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**CAPITAL
VC LIMITED**

首都創投有限公司

Capital VC Limited
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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



中國保盛證券有限公司

CHINA PROSPECT SECURITIES LIMITED

On 4 October 2021 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company appointed the Placing Agent to place, on a best efforts basis and subject to the fulfillment of the condition precedent to the Placing, a maximum of 68,640,000 Placing Shares to not less than six independent Placers at a price of HK\$0.250 per Placing Share.

The Placing Price of HK\$0.250 per Placing Share represents: (i) a discount of approximately 5.66% to the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 10.71% to the average closing price of HK\$0.280 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

Assuming the Placing Shares are fully placed, the maximum number of 68,640,000 Placing Shares represents approximately 20.00% of the issued share capital of the Company of 343,238,249 Shares as at the date of this announcement, and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the maximum number of 68,640,000 Placing Shares.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing will be approximately HK\$17.2 million and approximately HK\$16.9 million, respectively. The Company intends to use such net proceeds for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company.

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued pursuant to the General Mandate.

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the condition precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING

Date

4 October 2021 (after trading hours)

Parties

Issuer: the Company

Placing Agent: China Prospect Securities Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) is a third party independent of and not connected with the Company and its connected persons.

Placees

It is intended that the Placing Shares will be placed to not less than six Placees who and whose ultimate beneficial owners are third party(ies) independent of the directors, chief executive, substantial shareholders, investment manager, investment adviser or custodian of the Company or any of its subsidiaries or any of their respective associates, and the Placees shall be Professional Investors.

It is expected that none of the Placees nor their associates will become a substantial shareholder of the Company as a result of the Placing.

Number of Placing Shares

The Company appointed the Placing Agent to place, on a best efforts basis and subject to the fulfillment of the condition precedent to the Placing, a maximum of 68,640,000 Placing Shares. Assuming the Placing Shares are fully placed, the maximum number of 68,640,000 Placing Shares represents approximately 20.00% of the issued share capital of the Company of 343,238,249 Shares as at the date of this announcement, and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the maximum number of 68,640,000 Placing Shares. The aggregate nominal value of the maximum number of Placing Shares is HK\$68,640.

Placing Price

The Placing Price of HK\$0.250 per Placing Share was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to the recent trading price of the Shares.

The Placing Price of HK\$0.250 per Placing Share represents: (i) a discount of approximately 5.66% over the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 10.71% to the average closing price of HK\$0.280 per Share as quoted on the Stock Exchange for the last five trading days of the Shares immediately prior to the date of the Placing Agreement.

Placing Commission

Subject to completion of the Placing, the Placing Agent will receive a placing commission of 1.5% on the gross proceeds of the Placing Shares which are successfully placed by the Placing Agent. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market rate.

Condition of the Placing

Completion of the Placing is conditional upon the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Placing Shares.

If the above condition is not satisfied on or before 25 October 2021 (or such later date as may be agreed between the Placing Agent and the Company) (the "**Long Stop Date**"), the Placing will lapse and all rights, obligations and liabilities of the Placing Agent and the Company in relation to the Placing shall cease and determine and neither party shall have any claim against the other in respect of the Placing save for any antecedent breach and/or any rights or obligations which may accrue under the Placing Agreement prior to such termination. The condition to the Placing could not be waived by any party to the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place upon or after the fulfillment of the condition set out in the Placing Agreement, but not later than 25 October 2021 (or such other date as the Company and the Placing Agent may agree).

Rescission

If any of the following events occur at any time prior to 10:00 a.m. on the Placing Completion Date, the Placing Agent may (after such consultation with the Company and/or its advisers as the circumstances shall admit or be necessary), by giving a written notice to the Company, at any time prior to the Placing Completion Date provided that such notice is received prior to 6:00 p.m. on the day immediately preceding the Placing Completion Date, rescind this Agreement without liability to the other parties hereto or any thereof and the Placing Agreement shall thereupon cease to have effect and none of the parties hereto shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination:

- (a) in the reasonable opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material breach of any of the representations and warranties made by the Company in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Placing Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) any moratorium, suspension or restriction on trading in shares or securities of the Company generally on the Stock Exchange due to exceptional financial circumstances; or
- (e) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

Ranking of Placing Shares

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

Application for listing

Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares.

GENERAL MANDATE

The Placing is not subject to the Shareholders' approval as the Placing Shares will be issued under the General Mandate, which was granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 30 March 2021. Pursuant to the General Mandate, the Company was authorized to issue and allot up to 68,647,649 Shares, representing 20% of the number of Shares in issue on the date of passing such resolution. The General Mandate has not been previously utilized prior to the issue of the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in listed investments in Hong Kong and in unlisted equity and debt securities.

The Board considers that the Placing represents a good opportunity for the Company to raise additional funds and to widen the Company's shareholder base. The terms of the Placing Agreement (including the Placing Price and the placing commission) were determined after arm's length negotiations between the Company and the Placing Agent. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming the Placing Shares are fully placed, the gross and net proceeds from the Placing will be approximately HK\$17.2 million and approximately HK\$16.9 million, respectively. The Company intends to use such net proceeds for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company. Assuming the Placing Shares are fully placed, the net placing price will be approximately HK\$0.246 per Placing Share.

EQUITY FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities in the twelve months immediately prior to the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after completion of the Placing (assuming the Placing Shares were placed in full and assuming there is no other change in the issued share capital of the Company between the date of this announcement and the date of completion of the Placing):

Shareholders	As at the date of this announcement		Immediately upon completion of the Placing	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Placeses	–	–	68,640,000	16.67
Public Shareholders	<u>343,238,249</u>	<u>100.00</u>	<u>343,238,249</u>	<u>83.33</u>
Total	<u><u>343,238,249</u></u>	<u><u>100.00</u></u>	<u><u>411,878,249</u></u>	<u><u>100.00</u></u>

Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the condition precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associate(s)”	having the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Capital VC Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange with stock code 2324
“connected person(s)”	having the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“General Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the Company’s annual general meeting on 30 March 2021 to issue and allot up to 68,647,649 Shares, representing 20% of the number of Shares in issue on the date of passing such resolution
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any Professional Investor(s) procured by the Placing Agent or any of their sub-placing agent(s) to subscribe for any of the Placing Shares under the Placing
“Placing”	the best-effort placing of up to 68,640,000 Placing Shares on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	China Prospect Securities Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) and Type 4 (Advising on Securities) regulated activities under SFO

“Placing Agreement”	the agreement entered into between the Placing Agent and the Company dated 4 October 2021 in relation to the Placing
“Placing Completion Date”	the date of completion of Placing
“Placing Price”	HK\$0.250 per Placing Share
“Placing Shares”	a maximum of 68,640,000 Shares to be placed under the Placing
“PRC”	the People’s Republic of China
“Professional Investor”	has the same meaning as ascribed thereto in Part 1 of Schedule 1 to the SFO and any rules made thereunder
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	having the meaning ascribed thereto under the Listing Rules
“%”	per cent

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

Hong Kong, 4 October 2021

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

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