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COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

**CONNECTED TRANSACTION
IN RELATION TO DISPOSAL OF
AN INDIRECT NON WHOLLY-OWNED SUBSIDIARY**

The Board announces that on 4 September 2013 (after trading hours), Tongren, an indirect non wholly-owned subsidiary of the Company, and Huaying entered into the Agreement pursuant to which, among other things, Tongren conditionally agreed to sell and Huaying conditionally agreed to purchase the Equity Interest.

As confirmed by Huaying and so far as the Directors are aware, 57.25% of the entire registered capital of Huaying is beneficially and indirectly owned by a director of Jiatai Tongren, a direct non wholly-owned subsidiary of the Company, and certain subsidiaries of Jiatai Tongren Group. Therefore, Huaying is a connected person of the Company and accordingly, the Agreement constitutes a connected transaction of the Company under the Listing Rules.

As the relevant percentage ratios under the Listing Rules exceed 0.1% but are under 5%, the Agreement does not constitute a notifiable transaction for the Company and is only subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Board announces that on 4 September 2013 (after trading hours), Tongren, an indirect non wholly-owned subsidiary of the Company, and Huaying entered into the Agreement pursuant to which, among other things, Tongren conditionally agreed to sell and Huaying conditionally agreed to purchase the Equity Interest.

The principal terms of the Agreement are summarised as follows:

AGREEMENT

Date

4 September 2013 (after trading hours)

Parties

Tongren as the vendor

Huaying as the purchaser

Equity Interest to be disposed of

65% of the registered and paid up capital of Dongying Tongren representing the entire equity interest Tongren held in Dongying Tongren as at the date of this announcement.

Disposal

Within 3 days after the fulfillment of the conditions precedent of the Agreement, the parties to the Agreement shall enter into the SPA in respect of Tongren's sale of Equity Interest to Huaying at a consideration of RMB13,000,000. Out of the Equity Interest, 10% of the registered and paid up capital of Dongying Tongren will be held by Tongren on trust for Huaying for a period of 5 years from the date of entering into the related trust agreement. Upon expiry of the 5 years period, Tongren shall transfer the 10% of the registered and paid up capital of Dongying Tongren to Huaying or its nominee.

Consideration

The consideration for the Disposal is RMB13,000,000 payable in cash within 5 days of the execution of the SPA and the trust agreement for the holding of 10% of the registered and paid up capital of Dongying Tongren.

The consideration was determined after arm's length negotiations between the parties to the Agreement with reference to:

- (a) the amount of registered capital of Dongying Tongren paid up by Tongren;
- (b) the management contract described below in the section headed "Management Contract and Consulting Service"; and
- (c) the consulting fees described below in the section headed "Management Contract and Consulting Service".

Conditions precedent

Completion of the Disposal is conditional upon:

- (i) the Company having obtained the relevant approval, if applicable, under the Listing Rules in respect of transactions contemplated under the Agreement; and

- (ii) the Company having obtained the approval from the Shareholders, if applicable, in respect of the Agreement and the transactions contemplated thereunder.

Tongren shall fulfill the conditions precedent within 7 days after entering into the Agreement.

Contribution of outstanding registered capital and raising working capital

After the transfer of 55% of the registered and paid up capital of Dongying Tongren to Huaying, Huaying shall:

- (a) pay up the outstanding registered capital corresponding to the Equity Interest within the required time limit; and
- (b) be responsible together with the other shareholder for raising necessary working capital for the operation of Dongying Tongren, Tongren shall not be responsible for it.

Management Contract and consulting service

After Tongren's transfer of 55% of the registered and paid up capital of Dongying Tongren to Huaying ("**Transfer**"), Huaying agrees to procure Dongying Tongren's shareholders and board of directors to pass resolutions approving that:

- (1) Within 5 years after the completion of the Transfer, Tongren shall provide to Dongying Tongren consulting service in respect of brand building, planning and design of Dongying Tongren Hospital, guidance on development, elderly care services and medical consultation, etc. for an aggregate management fee of RMB10,000,000. Within six months after the completion of the Transfer, Dongying Tongren shall pay Tongren the management fee of RMB5,000,000 and within one and a half years after the completion of the Transfer, Dongying Tongren shall pay Tongren the remaining management fee of RMB5,000,000.
- (2) Dongying Tongren shall enter into the Management Contract with Tongren pursuant to which Dongying Tongren will engage Tongren to manage Dongying Tongren Hospital for a period of 5 years from the commencement of operation of the hospital with a profit sharing scheme that within the engagement period, if Dongying Tongren Hospital makes profit, then Dongying Tongren and Tongren will share the profit in the ratio of 4:6; if it makes loss, then the amount of loss shall be borne by Dongying Tongren.

Change of board of Dongying Tongren

After the Transfer, the board of directors of Dongying Tongren will comprise one director appointed by Tongren, 3 directors appointed by Huaying and the remaining 2 directors appointed by the other shareholder. Huaying will appoint senior management staff to replace the same originally appointed by Tongren but Tongren will retain the right to appoint a supervisor. The director and supervisor to be appointed by Tongren have to be agreed in advance by Huaying. If Huaying disagrees on the appointment, it must give reasonable ground and Tongren will appoint another candidate.

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 and development, investment in and management and operation of healthcare and hospital businesses, trading of medical equipment and related supplies and strategic investment.

INFORMATION ON TONGREN

The principal business of Tongren is property investment and development, investment in and management and operation of healthcare and hospital businesses, trading of medical equipment and related supplies and strategic investment.

INFORMATION ON HUAYING

As confirmed by Huaying, the principal business of Huaying is property development, manufacturing and trading of electronic and machinery, trading of petrochemical, minerals and building material, etc..

INFORMATION ON THE DONGYING TONGREN

Dongying Tongren is a limited company established on 24 February 2012 in Dongying of the Shangdong Province, the PRC and a direct non wholly-owned subsidiary of Tongren. Dongying Tongren principally engages in the investment in and management and operation of medical and health institution and nursing and health care community centre. Its only investment as at the date of this announcement is the 東營同仁國際健康城 (Dongying Tongren International Health Centre*) project, which is still in preliminary planning stage, in Dongying of the Shangdong Province, the PRC.

The registered capital of Dongying Tongren is RMB100,000,000. Tongren holds 65% of the registered capital of Dongying Tongren. As at the date of this announcement, RMB20,000,000 of the registered capital has been paid up, out of which Tongren contributed RMB13,000,000. Dongying Tongren's outstanding registered capital in the amount of RMB80,000,000 should be paid up before 24 February 2014.

The following is the financial information of Dongying Tongren as extracted from its audited financial statements for the period ended 31 December 2012 and unaudited management accounts for the seven months ended 31 July 2013, which were prepared in accordance with PRC accounting standards:

	For the period ended 31 July 2013 Unaudited (RMB\$'000)	For the period ended 31 December 2012 Audited (RMB'000)
Net loss before tax	1,448	921
Net loss after tax	1,448	921
Net asset value	17,631	19,079

REASONS FOR AND BENEFITS OF THE AGREEMENT

The Group considers the Disposal an opportunity to recuperate the initial capital contributed to Dongying Tongren resulting in cash inflow and continue to participate in the projects of Dongying Tongren through the provision of management and consulting services in areas such as brand building, planning and design of Dongying Tongren Hospital, guidance on development, elderly care services and medical consultation services and the management of Dongying Tongren Hospital generating revenues in form of management fee and profit sharing.

The Directors believe that the Disposal is on normal commercial terms, the terms of the Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

No Director has a material interest or abstained from voting on the Board resolutions in respect of the Agreement and the transactions contemplated thereunder.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the unaudited management accounts of Dongying Tongren as at 31 July 2013, the attributable share of net asset value of the Equity Interest is about RMB11,460,000, the Disposal is expected to record an estimated gain of approximately RMB1,540,000 (subject to audit) (i.e. being the difference between the consideration and the attributable share of net asset value of the Equity Interest).

Upon completion of the Disposal, the Group will cease to hold the registered capital of Dongying Tongren other than Tongren holding 10% of the registered capital of Dongying Tongren on trust for Huaying and Dongying Tongren will therefore cease to be a subsidiary of the Company and its financial results, assets and liabilities will no longer be consolidated into the Group's financial statements.

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 confirmed by Huaying and so far as the Directors are aware, 57.25% of the entire registered capital of Huaying is beneficially and indirectly owned by a director of Jiatai Tongren, a direct non wholly-owned subsidiary of the Company, and certain subsidiaries of Jiatai Tongren Group. Therefore, Huaying is a connected person of the Company and accordingly, the Agreement constitutes a connected transaction of the Company under the Listing Rules.

As the relevant percentage ratios under the Listing Rules exceed 0.1% but are under 5%, the Agreement does not constitute a notifiable transaction for the Company and is only subject to the reporting and announcement requirements but is exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

“Agreement”	the agreement dated 4 September 2013 entered into between Tongren and Huaying in respect of, among other things, the Disposal
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of the Equity Interest by Tongren to Huaying pursuant to the Agreement
“Dongying Tongren”	東營同仁國際健康城投資有限公司(Dongying Tongren International Health Centre Investment Company Limited*), a limited company established in the PRC and a direct non wholly-owned subsidiary of Tongren wherein Tongren holds 65% of its registered capital

“Dongying Tongren Hospital”	the hospital to be built, developed and owned by Dongying Tongren
“Equity Interest”	65% of the registered and paid up capital of Dongying Tongren representing the entire equity interest Tongren held in Dongying Tongren as at the date of this announcement
“Group”	the Company and its subsidiaries
“Huaying”	華盈置地集團有限公司(Huaying Land Group Company Limited*), a limited company established in the PRC
“Independent Shareholders”	has the meaning ascribed to its under the Listing Rules
“Jiatai Tongren”	嘉泰同仁(連雲港)醫療產業投資有限公司 (Jiatai Tongren (Lianyungang) Healthcare Investment Company Limited*), a limited company established in the PRC and a direct non wholly-owned subsidiary of the Company wherein the Company holds approximately 60.52% of its registered capital
“Jiatai Tongren Group”	Jiatai Tongren and its subsidiaries from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Contract”	the management contract Huaying agrees to procure Dongying Tongren to enter into with Tongren after Tongren’s transfer of 55% of the registered and paid up capital of Dongying Tongren to Huaying pursuant to which Dongying Tongren will engage Tongren to manage Dongying Tongren Hospital
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SPA”	agreement to be entered into between Tongren and Huaying within 3 days after the fulfillment of the conditions precedent of the Agreement pursuant to which Tongren shall conditionally sell and Huaying shall conditionally purchase the Equity Interest
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Tongren”	同仁醫療產業集團有限公司 (Tongren Healthcare Industry Group Company Limited*), a limited company established in the PRC and an indirect non wholly-owned subsidiary of Jiatai Tongren wherein Jiatai Tongren effectively owns approximately 86.69% of its registered capital
“%”	percentage

* *the English name is translation of the official Chinese name for identification purpose only*

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

Hong Kong, 4 September 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.