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**COL Capital Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

**VERY SUBSTANTIAL DISPOSAL  
AND  
RESUMPTION OF TRADING**

The Board announces that on 24 May 2011 (after trading hours), the Company entered into the Agreement with the Vendor, the Purchaser and the Purchaser's Guarantor pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Taskwell Sale Share, the Rise Cheer Sale Share and the Sale Loans at a total Consideration of HK\$1,330,657,693. A deposit of HK\$66,532,885 representing approximately 5% of the Consideration, has been received in cash, by the solicitors of the Vendor as stakeholder, upon the signing of the Agreement as Refundable Deposit and upon Completion as part payment of the Consideration. The balance of the Consideration as to HK\$1,033,467,115 shall be paid in cash and as to HK\$230,657,693 shall be settled by Promissory Note upon Completion.

As the relevant applicable Percentage Ratios as referred to in Chapter 14 of the Listing Rules exceed 75%, the Disposal constitutes a very substantial disposal for the Company under the Listing Rules and is conditional upon the approval of the Shareholders at the SGM. As at the date of this announcement, to the best knowledge of the Directors, no Shareholder will be required to abstain from voting at the SGM as no Shareholder has any interest in the Disposal which is different from other Shareholders.

A circular of the Company containing, among other things, further details of the Agreement and the transactions contemplated thereunder, together with a notice of SGM, will be despatched to the Shareholders as soon as practicable and is expected to be on or around 17 June 2011.

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 25 May 2011 pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 27 May 2011.

## **THE AGREEMENT**

**Date:** 24 May 2011 (after trading hours)

**Parties:**

- (i) Vendor: Besford International Limited, a wholly-owned subsidiary of the Company
- (ii) Purchaser: New Able Holdings Limited, a wholly-owned subsidiary of Allied Overseas Limited
- (iii) Purchaser's Guarantor: Allied Overseas Limited
- (iv) Vendor's Guarantor: the Company

The Purchaser is a wholly-owned subsidiary of the Purchaser's Guarantor, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange. The Purchaser carries on the business of investment holding and the Purchaser's Guarantor carries on the business of the provision of elderly care homes.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the Group's holdings of approximately 4.51% of the issued share capital and 4.08% of the issued warrants of the Purchaser's Guarantor (based on records of the Company), the Purchaser, the Purchaser's Guarantor and their respective ultimate beneficial owner(s) are Independent Third Parties.

**Assets to be disposed of:**

The Taskwell Sale Share and the Rise Cheer Sale Share, representing the entire issued share capital of Taskwell and Rise Cheer, and the Sale Loans, representing all amounts of the shareholder's loans owed by Taskwell and Rise Cheer to the Vendor as at Completion. Such amounts as at the date of the Agreement are HK\$483,671,491 and HK\$766,066,292 owed from Taskwell and Rise Cheer respectively.

Taskwell and Rise Cheer are principally engaged in investment holding with an aggregate holding of 1,900,939,562 APAC Shares (which will be their sole asset upon Completion) representing approximately 27.65% of the issued share capital of APAC as at the date of the Agreement.

The Taskwell Sale Share, the Rise Cheer Sale Share and the Sale Loans are sold free from all liens, claims, equities, charges, encumbrances or third party rights of whatsoever nature on Completion. There are no restrictions applied to the subsequent sale of the shares of Taskwell and Rise Cheer.

**Consideration:**

The total Consideration payable by the Purchaser under the Disposal is HK\$1,330,657,693, comprising the sum of HK\$80,919,910 for the sale of the Taskwell Sale Share and the Rise Cheer Sale Share and the sum of HK\$1,249,737,783 for the sale of the Sale Loans.

The Consideration shall be settled by the Purchaser in the following manner:

- (i) as to HK\$66,532,885, representing approximately 5% of the Consideration, has been received in cash, by the solicitors of the Vendor as stakeholder, upon the signing of the Agreement as a Refundable Deposit and upon Completion as part payment of the Consideration;
- (ii) as to HK\$1,033,467,115 shall be paid in cash upon Completion; and
- (iii) as to the remaining balance of HK\$230,657,693 shall be settled by Promissory Note.

The Consideration (which is based on HK\$0.7 per APAC Share in relation to the 1,900,939,562 APAC Shares, representing approximately 27.65% of the issued share capital of APAC as at the date of this Agreement, held by Taskwell and Rise Cheer) was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the value in which the Group acquired the underlying APAC Shares, the unaudited consolidated net asset value of APAC Share as at 31 December 2010 as per the second interim report 2010 of APAC and the recent market prices of APAC Shares.

The APAC Share price of HK\$0.7 each represents:–

- (a) a premium of 60.92% to the closing price of HK\$0.435 per APAC Share as at 24 May 2011;
- (b) a premium of 58.01% to the average closing price of HK\$0.443 per APAC Share for the last 5 trading days up to and including 24 May 2011;
- (c) a premium of 55.90% to the average closing price of HK\$0.449 per APAC Share for the preceding month up to and including 24 May 2011;
- (d) a premium of 43.44% to the average closing price of HK\$0.488 per APAC Share for the preceding 6 months up to and including 24 May 2011; and
- (e) a discount of 4.11% to the unaudited consolidated asset value per APAC Share of HK\$0.73 as at 31 December 2010.

Taking into account of the premium to the recent market prices of APAC Shares, discount to the unaudited consolidated net asset value per APAC Shares as at 31 December 2010 as per the second interim report 2010 of APAC and the premium to the Group's carrying value in APAC, the Directors consider the Consideration is fair and reasonable and that the Disposal is in the best interests of the Company and the Shareholders as a whole.

The Refundable Deposit shall be returned by the Vendor to the Purchaser together with interest accrued within 7 business days in the event of non-completion of the Agreement which is due to a default of the Vendor. The Refundable Deposit shall be forfeited by the Vendor together with interest accrued within 7 business days in the event of non-completion of the Agreement which is due to a default of the Purchaser.

**Conditions Precedent:**

(A) Completion is conditional upon:

- (i) the warranties given by the Vendor in the Agreement remaining true and accurate and not misleading in any material respect as given as of the date of the Agreement and as of Completion and as if given at all times between the date of the Agreement and Completion;
- (ii) the warranties given by the Purchaser remaining true and accurate and not misleading in any material respect as given as of the date of the Agreement and as if given at all times between the date of the Agreement and Completion;
- (iii) the Vendor and the Company having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by each of them under the Agreement, on or prior to Completion;
- (iv) the Purchaser and the Purchaser's Guarantor having duly performed and observed all of the obligations, undertakings and covenants required to be performed and observed by each of them under the Agreement, on or prior to Completion;
- (v) all necessary authorisations and consents (other than an authorisation required under FATA) of all relevant governmental or regulatory including but not limited to authorities, agencies or bodies, or any other third party (including banks, lenders and/or shareholders of the Vendor, the Company, the Purchaser or the Purchaser's Guarantor (if required)), required for the implementation of the transactions contemplated in the Agreement being obtained and maintained and in addition no general offer or similar obligations arise for the Purchaser or any other related company as a consequence of the transactions contemplated in the Agreement;

- (vi) there being no orders, claims, actions, applications, suits, proceedings or similar matters by, from or to any relevant governmental or regulatory authority, court, tribunal, agency, body or panel arising from or in connection with the transactions contemplated in the Agreement (“Claims”) on or before the Long Stop Date, including without limitation any Claim seeking to restrain, prevent or limit the Purchaser’s Guarantor or the Purchaser from completing but excluding any Claims arising solely from the Purchaser’s Guarantor or the Purchaser being in default of its obligations under the Agreement;
- (vii) each of the Vendor and the Company having obtained (where applicable) the approval of their respective shareholders of the Agreement and the transactions contemplated hereunder as required by the Listing Rules;
- (viii) each of the Purchaser and the Purchaser’s Guarantor having obtained (where applicable) the approval of their respective shareholders of the Agreement and the transactions contemplated hereunder as required by the Listing Rules;
- (ix) each of the Vendor and the Company having complied with and to the satisfaction of the Stock Exchange all requirements under the Listing Rules in relation to the sale of the Taskwell Sale Share and the Rise Cheer Sale Share and the assignment of the Sale Loans and other transactions contemplated herein;
- (x) each of the Purchaser and the Purchaser’s Guarantor having complied with and to the satisfaction of the Stock Exchange all requirements under the Listing Rules in relation to the purchase of the Taskwell Sale Share and the Rise Cheer Sale Share and the assignment of the Sale Loans and other transactions contemplated herein;
- (xi) no matter, event, circumstance or change having occurred on or before the Long Stop Date which has caused, causes or is likely to cause any material adverse effect on:–
  - (a) the business, operations, prospects or financial condition, or a material portion of the properties or assets, of Taskwell and/or Rise Cheer; or
  - (b) the ability of the Vendor to perform or observe all or any of its obligations, undertakings or covenants under the Agreement;
- (xii) legal, financial, valuation (if any), business (if any) and technical (if any) due diligence reviews having been conducted by the Purchaser over Taskwell and Rise Cheer to the sole and absolute satisfaction of the Purchaser; and
- (xiii) there being no indication on or before the Long Stop Date from the Stock Exchange that listing of the shares of APAC will be suspended, revoked or withdrawn at any time in connection with any of the transactions contemplated by the Agreement.

- (B) The Agreement is subject to the fulfilment of one of the following on or before the Long Stop Date:
- (a) the Purchaser receiving written notice issued by or on behalf of the Treasurer of the Commonwealth of Australia stating that there are no objections under The Australian Government's foreign investment policy and FATA to the transactions contemplated in the Agreement; or
  - (b) the expiry of the period provided under FATA during which the Treasurer may make an order for an interim order under FATA prohibiting the transactions contemplated in the Agreement; or
  - (c) if an interim order is made to prohibit the transactions contemplated in the Agreement, the subsequent period for making a final order has lapsed without any such final order being made.
- (C) The Purchaser may, in its sole and absolute discretion, waive any of the Conditions in (A) and (B) above (except for the Conditions set out in (A) (ii), (iv), (v), (viii) and (x) above which cannot be waived).
- (D) The Vendor may, at its sole and absolute discretion, waive any of the Conditions in (A) above (except for the Conditions set out in (A) (i), (iii), (v), (vi), (vii), (ix), (xi), (xii) and (xiii), and (B) above which cannot be waived).
- (E) The parties shall each use their respective best endeavours to fulfil, or procure the fulfilment of, the Conditions (to the extent such party is responsible for such fulfilment) on or before the Long Stop Date.
- (F) If any of the Conditions is not fulfilled (or waived by the Vendor or the Purchaser (as the case may be)) on or before the Long Stop Date, then the parties shall not be obliged to proceed to Completion and the following shall apply:
- (i) the Vendor shall refund in cash to the Purchaser the full amount of the Refundable Deposit together with accrued interests within 7 business days after Long Stop Date (or such other date as may be agreed by the Vendor and the Purchaser in writing); and
  - (ii) no party shall have any claim against any of the other parties, except in respect of claims arising out of any antecedent breach of any of the provisions of the Agreement.

**Completion:**

Completion shall take place on the fifth business day following the day on which the last of the Conditions being fulfilled or otherwise waived by the Purchaser and/or the Vendor.

## INFORMATION ON THE COMPANY AND THE GROUP

The Company is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The principal business of the Company is investment holding and through its subsidiaries engaged in securities trading and investments, provision of financial services, property investment and strategic investment.

## INFORMATION ON THE DISPOSED COMPANIES AND APAC

Taskwell, a company incorporated in the British Virgin Islands and directly wholly owned by the Vendor.

Rise Cheer, a company incorporated in the British Virgin Islands and directly wholly owned by the Vendor.

Taskwell and Rise Cheer are principally engaged in investment holding with an aggregate holding of 1,900,939,562 APAC Shares (which will be their sole asset upon Completion) representing approximately 27.65% of the issued share capital of APAC as at the date of the Agreement.

APAC is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. APAC is an established natural resources investment and commodity trading company. The principal business activities of APAC are primary investments; trading and investment in listed securities; and commodity trading focusing on natural resources.

## FINANCIAL INFORMATION ON TASKWELL, RISE CHEER AND APAC

### Financial Information on Taskwell and Rise Cheer

Below are the financial information of Taskwell for the two twelve months periods ended 31 December 2010 and 31 December 2009 extracted from the unaudited management accounts of Taskwell:

	<b>For the twelve months ended 31 December 2010 (unaudited) (HK\$'000)</b>	<b>For the twelve months ended 31 December 2009 (unaudited) (HK\$'000)</b>
Turnover	–	–
Profit (loss) before taxation	(4,067)	(4,572)
Profit (loss) after taxation	(4,067)	(4,572)
Net assets (liabilities)	(96,006)	(82,176)
Total assets	408,688	53,887

Below are the financial information of Rise Cheer for the two twelve months periods ended 31 December 2010 and 31 December 2009 extracted from the unaudited management accounts of Rise Cheer:

	<b>For the twelve months ended 31 December 2010 (unaudited) (HK\$'000)</b>	<b>For the twelve months ended 31 December 2009 (unaudited) (HK\$'000)</b>
Turnover	–	–
Profit (loss) before taxation	(1,560)	(4)
Profit (loss) after taxation	(1,560)	(4)
Net assets (liabilities)	(213,776)	(224,310)
Total assets	551,074	278,126

#### **Financial Information on APAC**

Below are the financial information of APAC for the two twelve months periods ended 31 December 2010 and 31 December 2009 extracted from the second interim report 2010 of APAC:

	<b>For the twelve months ended 31 December 2010 (unaudited) (HK\$'000)</b>	<b>For the twelve months ended 31 December 2009 (audited) (HK\$'000)</b>
Turnover	848,699	301,420
Profit (loss) before taxation	1,285,718	444,384
Profit (loss) after taxation	1,104,447	372,603
Net assets (liabilities)	5,068,709	2,962,014
Total assets	5,273,737	2,993,792



## **REASONS FOR THE DISPOSAL**

The Group is principally engaged in businesses of securities trading and investments, provision of financial services, property investment and strategic investment.

In April 2011, the Company was approached by the Purchaser for the possibility of acquiring the underlying APAC Shares at a price with significant premium as compared to the recent market prices of APAC Shares. Given that the shares of APAC has been trading at substantial discount to its net asset value and with no dividend payout for a prolong period of time, the Group considers the Disposal as an exit opportunity which brings in realized gain and good cash flow under the prevailing volatile financial markets, the Board believes that it is in the best interest of the Company and its Shareholders that the Disposal be entered into. The Group will continue to seek investment opportunities for the Company in order to enhance shareholder value and to diversify its revenue base.

The Directors consider that the terms of the Agreement are on normal commercial terms, which are fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL**

Following the Disposal, Taskwell and Rise Cheer will cease to be subsidiaries of Group and their financials will not be consolidated into the financial statement of the Group.

Following the Disposal, APAC will cease to be an associate of the Group and its financial results, assets and liabilities will not be equity accounted for in the financial statement of the Group.

Based on the unaudited consolidated financial statement of the Group as at 31 December 2010, the carrying value of the interest in associate – APAC is HK\$1,273,825,000 and the Disposal is expected to record an estimated realized gain of approximately HK\$199,957,000 (subject to audit) (ie. being the difference between the Consideration of HK\$1,330,657,693 and carrying value of HK\$1,273,825,000 with the realisation of previously recognised post-acquisition reserves of HK\$143,124,000 upon Disposal) for the Group.

## **USE OF PROCEEDS**

Proceeds of the Disposal are intended to be applied for investment as opportunities arise, and/or for reduction of borrowings and/or for general working capital of the Group.

## **LISTING RULES IMPLICATIONS**

As the relevant applicable Percentage Ratios as referred to in Chapter 14 of the Listing Rules exceed 75%, the Disposal constitutes a very substantial disposal under the Listing Rules and is conditional upon the approval of the Shareholders at the SGM. As at the date of this announcement, to the best knowledge of the Directors, no Shareholder will be required to abstain from voting at the SGM as no Shareholder has any interest in the Disposal which is different from other Shareholders.

A circular of the Company containing, among other things, further details of the Agreement and the transaction contemplated thereunder, together with a notice of the SGM will be despatched to the Shareholders as soon as practicable and is expected to be on or around 17 June 2011.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 25 May 2011 pending the publication of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 27 May 2011.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning when used herein:

“Agreement”	the agreement dated 24 May 2011 entered into between the Company, the Vendor, the Purchaser and the Purchaser’s Guarantor for the sale and purchase of the Taskwell Sale Share, the Rise Cheer Sale Share and the Sale Loans
“APAC”	APAC Resources Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code:1104)
“APAC Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the issued share capital of APAC
“Board”	the board of Directors
“Company”	COL Capital Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 383)
“Completion”	completion of the Disposal pursuant to the Agreement
“Conditions”	conditions precedent for completion of the Agreement as set out in the section headed “Conditions Precedent” in this announcement
“Consideration”	the total consideration payable by the Purchaser to the Vendor for the Disposal

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Taskwell Sale Share, the Rise Cheer Sale Share and the assignment of Sale Loans by the Vendor to the Purchaser
“FATA”	the Foreign Acquisitions and Takeovers Act 1975 (Commonwealth of Australia)
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who, together with his/her ultimate beneficial owner(s) is/are persons independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	24 September 2011, or such other date as may be agreed by the Vendor and the Purchaser in writing
“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“Promissory Note”	promissory note of HK\$230,657,693 to be issued by the Purchaser’s Guarantor repayable on the date falling on the expiry of 24 months from the date of Completion with interest at the prime rate of The Hongkong and Shanghai Banking Corporation Limited published in Hong Kong from time to time
“Purchaser”	New Able Holdings Limited, a third party independent of the Company and its connected person, and wholly owned by the Purchaser’s Guarantor
“Purchaser’s Guarantor”	Allied Overseas Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code:593)
“Refundable Deposit”	the refundable deposit of HK\$66,532,885 paid by the Purchaser to the Vendor under the Agreement

“Rise Cheer”	Rise Cheer Investments Limited, a company incorporated in the British Virgin Islands and wholly owned by the Vendor
“Rise Cheer Sale Share”	1 share in the issued share capital of Rise Cheer, representing its entire issued share capital
“Sale Loans”	all the interests, benefits and rights of and in the shareholder’s loans owed by Taskwell and Rise Cheer to the Vendor as at the date of Completion
“SGM”	a special general meeting of the Company to be convened and to consider and if thought fit, to approve the Agreement and the transactions contemplated therein
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taskwell”	Taskwell Limited, a company incorporated in the British Virgin Islands and wholly owned by the Vendor
“Taskwell Sale Share”	1 share in the issued share capital of Taskwell, representing its entire issued share capital
“Vendor”	Besford International Limited, a company incorporated in the British Virgin Islands and wholly owned by the Company
“Vendor’s Guarantor”	the Company
“%”	per cent

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

Hong Kong, 26 May 2011

*As at the date of this announcement, the Board comprises Ms. Chong Sok Un (Chairman), Dato’ Wong Peng Chong and Mr. Kong Muk Yin as Executive Directors; Mr. Lau Siu Ki, Mr. Ma Wah Yan and Mr. Zhang Jian as Independent Non-Executive Directors.*