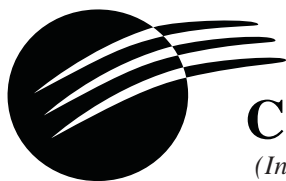


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COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 383)

(website: <http://www.colcapital.com.hk>)

DISCLOSEABLE TRANSACTION

CONDITIONAL ACQUISITION OF 17.00 PER CENT. OF THE ISSUED SHARE CAPITAL OF SHANGHAI ALLIED CEMENT LIMITED

On 8th May, 2007, a placing agreement was executed, pursuant to which Tian An China Hotel and Oasis Star have agreed to place, through SHKIS, the Placing Shares (being 399,485,640 SAC Shares) to independent investors at a price of HK\$0.70 per Placing Share. The Placing Shares amount to all the SAC Shares in which Tian An China Hotel and Oasis Star, as well as Tian An, are beneficially interested as at the date of this announcement and represent approximately 54.77 per cent. of the issued share capital of SAC as at the date of this announcement.

On 9th May, 2007, Taskwell (an indirect wholly-owned subsidiary of the Company) and SHKIS, as placing agent for Tian An China Hotel and Oasis Star, entered into the Agreement, pursuant to which Taskwell has conditionally agreed to acquire, and SHKIS has conditionally agreed to place as placing agent, the Placed Shares (being 124,000,000 SAC Shares, representing approximately 17.00 per cent. of the issued share capital of SAC as at the date of this announcement and approximately 31.04 per cent. of the Placing Shares), for an aggregate consideration of HK\$87,762,812 (being HK\$0.70 per Placed Share, with 1 per cent. brokerage, 0.1 per cent. stamp duty, 0.004 per cent. Securities and Futures Commission transaction levy, 0.005 per cent. Stock Exchange trading fee and 0.002 per cent. CCASS settlement fee).

Completion of the Placing (and hence the Acquisition) is conditional upon the shareholders of Tian An passing a resolution in general meeting approving the Placing.

The Company, through its indirect wholly-owned subsidiary Honest Opportunity, was beneficially interested in 72,858,680 SAC Shares, representing approximately 9.99 per cent. of the issued share capital of SAC under its securities trading portfolio as at the date of this announcement. Following completion of the Placing, the Company will become beneficially interested in an aggregate of approximately 26.99 per cent. of the issued share capital of SAC.

Following completion of the Placing, the Group will hold the Placed Shares as strategic long term investment and will be classified in the accounts as "Available for Sale Financial Assets" as defined under the Hong Kong Accounting Standards HKAS 39 issued by Hong Kong Institute of Certified Public Accountants.

The Acquisition constitutes a discloseable transaction for the Company, on the basis that the calculations of the assets and consideration ratios are both within the range of 5 per cent. and 25 per cent.

The Company will despatch a circular which contains, amongst other things, details of the terms of the Acquisition to the shareholders of the Company as soon as practicable.

The Acquisition is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the shares of the Company and in SAC Shares.

INTRODUCTION

The Directors are advised that on 8th May, 2007, a placing agreement was executed, pursuant to which Tian An China Hotel and Oasis Star have agreed to place, through SHKIS, the Placing Shares (being 399,485,640 SAC Shares) to independent investors at a price of HK\$0.70 per Placing Share. The Placing Shares amount to all the SAC Shares in which Tian An China Hotel and Oasis Star, as well as Tian An, are beneficially interested as at the date of this announcement and represent approximately 54.77 per cent. of the issued share capital of SAC as at the date of this announcement.

On 9th May, 2007, Taskwell (an indirect wholly-owned subsidiary of the Company) and SHKIS, as placing agent for Tian An China Hotel and Oasis Star, entered into the Agreement, pursuant to which Taskwell has conditionally agreed to acquire, and SHKIS has conditionally agreed to place as placing agent, the Placed Shares (being 124,000,000 SAC Shares, representing approximately 17.00 per cent. of the issued share capital of SAC as at the date of this announcement and approximately 31.04 per cent. of the Placing Shares), for an aggregate consideration of HK\$87,762,812 (being HK\$0.70 per Placed Share, with 1 per cent. brokerage, 0.1 per cent. stamp duty, 0.004 per cent. Securities and Futures Commission transaction levy, 0.005 per cent. Stock Exchange trading fee and 0.002 per cent. CCASS settlement fee).

Completion of the Placing (and hence the Acquisition) is conditional upon the shareholders of Tian An passing a resolution in general meeting approving the Placing.

The Company, through its indirect wholly-owned subsidiary Honest Opportunity, was beneficially interested in 72,858,680 SAC Shares, representing approximately 9.99 per cent. of the issued share capital of SAC under its securities trading portfolio as at the date of this announcement. Following completion of the Placing, the Company will become beneficially interested in an aggregate of approximately 26.99 per cent. of the issued share capital of SAC.

THE AGREEMENT

Date

9th May, 2007.

Parties

- (1) Taskwell as placee.
- (2) SHKIS as placing agent for Tian An China Hotel and Oasis Star.

To the best of the Directors' knowledge, Tian An, Tian An China Hotel, Oasis Star and SHKIS and their respective ultimate owners are independent third parties not connected with the Company, any of its subsidiaries or any of their respective associates, or any of the connected persons of the Company, any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

The Placed Shares

The Placed Shares represent approximately 17.00 per cent. of the issued share capital of SAC as at the date of this announcement and approximately 31.04 per cent. of the Placing Shares. The Placed Shares will be acquired free from any encumbrance and together with all rights and benefits attaching or accruing to it on or after the date of the Completion.

Consideration

The consideration for the Acquisition is HK\$87,762,812 (being HK\$0.70 per Placed Share, with 1 per cent. brokerage, 0.1 per cent. stamp duty, 0.004 per cent. Securities and Futures Commission transaction levy, 0.005 per cent. Stock Exchange trading fee and 0.002 per cent. CCASS settlement fee). The consideration will be settled in cash and payable on completion. The consideration was arrived at after arm's length negotiations between Taskwell and SHKIS.

Payment of the consideration for the Acquisition will be funded by internal resources of the Company or borrowings, or a combination of both.

Conditions

Completion of the Placing (and hence the Acquisition) is conditional upon the shareholders of Tian An passing a resolution in general meeting approving the Placing.

The Acquisition is conditional and may or may not proceed. Accordingly, shareholders and prospective investors are reminded to exercise extreme caution when trading in the shares of the Company and in SAC Shares.

Completion

Subject to fulfilment of the conditions set out in the Agreement, completion of the Acquisition will take place within six weeks from the date of the Agreement.

INFORMATION ABOUT THE COMPANY, HONEST OPPORTUNITY AND TASKWELL

The Company

The Company is a company incorporated in Bermuda with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

The principal business activity of the Company is investment holding and through its subsidiaries engages in the distribution of telecommunications and information technology products, securities trading and investments, provision of financial services, property investment and strategic investment.

Honest Opportunity

Honest Opportunity is a company incorporated in British Virgin Islands with limited liability. The principal business activity of Honest Opportunity is securities trading and investment. Honest Opportunity is an indirect wholly-owned subsidiary of the Company.

Taskwell

Taskwell is a company incorporated in British Virgin Islands with limited liability. The principal business activity of Taskwell is investment holding. Taskwell is an indirect wholly-owned subsidiary of the Company.

INFORMATION ABOUT TIAN AN, TIAN AN CHINA HOTEL AND OASIS STAR

Tian An is a company incorporated in Hong Kong with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

The principal business of Tian An is investment holding. It is engaged principally in the development of high-end apartments, villas, office buildings and commercial properties, property investment, property management and hotel operation, as well as the manufacturing and sales of construction materials in China.

Tian An China Hotel and Oasis Star are both wholly-owned subsidiaries of Tian An.

INFORMATION ABOUT SHKIS

SHKIS is a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to engaged in Type 1 (dealing in securities) and Type 4 (advising and securities) regulated activities.

INFORMATION ABOUT SAC

SAC is a company incorporated in Bermuda with limited liability. Its shares are listed on both the Main Board of the Stock Exchange and Singapore Exchange Securities Trading Limited.

The principal business of SAC is investment holding. It is engaged principally in the manufacturing and distribution of clinker, cement and slag powder for its continuing operations.

REASONS FOR AND BENEFITS OF THE ACQUISITION

It is the intention of the Company to continuously search for strategic investment opportunity. Following completion of the Placing, the Group will hold the Placed Shares as strategic long term investment and will be classified in the accounts as “Available for Sale Financial Assets” as defined under the Hong Kong Accounting Standards HKAS 39 issued by Hong Kong Institute of Certified Public Accountants. At each balance sheet date subsequent to initial recognition, “Available for Sale Financial Assets” are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on “Available of Sale Financial Assets” are recognised in profit or loss. Impairment losses on available for sale equity investments will not be reversed in profit or loss in subsequent periods.

Given that the placing price of HK\$0.70 per SAC Share under the Placing represents a discount of approximately 62.57 per cent. to the closing price of HK\$1.87 per SAC Share as quoted on the Stock Exchange on the last trading day of SAC Shares immediately before the date of this announcement, the Directors consider that the Acquisition represents a good opportunity for the Company to secure its strategic shareholding in SAC.

Having regard to the nature of and benefits resulting from the Acquisition, as well as the prevailing market prices of the SAC Shares and the financial position and business operation of SAC, the Directors believe that the terms of the Acquisition are fair and reasonable and are in the interests of the Company and the shareholders of the Company taken as a whole.

SUMMARY OF FINANCIAL RESULTS OF SAC

A summary of the audited results of SAC for the two years ended 31st December, 2005 and 31st December, 2006 are as follows:

	Year ended 31st December,	
	2006	2005
	HK\$'000	HK\$'000
Turnover	384,931	345,300
Profit (loss) before tax	17,744	(25,058)
Profit (loss) for the year	7,194	(32,540)
Profit (loss) attributable to the equity holders of SAC	<u>387</u>	<u>(35,233)</u>

The audited net asset value of SAC as at 31st December, 2006 was approximately HK\$300,647,000.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction for the Company, on the basis that the calculations of the assets and consideration ratios are both within the range of 5 per cent. and 25 per cent.

The Company will despatch a circular which contains, amongst other things, details of the terms of the Acquisition to the shareholders of the Company as soon as practicable.

DIRECTORS

As at the date of this announcement, the Directors are:

Executive Directors:

Ms. Chong Sok Un (Chairman), Dato' Wong Peng Chong and Mr. Kong Muk Yin

Independent non-executive Directors:

Mr. Lo Wai On, Mr. Lau Siu Ki, Kevin and Mr. Zhang Jian

DEFINITIONS

“Acquisition”	the conditional acquisition of the Placed Shares by Taskwell for an aggregate consideration of HK\$87,762,812
“Agreement”	the agreement, as evidenced by a placing letter dated 9th May, 2007, entered into between the Taskwell and SHKIS, with respect to the Acquisition
“associates”	having the meaning ascribed to it under the Listing Rules
“Company”	COL Capital Limited, a company incorporated in Bermuda with limited liability, with its shares listed on the Main Board of the Stock Exchange (Stock Code: 383)

“connected person”	having the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Honest Opportunity”	Honest Opportunity Limited, a company incorporated in British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Oasis Star”	Oasis Star Limited, a company incorporated in the British Virgin Islands with limited liability, and an indirect wholly-owned subsidiary of Tian An
“Placed Shares”	124,000,000 SAC Shares placed to Taskwell, representing approximately 17.00 per cent. of the issued share capital of SAC as at the date of this announcement and approximately 31.04 per cent. of the placing shares
“Placing”	the conditional placing of the Placing Shares
“Placing Shares”	the 399,485,640 SAC Shares to be placed by SHKIS under the Placing
“SAC”	Shanghai Allied Cement Limited, a company incorporated in Bermuda with limited liability, with its shares listed on the Main Board of the Stock Exchange (Stock Code: 1060)
“SAC Shares”	ordinary shares of nominal value of HK\$0.25 each in the issued share capital of SAC
“SHKIS”	Sun Hung Kai Investment Services Limited, a corporation licensed under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to engaged in Type 1 (dealing in securities) and Type 4 (advising and securities) regulated activities
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taskwell”	Taskwell Limited, a company incorporated in British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Tian An”	Tian An China Investments Company Limited, a company incorporated in Hong Kong with limited liability, with its shares listed on the Main Board of the Stock Exchange (Stock Code: 28)

“Tian An China Hotel” Tian An China Hotel and Property Investments Company Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Tian An

On behalf of the Board
COL Capital Limited
Chong Sok Un
Chairman

Hong Kong, 14 May, 2007