POLY CAPITAL HOLDINGS LIMITED

保興資本控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1141)

CONNECTED TRANSACTION IN RELATION TO THE PLACING AGREEMENT WITH A CONNECTED PERSON AND COMPLETION OF PLACING OF NOTES DISCLOSED IN THE ANNOUNCEMENT OF THE COMPANY ON 8 NOVEMBER 2012

Placing Agent

Cepa Alliance Securities Limited

PLACING OF NOTES

On 7 January 2013 (after trading hours), the Company entered into a Placing Agreement with the Placing Agent, pursuant to which the Company agreed to place, through the Placing Agent, on a best effort basis, the Placing Notes to individuals, institutional or other professional investors. The Placing Agent shall use all reasonable endeavours to ensure and shall obtain confirmation to the effect that such Placees shall be third parties independent of and not connected with the Company and the directors, chief executive or substantial shareholders of the Company, any of its subsidiaries or their respective associates.

The Placing is unconditional and the Placing Notes will be placed in the denomination of HK$10,000,000 each and the Placing of each Placing Note will be completed on the third Business Day following receipt by the Company of written notice given by the Placing Agent that it has procured a subscriber for the Placing Note.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Suen holds approximately 29.32% of the total issued share capital of the Company. Mr. Suen is also the chairman and an executive director of New Island Printing and holds approximately 62.62% of the total issued share capital of New Island Printing, the ultimate holding company of the Placing Agent. As such, the Placing Agent is an associate of Mr. Suen and is a connected person of the Company within the meaning of the Listing Rules. The Placing Agreement is therefore a connected transaction under Chapter 14A of the Listing Rules.

Assuming that the Placing Notes are fully placed, the Placing Agent will receive a Placing commission of HK$2,000,000 in cash to be deducted from the proceeds of the Placing. As the relevant percentage ratio in respect of the commission to be paid to the Placing Agent in connection with the Placing under Rule 14.07 of the Listing Rules is less than 5%, the Placing is only subject to the reporting and announcement requirements and is exempted from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

COMPLETION OF PLACING OF NOTES DISCLOSED IN THE ANNOUNCEMENT OF THE COMPANY ON 8 NOVEMBER 2012

The placing of notes as set out in details in the announcement of the Company dated 8 November 2012 has been completed and the placing agent therein mentioned has successfully placed the notes in the aggregate principal amount of HK$100,000,000 under the placing agreement mentioned in the said announcement dated 8 November 2012.

INTRODUCTION

On 7 January 2013 (after trading hours), the Company entered into a Placing Agreement with the Placing Agent. The principal terms of the Placing Agreement and the Placing Notes are set out below.

THE PLACING AGREEMENT

Date:	7 January 2013 (after trading hours)
Issuer:	the Company
Placing Agent:	the Placing Agent
Placees:	individuals, institutional or other professional investors procured by the Placing Agent on a best effort basis and the Placing Agent shall use all reasonable endeavours to ensure and shall obtain confirmation to the effect that such Placees shall be third parties independent of and not connected with the Company and the directors, chief executive or substantial shareholders of the Company, any of its subsidiaries or their respective associates

Aggregate Principal Amount:	up to HK$100,000,000
Placing Price:	face value of the Placing Notes
Placing Period:	a period of 6 months commencing upon the execution of the Placing Agreement or such other period as agreed by the Placing Agent and the Company, unless the Placing is terminated earlier pursuant to the terms of the Placing Agreement
Ranking of Placing Notes:	the Placing Notes will rank pari passu in all respects with the claims of the existing unsecured creditors of the Company
Placing Conditions:	the Placing is unconditional

Termination:

(a) the Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing by notice in writing to the Company at any time up to 9:30 a.m. on a Relevant Completion Date if:–

(i) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the Placing; or

(ii) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the Placing; or

(iii) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or

(iv) any statement contained in this announcement has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the Placing.

(b) the Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing by notice in writing to the Placing Agent at any time up to 12:00 noon on a Relevant Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material

Relevant Completion:	the Placing of each Placing Note will be completed on the third Business Day following receipt by the Company of written notice given by the Placing Agent that it has procured a subscriber for the Placing Note
Placing Commission:	2% of the face value of each Placed Note

PRINCIPAL TERMS OF THE PLACING NOTES

Aggregate Principal Amount:	up to HK$100,000,000
Denomination:	in the denomination of HK$10,000,000 each
Interest:	5% per annum payable on each anniversary of the issue of the relevant Placed Notes
Redemption:	to be redeemed on the Redemption Date
Transferability:	each Placed Note is freely transferrable on or after the 2nd anniversary from the issue date of each Placed Note
Listing:	no application will be made for the listing of the Placed Notes on the Stock Exchange or any other stock exchange

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company principally engages in the businesses of (i) supply and procurement of metal minerals, recyclable metal materials and timber logs; (ii) provision of finance and (iii) securities investment. The Board (including all Independent Non-executive Directors) considers that the Placing provides a good opportunity for the Company to raise funds in strengthening its liquidity and financial position and to support its future development and expansion, therefore, it is in the best interests of the Company and its shareholders as a whole.

The maximum gross proceeds from the Placing will be HK$100,000,000. The net proceeds from the Placing, after deduction of the Placing commission and other related costs and expenses, are estimated to be approximately HK$97,900,000. The net proceeds will be used as general working capital of the Group and/or for attractive investments when opportunities arise in the future.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Suen holds approximately 29.32% of the total issued share capital of the Company. Mr. Suen is also the chairman and an executive director of New Island Printing and holds approximately 62.62% of the total issued share capital of New Island Printing, the ultimate holding company of the Placing Agent. As such, the Placing Agent is an associate of Mr. Suen and is a connected person of the Company within the meaning of the Listing Rules. The Placing Agreement is therefore a connected transaction under Chapter 14A of the Listing Rules. In view of the fact that Mr. Suen has a material interest in the Placing, he has abstained from voting on the board resolution in connection with the Placing.

The Board considers that the commission of 2% on the gross proceeds of the Placing to be paid to the Placing Agent under the Placing was determined after arm's length negotiation between the parties with regard to the prevailing market practice and the Directors consider that the Placing is on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

Assuming that the Placing Notes are fully placed, the Placing Agent will receive a Placing commission of HK$2,000,000 in cash to be deducted from the proceeds of the Placing. As the relevant percentage ratio in respect of the commission to be paid to the Placing Agent in connection with the Placing under Rule 14.07 of the Listing Rules is less than 5%, the Placing is only subject to the reporting and announcement requirements and is exempted from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

COMPLETION OF PLACING OF NOTES DISCLOSED IN THE ANNOUNCEMENT OF THE COMPANY ON 8 NOVEMBER 2012

The placing of notes set out in details in the announcement of the Company dated 8 November 2012 has been completed and the placing agent therein mentioned has successfully placed the notes in the aggregate principal amount of HK$100,000,000 under the placing agreement mentioned in the said announcement dated 8 November 2012.

The gross proceeds from the said placing amounted to HK$100,000,000 and the net proceeds from the said placing amounted to approximately HK$94,900,000. The net proceeds have been used as general working capital of the Group.

DEFINITIONS

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

"associate(s)"	has the meaning ascribed to it in the Listing Rules
"Board"	the board of Directors
"Business Day"	any day on which banks are open for business in Hong Kong (other than Saturday and any day on which a tropical cyclone warning No.8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
"Company"	Poly Capital Holdings Limited (Stock Code: 1141), a company incorporated in Bermuda with limited liability, its Shares are listed on the Main Board of the Stock Exchange
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange

"Mr. Suen"	Mr. Suen Cho Hung, Paul, the Chairman and an Executive Director of the Company
"New Island Printing"	New Island Printing Holdings Limited (Stock Code: 377), a company incorporated in Bermuda with limited liability, its shares are listed on the Main Board of the Stock Exchange
"Placed Notes"	means such part of the Placing Notes placed pursuant to the Placing Agreement and "**Placed Note**" shall be construed accordingly
"Placee"	any individual, institutional or other professional investor procured by the Placing Agent to subscribe for any of the Placing Notes pursuant to the Placing Agreement and "**Placees**" shall be construed accordingly
"Placing"	the offer by way of a private placing of the Placing Notes procured by the Placing Agent, on a best effort basis, to selected investors on the terms and subject to the conditions set out in the Placing Agreement
"Placing Agent"	Cepa Alliance Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) and is an indirect non wholly-owned subsidiary of New Island Printing
"Placing Agreement"	the placing agreement dated 7 January 2013 entered into between the Company and the Placing Agent in relation to the Placing
"Placing Notes"	the notes in the aggregate amount of HK$100,000,000 to be issued by the Company in the denomination of HK$10,000,000 each under the Placing and "**Placing Note**" means each of the said notes in the said denomination of HK$10,000,000
"Redemption Date"	7th anniversary from the issue date of each Placed Note

"Relevant Completion"	completion of the subscription of a Placing Note
"Relevant Completion Date"	the third Business Day following receipt of written notice given by the Placing Agent whenever they have procured a subscriber for a Placing Note
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder(s)"	has the same meaning ascribed to it under the Listing Rules
"%"	per cent.

By Order of the Board
Suen Cho Hung, Paul
Chairman

Hong Kong, 7 January 2013

As at the date of this announcement, the Board comprises Mr. Suen Cho Hung, Paul (Chairman), Mr. Sue Ka Lok (Chief Executive Officer), Mr. Bai Jianjiang and Ms. Lee Chun Yeung, Catherine as Executive Directors and Mr. Wong Kwok Tai, Mr. Weng Yixiang and Mr. Lu Xinsheng as Independent Non-executive Directors.

* *For identification purpose only*