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**COL Capital Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

## **MAJOR TRANSACTION RELATING TO DISPOSAL OF SUBSIDIARY**

On 6 March 2013 (after trading hours), the Vendor entered into the Agreement with the Purchaser pursuant to which the Vendor agreed to dispose of and the Purchaser agreed to acquire the entire registered capital of the Target Company for the Consideration. The Target Company is wholly-owned by the Vendor prior to the Disposal.

The Company owns 69.52% of the registered capital of the Vendor as at the date of this announcement. The Target Company is therefore an indirect non-wholly owned subsidiary of the Company.

Following the Disposal, the Target Company will cease to be a subsidiary of the Company and its result and assets and liabilities will cease to be consolidated into that of the Company.

As the relevant percentage ratios for the Disposal under Rule 14.07 of the Listing Rules exceeds 25% but is below 75%, the Disposal constitutes a major transaction for the Company and is subject to the approval of Shareholders in general meeting.

The Company has received a written approval of the Disposal from Vigor Online, which holds approximately 72.13% of the issued Shares giving the right to attend and vote at general meetings of the Company. Accordingly, no general meeting for the Shareholders' approval of the Disposal will be held pursuant to Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41 of the Listing Rules, the Company is required to despatch to the Shareholders a circular in relation to the Disposal within 15 business days (as defined under the Listing Rules) after the publication of this announcement, that is, on or before 27 March 2013. The Company may not be able to despatch the circular within such period due to the time required to prepare the relevant financial and other information to be included in the circular under the Listing Rules, in which case the Company shall make a further announcement of any expected delay in despatch of the circular in due course.

## AGREEMENT

**Date:** 6 March 2013 (after trading hours)

**Purchaser:** Liu Guang Qing

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is an Independent Third Party.

**Vendor:** Jiatai Tongren (Lianyungang) Healthcare Investment Company Limited, a direct non wholly-owned subsidiary of the Company

**Target Company:** The Target Company is a direct wholly-owned subsidiary of the Vendor prior to the Disposal.

### Assets to be disposed of:

On 6 March 2013 (after trading hours), the Vendor entered into the Agreement with the Purchaser pursuant to which the Vendor agreed to dispose of and the Purchaser agreed to acquire the entire registered capital of the Target Company for the Consideration. The Target Company is wholly-owned by the Vendor prior to the Disposal.

The Company owns 69.52% of the registered capital of the Vendor as at the date of this announcement. The Target Company is therefore an indirect non-wholly owned subsidiary of the Company.

**Consideration:** RMB250 million for the sale and purchase of the entire registered capital in the Target Company payable in the following manner:

1. Within 5 Business Days from the date of entering into the Agreement, the Vendor shall set up in its own name a joint managed account (the "**Joint Managed Account**"). The Joint Managed Account shall be jointly managed by the Vendor and the Purchaser. Within 5 Business Days of receipt of a copy of Vigor Online's written approval regarding the Disposal from the Vendor, the Purchaser or the Purchaser's nominee shall pay a deposit in the sum of RMB20 million into the Joint Managed Account (the "**Deposit**").
2. Within 10 Business Days of receipt of the Deposit, the increase of the registered capital of the Target Company from the existing RMB20 million to RMB50 million shall be duly completed by the Vendor.

3. Within 30 Business Days from the date of entering into the Agreement, the Purchaser shall pay the total sum of RMB250 million to the Vendor for the Disposal. Upon receipt of the sum of RMB250 million by the Vendor, the Vendor shall return the Deposit to the Purchaser's designated bank account on the same day.

The Consideration was arrived at on an arm's length commercial basis with reference to the prevailing market price of the PRC Lands of approximately RMB250 million. The Directors consider that the Consideration is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

**The Vendor's obligations:**

The Vendor's principal obligations are set out below:

1. The Vendor shall increase the registered capital of the Target Company from the existing RMB20 million to RMB50 million within 10 Business Days of receipt of the Deposit.
2. The Vendor shall terminate all employment contracts and lay off all existing staff (including directors appointed by the Vendor and management staff) and be responsible for settling all disputes arising as a result.

**Condition precedent:**

The Disposal will be subject to the condition precedent that within 3 Business Days of entering into the Agreement, the Company shall have received a written approval of the Disposal from Vigor Online, which holds approximately 72.13% in nominal value of the issued Shares giving the right to attend and vote at general meetings of the Company. The Vendor will procure the Company to obtain such written approval from Vigor Online within 3 Business Days of entering into the Agreement.

In the event that the above condition precedent has not been satisfied by the Company within 3 Business Days of entering into the Agreement, the Agreement shall cease without prejudice to the rights and the obligations of the parties before the termination.

**Completion:**

Completion of the registration of the transfer of registered capital of the Target Company with the relevant industrial and commerce authorities (工商登記變更手續) shall take place within 5 Business Days after the Purchaser has paid the Consideration to the Vendor.

Within 2 Business Days after completion of the said registration, the parties will complete the transfer of the Target Company.

## **INFORMATION ON THE GROUP**

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, strategic investment, investment in and operation of healthcare institutions, medical equipment and supplies trading, property development and other investments in the PRC.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company is incorporated in the PRC with limited liability, the entire registered capital of which was directly owned by the Vendor prior to the Disposal. The principal business of the Target Company was urban infrastructure development which had ceased its operation since 2008. The sole assets of the Target Company are the PRC Lands.

The following is the financial information of the Target Company as extracted from its audited financial statements for the two years ended 31 December 2010 and 2011 and the unaudited financial statements for the year ended 31 December 2012 and for the 1 month ended 31 January 2013 as provided by the Vendor, which were prepared in accordance with PRC accounting standards:

	<b>For the 1 Month ended 31 January 2013 Unaudited (RMB'000)</b>	<b>For the year ended 31 December 2012 Unaudited (RMB'000)</b>	<b>For the year ended 31 December 2011 Audited (RMB'000)</b>	<b>For the year ended 31 December 2010 Audited (RMB'000)</b>
Net profit/(loss) before tax	–	(972)	57	39
Net profit/(loss) after tax	–	(972)	57	39
Net asset value	16,081	16,081	17,053	16,997

## **REASONS FOR THE DISPOSAL**

The principal businesses of the Group are securities trading and investments, provision of financial services, property investment, strategic investment, investment in and operation of healthcare institutions, medical equipment and supplies trading, and other investments in the PRC. Given the prolonged sluggish property market in Lianyungang, PRC, the Group considers the Disposal as an opportunity for Jiatai Tongren to bring in cash flow under the volatile and uncertain market environment. The Board believes that the Disposal is in the best interest of the Company and its Shareholders as a whole. In view of the above, the Directors are of the view that the terms of the Agreement are on normal commercial terms, are fair and reasonable and the entering into of the Agreement is in the interests of the Company and its Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL**

Following the Disposal, the Target Company will cease to be a subsidiary of the Company and its result and assets and liabilities will cease to be consolidated into that of the Company.

Based on the unaudited financial statement of the Target Company as at 31 January 2013, the Disposal is expected to record an estimated loss of approximately RMB29,488,000 (subject to audit) (i.e. being the difference between the Consideration of RMB250 million, the net asset value of the Target Company of RMB16,081,000 and the shareholder loan from the Vendor of RMB263,407,000 to be waived) 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 Jiatai Tongren.

## **LISTING RULES IMPLICATIONS**

As the relevant percentage ratios for the Disposal under Rule 14.07 of the Listing Rules exceeds 25% but is below 75%, the Disposal constitutes a major transaction for the Company and is subject to the approval of Shareholders in general meeting.

The Company has received a written approval of the Disposal from Vigor Online, which holds approximately 72.13% in nominal value of the issued Shares giving the right to attend and vote at general meetings of the Company. Accordingly, no general meeting for the Shareholders' approval of the Disposal will be held pursuant to Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41 of the Listing Rules, the Company is required to despatch to the Shareholders a circular in relation to the Disposal within 15 business days (as defined under the Listing Rules) after the publication of this announcement, that is, on or before 27 March 2013. The Company may not be able to despatch the circular within such period due to the time required to prepare the relevant financial and other information to be included in the circular under the Listing Rules, in which case the Company shall make a further announcement of any expected delay in despatch of the circular in due course.

## **DEFINITIONS**

“Agreement”	the sale and purchase agreement dated 6 March 2013 entered into between the Vendor and the Purchaser for the sale and purchase of the entire registered capital of the Target Company
“Board”	the board of Directors
“Business Day”	a day other than a Saturday and Sunday on which banks in PRC are generally open for business
“Company”	COL Capital Limited (Stock Code: 383), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	RMB250 million for the sale and purchase of the entire registered capital of the Target Company
“Directors”	directors of the Company
“Disposal”	disposal of the entire registered capital of the Target Company by the Vendor to the Purchaser or the Purchaser’s nominee pursuant to the Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“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
“PRC”	the People’s Republic of China excluding Taiwan, Hong Kong and Macau
“PRC Lands”	two pieces of lands located at 連雲港開發區金橋路與昌圩路南 with site area of 66,664 sqm and 連雲港開發區花果山大道與昌圩路南 with site area of 117,600 sqm, both of which are owned by the Target Company with a term of land use rights of 70 years for residential use
“Purchaser”	Mr. Liu Guang Qing
“RMB”	Renminbi, the lawful currency of PRC
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	連雲港成泰置業有限公司, a company incorporated in the PRC with limited liability and the entire registered capital of which was directly owned by the Vendor prior to the Disposal
“Vendor or Jiatai Tongren”	Jiatai Tongren (Lianyungang) Healthcare Investment Company Limited (嘉泰同仁(連云港)醫療產業投資有限公司), a company incorporated in the PRC with limited liability and 69.52% of the registered capital was owned by the Company as at the date of this announcement

“Vigor Online”

Vigor Online Offshore Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling Shareholder holding 391,125,707 Shares representing approximately 72.13% of the entire issued share capital of the Company as at the date of this announcement

“%”

per cent.

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

Hong Kong, 6 March 2013

*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; and Mr. Lau Siu Ki, Mr. Ma Wah Yan and Mr. Zhang Jian as Independent Non-Executive Directors.*