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COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

**MAJOR TRANSACTION
RELATING TO THE PROVISION OF LOAN**

A letter from the Board is set out on pages 6 to 13 of this circular.

24 September 2010

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DEFINITIONS

In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:

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| “Announcement” | the announcement of the Company dated 31 August 2010 in relation to the provision of the Loan |
| “Board” | the board of Directors |
| “Borrower” | Mr. He Peng, an Independent Third Party |
| “Business Hotel” | Beijing Beihu No.9 Business Hotel Co. Ltd. (北京北湖九號商務酒店有限公司), a company incorporated in the PRC and wholly and beneficially owned by Huanle Shidai |
| “Business Hotel Pledge Agreements” | pledge agreements executed by Huanle Shidai and Huanle Shidai’s trustee as pledgors in favour of the Lender by way of first legal charge over the respective 90% and 10% of the total registered capital of Business Hotel |
| “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 |
| “Debentures” | collectively the Smart Title Debenture and the Power Progress Debenture |
| “Deeds of Assignment and Subordination” | collectively the Smart Title Deed of Assignment and Subordination and the Power Progress Deed of Assignment and Subordination |
| “Directors” | the directors of the Company |
| “Golf Club” | Beijing Beihu International Golf Club Co. Ltd. (北京北湖國際高爾夫俱樂部有限公司), a company incorporated in the PRC and wholly and beneficially owned by Recreation Centre |

DEFINITIONS

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| “Golf Club Pledge Agreement” | a pledge agreement executed by Recreation Centre as pledgor in favour of the Lender by way of a first legal charge over 70% of the entire registered capital of Golf Club |
| “Group” | the Company and its subsidiaries |
| “Huanle Shidai” | Huanle Shidai Culture Development (Beijing) Co. Ltd. (歡樂時代文化發展(北京)有限公司), a company incorporated in the PRC and wholly and beneficially owned by Nengrong |
| “Huanle Shidai Pledge Agreement” | a pledge agreement executed by Nengrong as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Huanle Shidai |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Independent Third Party” | party who, together with his/her ultimate beneficial owner(s) is/are persons independent of the Company and its connected persons |
| “Latest Practicable Date” | 20 September 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular |
| “Lender” | Join Capital Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned indirect subsidiary of the Company |
| “Listing Rules” | The Rules Governing the Listing of Securities on Stock Exchange |
| “Loan” | the secured loan facility of a principal amount of up to HK\$255 million granted by the Lender to the Borrower pursuant to the terms of the Loan Facility Letter and the Loan Agreement |

DEFINITIONS

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| “Loan Facility Letter” | the loan facility letter dated 31 August 2010 and entered into between the Lender and the Borrower relating to the granting of the Loan |
| “Loan Agreement” | the loan agreement dated 9 September 2010 and entered into between the Lender and the Borrower pursuant to the Loan Facility Letter |
| “Nengrong” | Nengrong Culture Development (Beijing) Co. Ltd. (能榮文化(北京)有限公司), a company incorporated in the PRC and wholly and beneficially owned by Power Progress |
| “Nengrong Pledge Agreement” | a pledge agreement executed by Power Progress as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Nengrong |
| “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 |
| “Pledge Agreements” | collectively the Nengrong Pledge Agreement, Huanle Shidai Pledge Agreement, the Business Hotel Pledge Agreements, Recreation Centre Pledge Agreement and Golf Club Pledge Agreement |
| “Power Progress” | Power Progress Limited, a company incorporated in Hong Kong and wholly and beneficially owned by Smart Title |
| “Power Progress Debenture” | a debenture created by Power Progress in favour of the Lender by way of a first fixed and floating charge over all the undertakings, properties and assets and rights of Power Progress |
| “Power Progress Deed of Assignment and Subordination” | a deed of assignment and subordination executed by the Borrower, Smart Title and Power Progress in favour of the Lender |
| “Power Progress Share Charge” | a share charge executed by Smart Title in favour of the Lender by way of a first legal charge over the entire issued share capital of Power Progress |

DEFINITIONS

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| “PRC” | the People’s Republic of China |
| “Recreation Centre” | Beijing Beihu Recreation Centre Co. Ltd. (北京北湖球藝休閒中心有限公司), a company incorporated in the PRC and wholly and beneficially owned by Business Hotel |
| “Recreation Centre Pledge Agreement” | a pledge agreement executed by Business Hotel as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Recreation Centre |
| “Security Documents” | collectively the Share Charges, the Pledge Agreements, the Debentures and the Deeds of Assignment and Subordination |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “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 |
| “Share Charges” | collectively the Smart Title Share Charge and the Power Progress Share Charge |
| “Smart Title” | Smart Title Limited, a company incorporated in the British Virgin Islands and wholly and beneficially owned by the Borrower |
| “Smart Title Debenture” | a debenture created by the Smart Title in favour of the Lender by way of a first fixed and floating charge over all the undertakings, properties and assets and rights of Smart Title |
| “Smart Title Deed of Assignment and Subordination” | a deed of assignment and subordination executed by the Borrower and Smart Title in favour of the Lender |

DEFINITIONS

| | |
|----------------------------|--|
| “Smart Title Share Charge” | a share charge executed by the Borrower in favour of the Lender by way of a first legal charge over the entire issued share capital of Smart Title |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vigor Online” | Vigor Online Offshore Limited, a company incorporated in the British Virgin Islands and a controlling Shareholder holding 390,325,707 Shares, representing approximately 70.11% of the entire issued share capital of the Company, as at the Latest Practicable Date |
| “%” | per cent |

LETTER FROM THE BOARD



COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

Executive Directors:

Ms. Chong Sok Un (*Chairman*)

Dato' Wong Peng Chong

Mr. Kong Muk Yin

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Independent Non-executive Directors:

Mr. Lo Wai On

Mr. Lau Siu Ki

Mr. Zhang Jian

*Head office and principal place of
business in Hong Kong:*

47th Floor

China Online Centre

333 Lockhart Road

Wan Chai

Hong Kong

24 September 2010

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION RELATING TO THE PROVISION OF LOAN

This circular is despatched to Shareholders for information purpose only. As no general meeting will be convened for approving the making of the Loan as Vigor Online, the controlling Shareholder holding 390,325,707 Shares, representing approximately 70.11% of the issued share capital of the Company as at the date of the Loan Facility Letter, has already provided a written approval of the making of the Loan. Furthermore, as no Shareholder has material interest in the Loan which is different from other Shareholders, no Shareholder would be required to abstain from voting in respect of the making of the Loan if a general meeting were convened for approving the making of the Loan.

LETTER FROM THE BOARD

INTRODUCTION

As disclosed in the Announcement, on 31 August 2010 (after trading hours), the Lender, a wholly-owned indirect subsidiary of the Company, entered into the Loan Facility Letter with the Borrower, pursuant to which the Lender has agreed to lend to the Borrower a loan facility of principal amount of HK\$255 million for a term of 6 months. It is a condition of the Lender granting the Loan that the Borrower has entered into the Loan Agreement and the Security Documents. The Loan is secured by (i) the Smart Title Share Charge; (ii) the Power Progress Share Charge; (iii) the Nengrong Pledge Agreement; (iv) the Huanle Shidai Pledge Agreement; (v) the Business Hotel Pledge Agreements; (vi) the Recreation Centre Pledge Agreement; (vii) the Golf Club Pledge Agreement; (viii) the Debentures; and (ix) the Deeds of Assignment and Subordination.

As the relevant Percentage Ratios for the making of the Loan under Rule 14.07 exceeds 25% but is below 100%, the granting of the Loan constitutes a major transaction for the Company and is subject to approval by Shareholders. The Company has obtained a written shareholder's approval for the Loan from Vigor Online which holds approximately 70.11% of the total issued share capital of the Company as at the date of the Loan Facility Letter. Accordingly, no general meeting for the Shareholders' approval of the Loan will be held.

The purpose of this circular is to provide you with, among other things, the details of the Loan.

THE LOAN AGREEMENT

| | |
|------------------|---|
| Date: | 9 September 2010 |
| Lender: | Join Capital Limited, a company incorporated in Hong Kong and a wholly-owned indirect subsidiary of the Company |
| Borrower: | Mr. He Peng |

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Borrower is an Independent Third Party not connected with the Company and connected persons of the Company.

LETTER FROM THE BOARD

Principal terms of the Loan Agreement

| | |
|--------------------------------------|--|
| Principal Amount of the Loan: | HK\$255 million |
| Term: | 6 months |
| Purpose: | The Loan shall only be applied and used by the Borrower for his own use but shall not be used in any ways to facilitate the acquisition of securities listed on any stock exchange and/or the continued holding of those securities, whether or not those or other securities are pledged as security for the Loan and/or applied in such ways so as to render the provision of the Loan by the Lender to the Borrower to be within the definition of “securities margin financing” under the SFO. In any event, the Lender shall not be responsible for overseeing the ways in which the Borrower expends the Loan. |
| Interest: | 2% per month and payable monthly in arrears |
| Security Documents: | (1) Share Charges (2) Pledge Agreements (3) Debentures (4) Deeds of Assignment and Subordination |

The Share Charges

The Share Charges comprise of:–

- (1) the Smart Title Share Charge executed by the Borrower in favour of the Lender by way of a first legal charge over the entire issued share capital of Smart Title; and
- (2) the Power Progress Share Charge executed by Smart Title in favour of the Lender by way of a first legal charge over the entire issued share capital of Power Progress.

LETTER FROM THE BOARD

The Pledge Agreements

The Pledge Agreements comprise of:

- (1) the Nengrong Pledge Agreement executed by Power Progress as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Nengrong, a company incorporated in the PRC and wholly and beneficially owned by Power Progress. Nengrong is principally engaged in investment holding in the PRC;
- (2) the Huanle Shidai Pledge Agreement executed by Nengrong as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Huanle Shidai, a company incorporated in the PRC and wholly and beneficially owned by Nengrong. Huanle Shidai is principally engaged in investment holding in the PRC;
- (3) the Business Hotel Pledge Agreements executed by Huanle Shidai and Huanle Shidai's trustee as pledgors in favour of the Lender by way of first legal charge over the respective 90% and 10% of the total registered capital of Business Hotel, a company incorporated in the PRC and wholly and beneficially owned by Huanle Shidai. Business Hotel is principally engaged in the operating of the club namely, the Bayhood No.9 in Beijing, the PRC;
- (4) the Recreation Centre Pledge Agreement executed by Business Hotel as pledgor in favour of the Lender by way of a first legal charge the entire registered capital of Recreation Centre, a company incorporated in the PRC and wholly and beneficially owned by Business Hotel. Recreation Centre is principally engaged in investment holding in the PRC; and
- (5) the Golf Club Pledge Agreement executed by Recreation Centre as pledgor in favour of the Lender by way of a first legal charge over the 70% of the total registered capital of Golf Club, a company incorporated in the PRC and beneficially owned by Recreation Centre as to 70%. Golf Club is principally engaged in the provision of golf club facilities and related services in the PRC.

The Share Charges and the Pledge Agreements include provisions that the Lender shall have the rights, among other things, to dispose of and/or transfer to itself the shares and interest in the registered capital of the companies charged/pledged in favour of it under the Share Charges and Pledge Agreements upon the occurrence of an event of default or upon the occurrence of any event which may lead to a default by the Borrower under the Loan Agreement.

LETTER FROM THE BOARD

The Debentures

The Debentures comprise of:-

- (1) the Smart Title Debenture created by the Smart Title in favour of the Lender by way of a first fixed and floating charge over all the undertakings, properties and assets and rights of Smart Title; and
- (2) the Power Progress Debenture created by the Power Progress in favour of the Lender by way of a first fixed and floating charge over all the undertakings, properties and assets and rights of Power Progress.

The Debentures include provisions that the Lender, as a chargee, shall have the rights, among other things, to dispose of and/or take possession of the undertakings, properties and assets and rights of Smart Title and Power Progress charged in favour of it under the Debentures upon the occurrence of an event of default or upon the occurrence of any event which may lead to a default by the Borrower.

Deeds of Assignment and Subordination

The Deeds of Assignment and Subordination comprise of:-

- (1) the Smart Title Deed of Assignment and Subordination executed by the Borrower and Smart Title in favour of the Lender; and
- (2) the Power Progress Deed of Assignment and Subordination executed by the Borrower, Smart Title and Power Progress in favour of the Lender.

The Deeds of Assignment and Subordination were executed by the Borrower, Smart Title and Power Progress in favour of the Lender pursuant to which the Borrower as assignor assigns and agrees to assign to the Lender, as a continuing security for the discharge of the repayment obligation of the Borrower, all its rights in and to: (i) the moneys presently due or owing by Smart Title and Power Progress to the Borrower and any amount as may be lent or advanced by the Borrower to Smart Title and Power Progress thereafter from time to time (the “Subordinated Loan”); and (ii) all moneys (excluding the Subordinated Loan) which the Borrower is now or may become entitled to receive from Smart Title and Power Progress.

The Deeds of Assignment and Subordination include provisions that the Lender may declare all or any of the security created by the Deeds of Assignment and Subordination immediately enforceable at any time upon the occurrence of an event of default or upon the occurrence of any event which may lead to a default by the Borrower under the Loan Agreement.

LETTER FROM THE BOARD

Repayment:

The Borrower shall repay the Loan in full on the last day of the 6-month period following the date on which the Loan is drawn.

Other terms:

The Borrower shall pay to the Lender a non-refundable front-end fee of HK\$5 million.

The Borrower has covenanted and undertaken with the Lender that it shall enter into and shall procure the entering into such other mortgage, charge, pledge, debenture, corporate or personal guarantee or any other securities as a continuing securities as required or demanded by the Lender in its absolute and sole discretion from time to time.

The terms of the Loan Agreement and the Security Documents were arrived at after arm's length negotiations between the Lender and the Borrower. The Lender is a licensed money lender and its principal activity is provision of financial services. The provision of the Loan is a transaction carried out as part of the ordinary and usual course of business activities of the Lender. The entire amount of the Loan is funded by borrowings from financial institutions. The terms of the Loan including the interest rate and the front end fee were determined with reference to the commercial practice and the terms of doing business of those companies engaging in money lending business in Hong Kong. The Directors consider that the transactions contemplated by the Loan Agreement is on normal commercial terms and the terms of the Loan Agreement and the Security Documents are fair and reasonable and are in the interests of the Company and its shareholders as a whole having (a) considered the current market norm in relation to similar transactions; (b) assessed the value of securities provided by the Borrower under the Share Charges, Pledge Agreements, Debentures and Deeds of Assignment and Subordination which is sufficient as collateral to the Loan; and (c) taken into account the lower costs of borrowing to be paid by the Company. As such, the Company will receive monetary benefits, representing the difference between the costs of borrowing and interest to be received, in providing the Loan.

If upon the exercise of the Lender's rights under the Security Documents constitutes a notifiable transaction for the Company, the Company will comply with such disclosure requirements as required by Chapter 14 of the Listing Rules.

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 strategic investment.

LETTER FROM THE BOARD

Information on the Borrower

As advised and confirmed by the Borrower, the Borrower is a legal and beneficial owner of the entire issued share capital of Smart Title. The sole asset of Smart Title is its investment in Power Progress.

As advised and confirmed by the Borrower, Power Progress is a legal and beneficial owner of the entire registered capital of Nengrong, a company principally engaged in investment holding in the PRC. Nengrong is a legal and beneficial owner of the entire registered capital of Huanle Shidai, a company principally engaged in investment holding in the PRC. Huanle Shidai is a legal and beneficial owner of the entire registered capital of Business Hotel, a company principally engaged in the operating of the club namely the Bayhood No. 9 in Beijing, in the PRC. Business Hotel is a legal and beneficial owner of the entire registered capital of Recreation Centre, a company principally engaged in investment holding in the PRC. Recreation Centre is a legal and beneficial owner of 70% interest in the total registered capital of Golf Club, a company principally engaged in the provision of golf club facilities and related services in the PRC.

Reasons for provision of the Loan

The Lender is a licensed money lender and its principal activity is provision of financial services. The provision of the Loan is a transaction carried out as part of the ordinary and usual course of business activities of the Lender and will provide interest income to the Lender.

The Loan will be recorded as loan receivable under current asset of the Group.

As a result of the granting of the Loan, the loan receivables and borrowings of the Group had been increased. The receipts of interest income and front end fee will increase the revenue and the earnings of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant Percentage Ratios for the making of the Loan exceeds 25% but is below 100%, the granting of the Loan constitutes a major transaction of the Company pursuant to Chapter 14 of the Listing Rules. The granting of the Loan is subject to approval by Shareholders. The Company has obtained a written shareholder's approval for the Loan from Vigor Online which holds approximately 70.11% of the total issued share capital of the Company as at the date of the Loan Facility Letter. Accordingly, no general meeting for the Shareholders' approval of the Loan will be held. As no Shareholder has a material interest in the Loan which is different from other shareholders of the Company, no Shareholder is required to abstain from the voting in respect of the Loan.

LETTER FROM THE BOARD

FUTURE PROSPECTS OF THE GROUP

During the first half of 2010, the weaker-than-expected global recovery and the gloomy economic outlook of major western countries continued to adversely affect market sentiments. The euro-zone sovereign debt crisis, the faltering economic recovery in the US and the concern over the asset bubble in the PRC weighed on consumer confidence and fueled the volatility of the financial markets. The weakness of the global financial markets and the prolonged uncertain economic outlook is expected to continue into the second half of 2010. The Group will remain cautious in its investment approach and strategy. Although the situation will be difficult and volatile, the Group, however, believes that there will still be attractive investment opportunities available in the China, Hong Kong and the Asia Pacific region as companies and businesses will become more grossly undervalued as a result of such weak market sentiment. The Group will continue to seek and identify such opportunities to enhance value for shareholders.

RECOMMENDATION

Although no general meeting will be convened for approving the making of the Loan, the Board considers that the transactions contemplated by the Loan Agreement and the Security Documents are on normal commercial terms and the terms of the Loan Agreement and the Security Documents are fair and reasonable and are in the interests of the Company and its shareholders taken as a whole. Accordingly, if a general meeting were convened for approving the making of the Loan, the Board would have recommended the Shareholders to vote in favour of the making of the Loan.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

By Order of the Board
COL CAPITAL LIMITED
Chong Sok Un
Chairman

1. FINANCIAL INFORMATION

The financial information of the Group for:–

- (a) the 6-month period ended 30 June 2010 (unaudited) is disclosed in the Company's 2010 interim report published on 26 August 2010 on pages 1 to 26;
- (b) the year ended 31 December 2009 is disclosed in the Company's 2009 annual report published on 13 April 2010 on pages 25 to 102;
- (c) the year ended 31 December 2008 is disclosed in the Company's 2008 annual report published on 23 April 2009 on pages 26 to 90; and
- (d) the year ended 31 December 2007 is disclosed in the Company's 2007 annual report published on 8 April 2008 on pages 26 to 88.

All of them have been published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (<http://www.irasia.com/listco/hk/colcapital/>).

2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 August 2010, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding securities margin loans of approximately HK\$1,089,143,000, term loan of HK\$150,000,000 and convertible bonds liabilities with principal value of HK\$236,000,000 (the carrying amounts of convertible bonds is approximately HK\$220,091,000). As at 31 August 2010, the Group's investments held for trading, available-for-sale investments and securities brokers house deposits with respective carrying values of approximately HK\$1,468,029,000, HK\$283,683,000 and HK\$491,000 were pledged to securities brokers houses to secure short term credit facilities granted to the Group. The securities margin loans were secured by the Group's pledged marketable securities and securities broker house deposits.

Save as aforesaid, and apart from intra-group liabilities, the Group did not have outstanding at the close of business on 31 August 2010 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, hire purchase commitments charges, guarantees or other material contingent liabilities.

3. CONTINGENT LIABILITIES

- (a) In respect of the disposal of a subsidiary in prior years, the Group has given an indemnity to the purchaser against all liabilities, losses, costs and expenses suffered and/or incurred by the purchaser in relation to or arising out of the assignment of certain of the subsidiary's business contracts.

- (b) In 1997, the Group had given a counter-indemnity to a former substantial shareholder and the ex-chairman of PCCW Limited (formerly known as Tricom Holdings Limited ("Tricom")), and Chambord Investment Inc. in respect of certain indemnities given to Tricom at the time of and to facilitate the listing of Tricom's shares on the Stock Exchange. These indemnities related to the use of the Tricom tradename, the infringement of the permitted use of properties, the guarantees granted to Tricom to secure banking facilities and tax liabilities.

The Directors consider it is not possible to estimate the financial effect of the indemnities and warranty given.

4. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the Group's existing cash and bank balances, the present available credit facilities and margin loan facilities and the expected internally generated funds, the Group has sufficient working capital for its present requirement for the next twelve months from the date of this circular.

5. LITIGATION

The material litigations/claims of the Group as at 31 December 2009 are disclosed in the paragraph headed "Litigation" in Appendix II. Save as aforesaid, the Group had no other material litigation as at the Latest Practicable Date.

6. MATERIAL CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2009, being the date to which the latest published audited accounts of the Group were made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' interests

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to in such provisions of the SFO; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules to be notified to the Company and the Stock Exchange:

Long Position in the Shares

| Name of Director | Capacity | Number of Shares held | Approximate % |
|-----------------------------------|--|-----------------------------|---|
| | | | of interest held over all issued Shares |
| Ms. Chong Sok Un ("Ms. Chong") | Interest held by controlled corporation | 390,325,707 (<i>Note</i>) | 70.11% |

Note: Vigor Online Offshore Limited, a wholly-owned subsidiary of China Spirit Limited ("China Spirit"), owns 390,325,707 Shares. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interest in these 390,325,707 Shares.

(b) Substantial Shareholders' interests

Save as disclosed below, the Directors and the chief executive of the Company were not aware that there was any person who, as at the Latest Practicable Date, had an interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed under provisions of Division 2 and 3 of Part XV of the SFO, or who, as at the Latest Practicable Date, was directly and indirectly interested in ten per cent. or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Group.

Long Position in the Shares and underlying shares of the Company

| Name | Capacity | Number of Shares or underlying shares held | Approximate % of interest held over issued Shares |
|---|--|---|--|
| Ms. Chong Sok Un (Ms. Chong) | Held by controlled corporation (<i>Note 1</i>) | 390,325,707 | 70.11% |
| China Spirit Limited ("China Spirit") | Held by controlled corporation (<i>Note 1</i>) | 390,325,707 | 70.11% |
| Vigor Online Offshore Limited ("Vigor Online") | Beneficial owner (<i>Note 1</i>) | 390,325,707 | 70.11% |
| Ma Hongyi ("Mr. Ma") | Beneficial owner (<i>Note 2</i>) | 240,000,000 | 43.53% |
| Lee and Lee Trust | Held by controlled corporation (<i>Note 3</i>) | 266,666,666 | 47.90% |
| Allied Group Limited ("Allied Group") | Held by controlled corporation (<i>Note 4</i>) | 266,666,666 | 47.90% |
| Allied Properties (H.K.) Limited ("Allied Properties") | Held by controlled corporation (<i>Note 5</i>) | 266,666,666 | 47.90% |
| AP Jade Limited ("AP Jade") | Held by controlled corporation (<i>Note 5</i>) | 266,666,666 | 47.90% |
| AP Emerald Limited ("AP Emerald") | Held by controlled corporation (<i>Note 5</i>) | 266,666,666 | 47.90% |

| Name | Capacity | Number of Shares or underlying shares held | Approximate % of interest held over issued Shares |
|---|--|--|---|
| Sun Hung Kai & Co. Limited ("SHK & Co.") | Held by controlled corporation (<i>Note 6</i>) | 266,666,666 | 47.90% |
| Sun Hung Kai Securities Limited ("SHK Securities") | Held by controlled corporation (<i>Note 7</i>) | 266,666,666 | 47.90% |
| Sun Hung Kai Structured Finance Limited ("SHK Structured Finance") | Held as security interest and beneficial owner (<i>Note 8</i>) | 266,666,666 | 47.90% |

Notes:

- Vigor Online, a wholly-owned subsidiary of China Spirit, owns 390,325,707 Shares. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interest in 390,325,707 Shares.
- Mr. Ma has beneficial interest in HK\$180,000,000 convertible bonds of the Company convertible into 240,000,000 Shares.
- Mr. Lee Seng Hui, Ms. Lee Su Hwei and Mr. Lee Seng Huang are the trustees of Lee and Lee Trust, being a discretionary trust. They together own approximately 52.40% interest in the issued share capital of Allied Group and are therefore deemed to have the same interest held by Allied Group.
- Allied Group owns approximately 74.36% interest in the issued share capital of Allied Properties and is therefore deemed to have the same interest held by Allied Properties.
- Through AP Jade and AP Emerald, direct and indirect wholly-owned subsidiaries of Allied Properties respectively, Allied Properties owns approximately 62.31% interest in the issued share capital of SHK & Co. and is therefore deemed to have the same interest held by SHK & Co.
- SHK & Co. is deemed to have interest in HK\$200,000,000 convertible bonds of the Company convertible into 266,666,666 Shares through its 100% interest in SHK Securities.
- SHK Securities is deemed to have interest in HK\$200,000,000 convertible bonds of the Company convertible into 266,666,666 Shares through its 100% interest in SHK Structured Finance.
- SHK Structured Finance owns HK\$200,000,000 convertible bonds of the Company convertible into an aggregate of 266,666,666 Shares in which (i) HK\$180,000,000 convertible bonds convertible into 240,000,000 Shares are held as security interest; and (ii) HK\$20,000,000 convertible bonds convertible to 26,666,666 Shares are held as beneficial interest.

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors and their respective associates were considered to have interests in businesses apart from the Group's businesses which compete, or are likely to compete, either directly or indirectly, with the businesses of the Group pursuant to Rule 8.10 of the Listing Rules.

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2009 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

5. DIRECTORS' SERVICE CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which does not expire or is not terminable by such member of the Group within one year without payment of compensation (other than statutory compensation).
- (b) There are no service contracts in force between any Director and the Company or any of its subsidiaries or associated companies which are continuous contracts with a notice period of 12 months or more.
- (c) There are no service contracts in force between any Director and the Company or any of its subsidiaries or associated companies which are fixed term contracts with more than 12 months to run irrespective of the notice period.

6. LITIGATION

- (a) In November 1998, a writ was issued against the Company's subsidiaries, Hongkong Digital Television Limited ("Digital TV", formerly Star Interactive Television Limited) and Star Telecom Services Limited ("STSL", formerly Hong Kong Star Internet Limited) by nCube Corporation ("nCube"), claiming the sum of approximately US\$1,980,000 (equivalent to approximately HK\$15,305,000) plus interest in relation to the alleged purchase of two MediaCube 3000 systems by Digital TV from nCube. The claim of nCube against STSL was on the basis of a chop of STSL on the contract between Digital TV and nCube. STSL had taken legal advice and had been advised that it was very unlikely that STSL would be held liable to the claim of nCube. Digital TV was also opposing the claim of nCube and had taken legal advice.

As advised by its lawyers, Digital TV had reasonable grounds in defending the claim and, accordingly, had not made any provision in the consolidated financial statements in connection with the claim. Digital TV filed a defence in this section on 14 December 1998 and nCube had failed to take further action since that date. There was no progress since then in respect of the litigation.

- (b) Stellar One Corporation ("Stellar One") served a statutory demand under Section 178 of the Companies Ordinance for the sum of approximately US\$1,152,000 (equivalent to approximately HK\$8,983,000) upon Digital TV in November 1998. Stellar One filed a winding up petition against Digital TV in December 1998 which was vigorously opposed by Digital TV. Digital TV applied for an order for security for the costs against Stellar One. On 4 May 1999, the Court ordered Stellar One to pay HK\$200,000 to the court as security for the costs of Digital TV on or before 7 May 1999. Stellar One failed to pay that amount to the court. The petition was dismissed in November 1999 and Stellar One was to pay Digital TV its cost of the petition, which amounted to HK\$254,000. Stellar One had indicated that it would proceed to arbitration in Honolulu to recover the alleged amount. Digital TV took legal advice and was advised that the arbitration proceedings had not commenced as of the date of this document. As advised by its lawyers, Digital TV had reasonable grounds in defending the claims and, accordingly, had not made any provision in the consolidated financial statements in connection with the claims.

Save and except for the matters specified above, neither the Company nor any of its subsidiaries is engaged in any litigation or claims of material importance and, so far as the Directors are aware, no litigation or claims of material importance are pending or threatened by or against any companies of the Group.

7. MATERIAL CONTRACTS

The following contract (not being a contract entered into in the ordinary course of business) has been entered into by members of the Group within the two years immediately preceding the date of this circular and ending on the Latest Practicable Date and is or may be material:

- (a) an underwriting agreement dated 23 November 2008 entered into between the Company and Vigor Online in relation to the proposed rights issue of not less than 275,649,760 rights shares and not more than 330,842,256 rights shares at HK\$0.40 each; and
- (b) a placing agreement dated 23 November 2008 entered into between the Company and Sun Hung Kai International Limited in relation to the placing of HK\$300,000,000 convertible bonds;
- (c) the loan agreement dated 6 July 2009 entered into between Join Capital Limited (“Join Capital”), an indirect wholly-owned subsidiary of the Company, as lender and Mulpha Strategic Limited (“Mulpha Strategic”) as borrower in relation to the revolving secured term loan up to a principal amount of HK\$250 million granted by Join Capital to Mulpha Strategic;
- (d) the sale and purchase agreement dated 4 September 2009 entered into among True Focus Limited, an indirect wholly-owned subsidiary of the Company, Jumbo Hill Group Limited, Mulpha Strategic and Mulpha International Bhd. in relation to the sale and purchase of the 10,000 shares in Pacific Orchid Investments Limited (“Pacific Orchid”) at an aggregate consideration of HK\$281.25 million;
- (e) a loan agreement dated 11 October 2009 entered into between Join Capital and Sunnysino (B.V.I.) Limited (“Sunnysino”) in relation to the granting of the secured term loan facility of a principal amount of HK\$221 million (the “Sunnysino Loan Agreement”);
- (f) the placing agreement dated 26 November 2009 entered into between Pacific Orchid and Sun Hung Kai Investment Services Limited in relation to the placing of 40,000,000 shares in Greenfield Chemical Holdings Limited (“Greenfield Shares”) to independent investors at a price of HK\$2.10 per Greenfield Share;
- (g) the sale and purchase agreement dated 4 December 2009 entered into among Pacific Orchid, Hong Han Limited, Mr. Wan Zhongbo, Ms. Liu Jia and the Company in relation to the disposal of 140,000,000 Greenfield Shares at a consideration of HK\$294 million;

- (h) a supplemental agreement dated 4 January 2010 entered into between Join Capital, Extra Earn Holdings Limited (“Extra Earn”), Lin Xu Ming and Ding Ming Shan in relation to the extension of the repayment date under the loan agreement dated 31 December 2007 (as supplemented by the supplemental loan agreement dated 8 January 2009) to 31 December 2010;
- (i) a loan agreement dated 22 March 2010 entered into between Join Capital and Mabuhay Holdings Corporation (“Mabuhay”) relating to the granting of a loan facility of up to US\$1 million (approximately HK\$7.8 million) by Join Capital to Mabuhay;
- (j) a supplemental agreement dated 15 April 2010 entered into between Join Capital and Sunnysino in relation to the extension of the repayment date under the Sunnysino Loan Agreement to 12 May 2010;
- (k) a supplemental agreement dated 24 May 2010 entered into between Join Capital and Sunnysino in relation to the extension of the repayment date under the Sunnysino Loan Agreement to 30 June 2010;
- (l) a loan agreement dated 25 May 2010 entered into between Join Capital and Mabuhay relating to the granting of a loan facility of up to US\$4.5 million (approximately HK\$35.1 million) by Join Capital to Mabuhay;
- (m) the agreement dated 15 June 2010 entered into between Mission Time Holdings Limited (“Mission Time” as the purchaser), a wholly-owned subsidiary of the Company, Mulpha SPV Limited (as the issuer) and Mulpha International Bhd. (as the guarantor) in relation to the purchase of the loan note of nominal amount of US\$26,200,000 by Mission Time at an aggregate consideration of US\$21,652,885.20;
- (n) the subscription agreement dated 25 June 2010 entered into between Champion Record Limited, an indirect wholly-owned subsidiary of the Company, and Extra Earn in relation to the subscription of 180,000 new ordinary shares in Extra Earn at an aggregate consideration of US\$18,000,000 (approximately HK\$140,400,000);

- (o) a supplemental agreement dated 9 July 2010 entered into between Join Capital and Sunnysino in relation to the extension of the repayment date under the Sunnysino Loan Agreement to 30 July 2010;
- (p) the Loan Agreement; and
- (q) the agreement dated 3 September 2010 entered into between Mission Time and Ms. Yong Pit Chin (“Ms. Yong”) in relation to the disposal of the loan note at a book carrying value of US\$5,018,216.81 of the US\$56,000,000 zero coupon notes due 2010 issued by Mulpha SPV Limited to Ms. Yong at an aggregate consideration of HK\$40,000,000.

Save as disclosed above, there are no other contracts (not being contracts in the ordinary course of business) being entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date, which are or may be material.

8. GENERAL

- (a) The registered office of the Company is Canon’s Court, 22 Victoria Street, Hamilton HM 12, Bermuda.
- (b) The head office and principal place of business in Hong Kong of the Company is 47th Floor, China Online Centre, 333 Lockhart Road, Wanchai, Hong Kong.
- (c) The secretary of the Company is Ms. Fung Ching Man, Ada, an associate member of the Institute of Chartered Secretaries and Administrators.
- (d) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m. (except Saturdays and public holidays) at the head office and principal office of the Company in Hong Kong at 47/F., China Online Centre, 333 Lockhart Road, Wanchai, Hong Kong, and will also be available on the websites of the Company at <http://www.irasia.com/listco/hk/colcapital/> during normal business hours on any business day from the date of this circular up to and including 8 October 2010:–

- (a) the Memorandum of Association and Bye-laws of the Company;
- (b) the material contracts referred to under the paragraph headed “Material Contracts” in this Appendix;
- (c) the annual reports of the Company for the two financial years ended 31 December 2008 and 31 December 2009 and the interim report of the Company for the six months period ended 30 June 2010;
- (d) the comfort letter dated 24 September 2010 issued by the auditors of the Company to the Board; and
- (e) this circular.