, the net loss attributable to equity holders of CPI was approximately RMB20.4 million and the net assets attributable to the equity holders were and RMB385.3 million.
- (vi) GCL New Energy Holdings Limited (stock code: 0451) (“GCL”) and its subsidiaries are principally engaged in Development, construction, operation and management of solar farms, as well as the manufacturing and selling of printed circuit boards. The net loss attributable to equity holders of GCL was approximately HK\$112.7 million was recognised for the financial period 1 April 2014 to 31 December 2014. As at 30 June 2015, according to the latest published financial statements of GCL, its net assets attributable to the equity holders were and HK\$3,053.4 million.

- (vii) Suncorp Technology Limited (stock code: 1063) (“Suncrop”) and its subsidiaries are principally engaged in design and sales of telephones and related products, processing and trading of used computer-related components. Net loss of approximately HK\$32.9 million was recognized during the year ended 31 December 2014. As at 30 June 2015, according to the latest published financial statements of Suncrop, its net asset value was approximately HK\$549.5 million.
- (viii) Finsoft Financial Investment Holdings Ltd (stock code: 8018) (“Finsoft”) is principally engaged in the provision of financial trading software solutions, provision of other internet financial platforms, provision of referral services, money lending business, securities investments and provision of corporate finance advisory services. Net profit of approximately HK\$11.3 million was recognized during the year ended 31 December 2014. As at 30 June 2015, according to the latest published financial statements of Finsoft, its net asset value was approximately HK\$59.3 million.
- (ix) Sincere Smart International Limited is a private company (“Sincere Smart”) and its subsidiaries are principally engaged in software application industry. For the financial year ended 31 December 2014, the unaudited consolidated loss attributable to equity holders of Sincere Smart and the consolidated net assets attributable to the equity holders was approximately HK\$0.2 million and HK\$2.7 million respectively.
- (x) Orient Securities International Holdings Ltd (stock code: 8001) (“Orient Securities”) and its subsidiaries are principally engaged in provision of brokerage service; underwriting and placing service; securities and initial public offering financing service; and investment holding. Net profit of approximately HK\$17.9 million was recognized during the year ended 31 December 2014. As at 30 June 2015, according to the latest published financial statements of Orient Securities, its net asset value was approximately HK\$272.4 million.

RESPONSIBILITY STATEMENT

This circular, for which the Directors and the directors of the Investment Manager collectively and individually accept full responsibility, include 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 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 circular misleading.

NOTICE OF EXTRAORDINARY GENERAL MEETING



CAPITAL
VC LIMITED

首都創投有限公司

Capital VC Limited 首都創投有限公司

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

(Stock Code: 02324)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Capital VC Limited (the “**Company**”) will be held at Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong at 3:00 p.m., Friday, 11 December 2015 for the purpose of considering and, if thought fit, passing, with or without modification, the following resolution which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

1. “**THAT** upon the recommendation of the directors (the “**Directors**”) of the Company and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, the Bonus Shares (as defined in paragraph (a) of this resolution below) to be issued pursuant to this resolution:
 - (a) an amount standing to the credit of the share premium account of the Company as would be required to be applied in paying up in full at par new ordinary shares (the “**Share(s)**”) of HK\$0.005 par value each in the capital of the Company, such Shares, credited as fully paid, to be allotted and distributed (subject as to paragraph (b) below) among members of the Company whose names appear on the register of members of the Company on Tuesday, 22 December 2015 (the “**Record Date**”) in the proportion of one (1) new Share (the “**Bonus Share(s)**”) for every one (1) existing Share then held, be capitalised and applied in such manner (the “**Bonus Issue**”) and the Directors be and are hereby authorised to allot and issue such Bonus Shares;
 - (b) the Bonus Shares to be issued and allotted pursuant to paragraph (a) above shall, subject to the memorandum and articles of association of the Company, rank pari passu in all respects with the existing Shares in issue as at the Record Date; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus Shares, including but not limited to determining the amount to be capitalised out of the share premium account of the Company and the number of Bonus Shares to be issued, allotted and distributed in the manner referred to in paragraph (a) of this resolution.”

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

Hong Kong, 26 November 2015

Notes:

1. Any shareholder entitled to attend and vote at the extraordinary general meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not to be a shareholder of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the extraordinary general meeting (or any adjournment thereof).
3. Completion and delivery of a form of proxy shall not preclude a shareholder from attending and voting in person at the extraordinary general meeting and in such event, the instrument appoint a proxy shall be deemed to be revoked.
4. Where there are joint holders of any shares, any one of such joint holder may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled hereto; but if more than one of such joint holders be present at the extraordinary general meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.
5. A form of proxy for use at the extraordinary general meeting is attached herewith.
6. Any voting at the extraordinary general meeting shall be taken by poll.
7. The form of proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same.

As at the date of this notice, the board comprises Mr. Kong Fanpeng and Mr. Chan Cheong Yee as executive directors; and Mr. Lam Kwan, Mr. Ong Chi King and Mr. Lee Ming Gin as independent non-executive directors.

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