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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, 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, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

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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)

**GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF RETIRING DIRECTORS,  
REFRESHMENT OF SCHEME MANDATE LIMIT  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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Resolutions will be proposed at the annual general meeting (the “AGM”) of the Company to be held at 3:00 p.m. on Wednesday, 3 February 2016 at Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong to approve the matters referred to in this circular. The notice convening the AGM is set out in Appendix III to this circular. If you are unable to attend the AGM in person, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting and in such event, the form of proxy shall be deemed to be revoked.

4 January 2016

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be convened and held at 3:00 p.m. on Wednesday, 3 February 2016 at Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong, notice of which is set out on pages 15 to 18 in this circular
“Articles”	Articles of Association of the Company
“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, which was approved at the extraordinary general meeting of the Company on 11 December 2015
“Bonus Shares”	new Shares to be allotted and issued under the Bonus Issue by the Company
“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 Stock Exchange
“Companies Law”	the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Director(s)”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution approving the grant of such mandate
“Latest Practicable Date”	29 December 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Options”	options granted pursuant to the Share Option Scheme
“Participants”	<p>any person belonging to any of the following classes of participants:</p> <ul style="list-style-type: none"><li>(a) any full-time or part-time employee of any member of the Group;</li><li>(b) any consultant or adviser of any member of the Group;</li><li>(c) any director (including executive, non-executive or independent non-executive directors) of any member of the Group;</li><li>(d) any substantial shareholder of any member of the Group;</li><li>(e) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group; and</li><li>(f) any company wholly owned by one or more persons belonging to any of the above classes of participants</li></ul>
“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
“Repurchase Mandate”	the general and unconditional mandate to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution approving the grant of such mandate
“Scheme Mandate Limit”	the 10% limit on grant of Options by the Company under the Share Option Scheme and any other share option scheme(s) of the Company
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong

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## DEFINITIONS

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“Share Option Scheme”	the share option scheme adopted on 10 December 2013
“Share(s)”	ordinary share(s) of nominal value of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases, as amended from time to time

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## LETTER FROM THE BOARD

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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)**

*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

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

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

4 January 2016

*To the Shareholders*

Dear Sir/Madam,

### **GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES, RE-ELECTION OF RETIRING DIRECTORS, REFRESHMENT OF SCHEME MANDATE LIMIT AND NOTICE OF ANNUAL GENERAL MEETING**

#### **INTRODUCTION**

At the AGM, resolutions will be proposed to (i) grant to the Directors general mandates to repurchase and issue Shares; (ii) extend the general mandate to issue Shares; (iii) re-elect retiring Directors; and (iv) refresh the Scheme Mandate Limit. In compliance with the Listing Rules, this circular contains the explanatory statement and gives all the information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions.

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## LETTER FROM THE BOARD

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### **GENERAL MANDATE TO ISSUE ADDITIONAL SHARES**

An ordinary resolution will be proposed at the AGM for the purpose of renewing the existing share issue mandate granted to Directors to allot, issue and otherwise deal with the Shares. The existing issue mandate will expire at the conclusion of the AGM. The share issue mandate is subject to a limit equal to 20% of the aggregate nominal amount of the issued share capital of the Company at the date of passing the resolution.

### **GENERAL MANDATE FOR REPURCHASE OF SHARES**

The repurchase resolution will be proposed for the purpose of renewing the existing Repurchase Mandate granted to the Directors to repurchase Shares. The existing Repurchase Mandate will expire at the conclusion of the AGM. The Repurchase Mandate is subject to a limit of equal to 10% of the issued and fully paid up share capital of the Company as at the date of passing the resolution. An explanatory statement to the Repurchase Mandate is set out in Appendix I to this circular.

### **EXTENSION OF GENERAL MANDATE TO ISSUE SHARES**

Subject to the passing at the AGM of the proposed resolutions regarding the share issue mandate and the repurchase mandate, an ordinary resolution will be proposed at the AGM to approve the extension of the 20% share issue mandate, ie. 626,088,673 Shares (assuming 1,565,221,684 Bonus Shares issued and allotted on 7 January 2016 and no further shares issued or repurchased between the Latest Practicable Date and the date of the AGM), by adding to the share issue mandate the number of shares that may be repurchased under the Repurchase Mandate. Shareholders are referred to the AGM notice for details of the resolutions. With reference to these resolution, the Board wishes to state that it has no immediate plans to repurchase any shares or to issue any new shares pursuant to the relevant mandates.

### **RE-ELECTION OF RETIRING DIRECTORS**

In accordance with Article 88(1) of the Company's articles of association, Mr. Kong Fanpeng and Mr. Lee Ming Gin shall retire by rotation as Directors. Being eligible, all of them offer themselves for re-election as Director at the AGM. Mr. Lam Kwan shall be subject to Shareholders' approval to continue to be the independent non-executive Directors of the Company in accordance with Code Provision A.4.3 of Appendix 14 of the Listing Rules because his term of service with the Company has been over nine years. Particulars of the retiring Directors are set out in Appendix II to this circular.

### **REFRESHMENT OF THE SCHEME MANDATE LIMIT**

The Share Option Scheme was adopted by the Company on 10 December 2013. In accordance with the Listing Rules and the Share Option Scheme, the total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme. The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting in accordance with the rules of the Share Option Scheme. At the annual general meeting of the Company held on 10 December 2013, the Share Option Scheme was adopted pursuant to which the Company was authorised to grant Options to subscribe for up to a maximum number of 15,139,302 Shares, representing

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## LETTER FROM THE BOARD

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10% of the number of Shares then in issue. No option, which was issued under the share option scheme adopted by the Company on 30 September 2003 and expired on 29 September 2013 is outstanding as at the Latest Practicable Date, and no Option was granted by the Company to Participants under the Share Option Scheme up to the Latest Practicable Date. At the annual general meeting of the Company held on 18 November 2014, the Scheme Mandate Limit was refreshed pursuant to which the Company was authorised to grant Options to subscribe for up to a maximum number of 19,561,841 Shares (adjusted to reflect the share consolidation effective on 12 June 2015), representing 10% of the number of Shares then in issue. Accordingly, 19,561,841 Options, which represent approximately 100% of the maximum number of shares that can be granted and approximately 1.25% of the issued share capital of the Company, remained ungranted as at the Latest Practicable Date.

Save as aforesaid, no Options were granted, lapsed, exercised or cancelled during the period from the date of adoption of the Share Option Scheme to the Latest Practicable Date. And there is no other Option granted under the Share Option Scheme and any other schemes of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had an aggregate of 1,565,221,684 Shares in issue and assuming no additional Shares will be issued or repurchased from the Latest Practicable Date up to the date of the AGM, it is expected that, upon the approval of the refreshment of the Scheme Mandate Limit of the Share Option Scheme at the AGM, the Directors will be authorised to grant Options to subscribe up to 313,044,336 Shares, representing 10% of the sum of the number of Shares in issue of 1,565,221,684 Shares as at the Latest Practicable Date and 1,565,221,684 Bonus Shares expected to be allotted and issued on 7 January 2016 (assuming no further Shares issued or repurchased between the Latest Practicable Date and the date of the AGM), totalling 3,130,443,368 Shares. The Board proposes to refresh the Scheme Mandate Limit in the AGM so as to enable the Company to grant further Options to Participants.

The Directors believe that more Options to be granted under the Share Option Scheme can provide more incentive and rewards to Participants for their contribution and continuing efforts to promote the interest of the Company and enhance the value of the Shares.

Pursuant to the Listing Rules and the Share Option Scheme, Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or exercised Options) will not be counted for purpose of calculating the Scheme Mandate Limit as refreshed. The Directors consider that such refreshment of the Scheme Mandate Limit of the Share Option Scheme is in the interest of the Company and the Shareholders as a whole.

The limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time. No Options may be granted under the Share Option Scheme and any other schemes of the Company if this will result in the limit being exceeded.

The proposed refreshment of the Scheme Mandate Limit is conditional upon:

1. the passing of the ordinary resolution by the Shareholders at the AGM to approve the proposed refreshment of the Scheme Mandate Limit of the Share Option Scheme; and



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## LETTER FROM THE BOARD

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2. the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

An application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the refreshed Scheme Mandate Limit.

### ANNUAL GENERAL MEETING

The notice of the AGM is set out in Appendix III to this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM.

### PROXY ARRANGEMENT

A form of proxy for use at the AGM is enclosed with this circular. In order to be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited at the Company's Hong Kong share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of the form of proxy will not preclude any Shareholder from attending and voting at the AGM or any adjournment thereof and in such event, the form of proxy shall be deemed to be revoked.

### VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, all the resolutions put to the vote at the AGM will be taken by way of poll.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors 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, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular 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 circular misleading.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Directors consider that the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors, and the refreshment of the Scheme Mandate Limit are in the best interests of the Company and the Shareholders. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions as set out in the notice of the AGM.

Yours faithfully,  
For and on behalf of the Board  
**Chan Cheong Yee**  
*Executive Director*

The following explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) of the Listing Rules to be given to the Shareholders relating to a resolution to be proposed at the forthcoming AGM authorizing the Repurchase Mandate.

### **SHARE CAPITAL**

As at the Latest Practicable Date the issued and fully paid up share capital of the Company comprised 1,565,221,684 Shares. Exercise in full of the Repurchase Mandate, if so approved, on the basis that no further shares are issued or repurchased between the Latest Practicable Date and the date of the approval of the Repurchase Mandate in addition to 1,565,221,684 Bonus Shares expected to be allotted and issued on 7 January 2016, the Company would be allowed under the repurchase resolution to repurchase a maximum of 313,044,336 Shares during the period from the date on which such resolution is passed until the date of: (i) conclusion of the next AGM of the Company; (ii) the expiration of the period within which the next AGM of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) the revocation, variation or removal of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting, whichever occurs first, representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

### **REASONS FOR REPURCHASE**

The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company the flexibility to make such repurchase when appropriate and beneficial to the Company and the Shareholders as a whole. Such repurchase may enhance the net assets value per Share and/or earnings per Share.

### **GENERAL**

As compared with the financial position of the Company as at 30 September 2015 (being the date of its latest published audited financial statements), the Directors consider that there might be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed purchases were to be carried out in full during the proposed purchase period. However, the Directors do not intend to make any purchase to such an extent as would in the circumstances have a material adverse impact on the working capital or gearing position of the Company.

### **FUNDING OF REPURCHASE**

Repurchases must be made of the funds legally available for the purpose in accordance with the memorandum and articles of association of the Company and the applicable laws and regulations of the Cayman Islands and the Listing Rules. The Companies laws of the Cayman Islands (“Laws”) provide that a share repurchase by the Company may only be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose or, if so authorized by the Articles and subject to the provisions of the Laws, out of capital. Any premium payable on a repurchase over the par value of the Shares repurchased or conditionally or unconditionally to be purchased must be provided for out of profits of the Company or out of the Company’s share premium account or, if so authorized by the Articles and subject to the provisions of the Laws, out of capital.

**SHARE REPURCHASE MADE BY THE COMPANY**

During the period of six months preceding the Latest Practicable Date, no Shares had been repurchased by the Company (whether on the Stock Exchange or otherwise).

**SHARE PRICES**

During the previous twelve months before the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Price per Share	
	Highest HK\$	Lowest HK\$
<b>2014</b>		
December	0.192	0.172
<b>2015</b>		
January	0.187	0.173
February	0.187	0.174
March	0.182	0.147
April	0.191	0.147
May	0.199	0.167
June	0.300	0.140
July	0.210	0.100
August	0.238	0.140
September	0.195	0.135
October	0.183	0.143
November	0.265	0.145
December ( <i>Up to the Latest Practicable Date</i> )	0.305	0.102

The lowest and highest prices per share for the period from December 2014 to May 2015 are adjusted retrospectively to take into account of the share consolidation and open offer which were approved at the extraordinary general meeting on 11 June 2015, and the Bonus Issue. The lowest and highest prices per share for the period from June 2015 to November 2015 are adjusted retrospectively to take into account of the Bonus Issue.

**UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange, so far as the same may be applicable, to exercise the power of the Company to repurchase pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands and in accordance with the regulations set out in the Memorandum and Articles of Association of the Company. None of the Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any securities to the Company under the Repurchase Mandate if such is approved by the Shareholders. No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company nor have they undertaken not to do so in the event that the Repurchase Mandate is approved by the Shareholders.

**EFFECT OF TAKEOVERS CODE**

A repurchase of Shares by the Company may result in an increase in the proportionate interests of substantial shareholders of the Company in the voting rights of the Company which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, the only Shareholder who was interested in 5% or more of the issued share capital of the Company, according to the register of interests required to be kept by the Company under section 336 of the SFO, was as follows:

<b>Name</b>	<b>Capacity</b>	<b>Number of Shares held</b>	<b>Current percentage interest in the issued share capital of the Company (Note)</b>	<b>Percentage interest in the issued share capital of the Company in the event the Repurchase Mandate is exercised in full (Note)</b>
Lung Chung Chi	Beneficial owner	217,140,000	6.94%	7.71%

*Note:*

Based on 1,565,221,684 Shares in issue as at the Latest Practicable Date and 1,565,221,684 Bonus Shares expected to be allotted and issued on 7 January 2016 (assuming no further Shares issued or repurchased between the Latest Practicable Date and the date of the AGM), totalling 3,130,443,368 Shares.

On the basis of the current shareholding of the Company, an exercise of the Repurchase Mandate in full will not result any Shareholder in becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors also have no intention to exercise the Repurchase Mandate to such extent that would give rise an obligation to them to make a mandatory offer under Rule 26 of the Takeovers Code or result in the amount of Shares held by the public being reduced to less than 25%.

**MR. KONG FANPENG (“MR. KONG”)**

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, specializing 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.

As at the Latest Practicable Date, Mr. Kong did not hold any Shares within the meaning of Part XV of the SFO. Mr. Kong is not related to any other Directors, senior management, substantial shareholder, or controlling shareholders of the Company. Mr. Kong is entitled to a director’s fee in the amount of HK\$360,000 per annum, which is determined by reference to his duties and responsibilities with the Company, the experience of Mr. Kong and the prevailing practice in the market. Mr. Kong does not have a service agreement with the Company which is not determinable by the Company within one year without paying compensation (other than statutory compensation). Mr. Kong is subject to retirement by rotation in accordance with the Articles of Association of the Company.

As at the Latest Practicable Date, Mr. Kong does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Kong has not held any directorship in other public companies in the last three years preceding the date of his appointment and does not hold any other position with the Company or any of its subsidiaries. Mr. Kong does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there is no other matter relating to the re-election of Mr. Kong that needs to be brought to the attention of the shareholders of the Company and there is no other information that needs to be disclosed pursuant to the requirement of Rule 13.51(2)(h) to (v) of the Listing Rules.

**MR. LEE MING GIN (“MR. LEE”)**

Mr. Lee, aged 30, has been an independent non-executive Director since 6 March 2013. Mr. Lee 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 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.

Mr. Lee has not held any directorship in public companies the securities of which are listed on any securities exchange in Hong Kong or overseas in the past three years. He has not previously held any position in the Company or its subsidiaries, nor has any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Lee did not hold any Shares within the meaning of Part XV of the SFO. Mr. Lee is not related to any other Directors, senior management, substantial shareholder, or controlling shareholders of the Company. Mr. Lee is entitled to a director’s fee in the amount of HK\$120,000 per annum, which is determined by reference to his duties and responsibilities with the Company, the experience of Mr. Lee and the prevailing practice in the market. Mr. Lee does not have a service agreement with the Company which is not determinable by the Company within one year without paying compensation (other than statutory compensation). Mr. Lee is subject to retirement by rotation in accordance with the Articles of Association of the Company.

Save as disclosed above, there is no other matter relating to the re-election of Mr. Lee that need to be brought to the attention of the shareholders of the Company or any information that should be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

**MR. LAM KWAN (“MR. LAM”)**

Mr. Lam, aged 47, has been an independent non-executive Director 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).

As at the Latest Practicable Date, Mr. Lam did not hold any Shares within the meaning of Part XV of the SFO. Mr. Lam is not related to any other Directors, senior management, substantial shareholder, or controlling shareholders of the Company. Mr. Lam is entitled to a director’s fee in the amount of HK\$120,000 per annum, which is determined by reference to his duties and responsibilities with the Company, the experience of Mr. Lam and the prevailing practice in the market. Mr. Lam does not have a service agreement with the Company which is not determinable by the Company within one year without paying compensation (other than statutory compensation). Mr. Lam is subject to retirement by rotation in accordance with the Articles of Association of the Company.

Since Mr. Lam has served the Group as an independent non-executive Director for more than nine years, he should be subject to re-election by the Shareholders for a longer term in accordance with Code Provision A.4.3 of Appendix 14 of the Listing Rules. Nonetheless, the Company has received confirmation from Mr. Lam as to his independence in compliance with the requirements of the Listing Rules and Mr. Lam has not engaged in any daily executive management of the Group. Taking into consideration of his independent scope of work in the past years, the Directors consider Mr. Lam to be independent under the Listing Rules despite the fact that he has served the Company for more than nine years. Accordingly, the Directors would like to seek the Shareholders’ approval for the continuous appointment of Mr. Lam as an independent non-executive Director.

Saved as disclosed above, there is no other matter relating to the re-election of Mr. Lam that need to be brought to the attention of the Shareholders or any information that should be disclosed pursuant to Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.





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*(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 the Annual General Meeting (“**Meeting**”) of Capital VC Limited (the “**Company**”) will be held at 3:00 p.m. on Wednesday, 3 February 2016 at Best Western Plus Hotel Hong Kong, 308 Des Voeux Road West, Hong Kong for the following purposes:

**ORDINARY BUSINESS**

1. To receive and consider the audited financial statements, and reports of the directors and the auditor for the fifteen months ended 30 September 2015.
2. To re-elect retiring directors and to authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint auditors and to authorise the board of directors to fix their remuneration.

**SPECIAL BUSINESS**

4. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions of the Company:

(A) “**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares of HK\$0.005 each in the share capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this Resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
  - (i) the conclusion of the next Annual General Meeting of the Company;
  - (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Company in general meeting; or
  - (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held.”

(B) **“THAT:**

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot and deal with additional shares in the Company, and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are convertible into shares in the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) an issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any of the warrants or securities which are convertible into shares of the Company; or (iii) an issue of shares in the Company as scrip dividends pursuant to the Articles of Association of the Company from time to time; or (iv) an issue of shares in the Company under any option scheme or similar arrangement for the grant or issue to employees of the Company and/or any of its subsidiaries of shares in the Company or

rights to acquire shares in the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“Relevant Period” shall have the same meaning as those ascribed to it under paragraph (c) of the Ordinary Resolution No. 4(A) in the Notice convening this Meeting; and

“Rights Issue” means an offer of shares in the Company, open for a period fixed by the directors to the holders of shares, whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

- (C) “**THAT** subject to the passing of the Ordinary Resolutions Nos. 4(A) and 4(B) in the Notice convening this Meeting, the aggregate nominal amount of shares which are to be purchased by the Company pursuant to the authority granted to the Directors as mentioned in Resolution No. 4(A) shall be added to the aggregate nominal amount of the share capital that may be allotted or agreed to be allotted by the Directors pursuant to Resolution No. 4(B).”

5. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of and permission to deal in the shares to be issued upon exercise of any options to be granted under the Refreshed Limit (as defined below) pursuant to the share option scheme (“**Share Option Scheme**”) of the Company adopted by the resolution of the shareholders of the Company passed on 10 December 2013, the existing limit on the grant of options under the Share Option Scheme and any other schemes of the Company be refreshed so that the aggregate nominal amount of share capital of the Company to be allotted and issued upon exercise of any options to be granted under the Share Option Scheme and any other schemes of the Company (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme and any other schemes of the Company) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution (“**Refreshed Limit**”) and that the Directors of the Company be and are hereby authorized to grant options up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company under the Refreshed Limit pursuant to the exercise of such options.”

By Order of the Board  
**Chan Cheong Yee**  
*Executive Director*

*Notes:*

1. A member of the Company entitled to attend and vote at the meeting (or at any adjournment thereof) is entitled to appoint one, or if he is a holder of more than one share, more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy and the power of attorney (if any), under which it is signed or a certified copy thereof, must be lodged at the Company's 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 appointed time for holding the above meeting or any adjournment thereof.
3. Completion and return of the accompanying form of proxy will not preclude members of the Company from attending and voting in person at the meeting or any adjournment thereof should they so wish and in such event, the form of proxy shall be deemed to be revoked.