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COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

**(1) MAJOR TRANSACTION
RELATING TO THE DISPOSAL OF SENIOR,
UNSECURED CONVERTIBLE NOTES DUE 2016;
AND
(2) DELAY IN COMPLETION OF THE DISPOSAL OF
CONVERTIBLE NOTES I**

A letter from the Board (as defined in this circular) is set out on pages 4 to 15 of this circular.

20 April 2012

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DEFINITIONS

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

“A\$”	Australian dollars, the lawful currency of Australia
“Announcement”	the announcement dated 16 March 2012 issued by the Company in relation to the disposal of the Convertible Notes I and II by the Vendor to the Purchaser I and the Purchaser II
“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”	the completion of the sale and purchase of Convertible Notes I and Convertible Notes II under the S&P Agreement I and S&P Agreement II respectively
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration I”	the consideration payable by the Purchaser I for the sale and purchase of Convertible Notes I
“Consideration II”	the consideration payable by the Purchaser II for the sale and purchase of Convertible Notes II
“Convertible Notes”	the 8% senior, unsecured convertible notes issued by FKP Limited due 2016
“Convertible Notes I”	Convertible Notes in a principal amount of A\$4 million owned by the Vendor
“Convertible Notes II”	Convertible Notes in a principal amount of A\$21 million owned by the Vendor
“Directors”	the directors of the Company
“FIRB”	the Foreign Investment Review Board of Australia

DEFINITIONS

“FKP”	FKP Limited (ABN 28 010 729 950), a company incorporated in the commonwealth of Australia, whose shares are listed on the ASX Limited
“FKP Group”	FKP Limited, each of its subsidiaries, FKP Funds Management Limited (ABN 17 089 800 082) as responsible entity of the Trust (the “RE”). The Trust and its controlled entities (including any joint venture vehicles and minority interests that are included in the financial reports of FKP and the RE)
“FKP Property Group”	FKP Group excluding any joint venture vehicles and minority interests that are included in the financial reports of FKP and the RE
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties who, together with his/her ultimate beneficial owner(s) is/are persons independent of the Company and its connected persons
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Latest Practicable Date”	17 April 2012 being the latest practicable date for the purpose of ascertaining certain information contained herein
“Noteholders”	holders of the Convertible Notes
“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
“Put Price”	100% of the principal amount of the Convertible Notes plus accrued but unpaid interest
“Purchaser I”	Yu Ming Investment Management Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Allied Group Limited (“AGL”) whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 373)

DEFINITIONS

“Purchaser II”	Attractive Gain Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Allied Overseas Limited (“AOL”) whose securities are listed on the Main Board of the Stock Exchange (Stock Code: 593)
“Retirement Assets Sale Put Price”	110% of the principal amount of the Convertible Notes plus accrued but unpaid interest
“S&P Agreement I”	the sale and purchase agreement dated 16 March 2012 and entered into between the Purchaser I and the Vendor in relation to the disposal of Convertible Notes I
“S&P Agreement II”	the sale and purchase agreement dated 16 March 2012 and entered into between the Purchaser II and the Vendor in relation to the disposal of Convertible Notes II
“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
“Stapled Securities”	a stapled security, traded as one single listed security on the ASX Limited, constituted by an ordinary share in FKP and a unit in the Trust stapled together so that they cannot be traded separately with ticker number FKP AU
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trust”	FKP Property Trust (ARSN: 099 648 754)
“Vendor”	Action Best Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“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 71.31% of the entire issued share capital of the Company as at 16 March 2012
“%”	per cent

For illustration purposes, amount in A\$ in this circular have been translated into HK\$ Equivalent at A\$1 = HK\$8.05125.

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. Lau Siu Ki
Mr. Ma Wah Yan
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

20 April 2012

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION
RELATING TO THE DISPOSAL OF SENIOR,
UNSECURED CONVERTIBLE NOTES DUE 2016;
AND
(2) DELAY IN COMPLETION OF THE DISPOSAL OF
CONVERTIBLE NOTES I**

INTRODUCTION

Reference is made to the Announcement whereby the Board announced that on 16 March 2012 (after trading hours), (i) the Vendor and Purchaser I entered into the S&P Agreement I for the sale and purchase of Convertible Notes I and (ii) the Vendor and Purchaser II entered into the S&P Agreement II for the sale and purchase of Convertible Notes II.

As the relevant Percentage Ratios for the amount of Convertible Notes I agreed to be disposed of by the Vendor when aggregated with amount of Convertible Notes II agreed to be disposed of by the Vendor exceeds 25% but is below 100% under Rule 14.07 of the Listing Rules, the proposed disposals of Convertible Notes I and II would constitute a major transaction for the Company and is subject to approval by Shareholders in general meeting. The Company has obtained a written shareholder's

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approval for the proposed disposals of Convertible Notes I and II from Vigor Online which holds approximately 71.31% of the total issued share capital of the Company as at the Latest Practicable Date. Accordingly, no general meeting for the Shareholders' approval of the proposed disposals of Convertible Notes I and II will be held.

Reference is also made to the announcement dated 17 April 2012 whereby the Board announced that on 17 April 2012, the Vendor entered into a deed of variation with Purchaser I pursuant to which, inter alia, the parties mutually agreed to extend the long stop date of S&P Agreement I to 15 May 2012, with all other terms and conditions of the S&P Agreement I remain unchanged. Accordingly, the completion of the disposal of Convertible Notes I is conditional upon the fulfillment/satisfaction of the conditions as stated below under the paragraph headed "S&P Agreement I" on or before 15 May 2012 and completion shall take place on the fifth business day after the date on which the last of the conditions is fulfilled or waived or such other date as the parties shall mutually agree.

The purpose of this circular is to provide you with among other things details of the proposed disposals of Convertible Notes I and II.

S&P AGREEMENT I

Date : 16 March 2012

Vendor : Action Best Limited, an indirect wholly-owned subsidiary of the Company

Purchaser I : Yu Ming Investment Management Limited

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser I and its ultimate beneficial owners are Independent Third Parties.

Consideration I : The Consideration I for the sale of Convertible Notes I is A\$3,600,000 (HK\$ Equivalent of approximately HK\$28,984,500) (being 90% of the Issue Price of the Convertible Notes I) plus all interest accrued thereon up to the date of Completion (interest accrued thereon up to Latest Practicable Date is A\$90,667 (HK\$ Equivalent of approximately HK\$729,983)) and will be settled in cash on Completion. The Consideration I was arrived at after arm's length negotiation and by reference to the recent indicative bid prices of the Convertible Notes.

The consideration per Convertible Note I represents:-

- (a) a discount of approximately 1.94% to the indicative bid price of 91.783% of the Issue Price of the Convertible Notes as at 15 March 2012, the last transaction date of the Convertible Notes before the date of S&P Agreement I;
- (b) a discount of approximately 2.0% to the average indicative bid price of 91.877% of the Issue Price of the Convertible Notes for the last 5 transaction days up to and including 15 March 2012; and

LETTER FROM THE BOARD

- (c) a discount of approximately 2.0% to the average indicative bid price of 91.877% of the Issue Price of the Convertible Notes for the last 10 transaction days up to and including 15 March 2012.

Taking into account of the discount to the recent indicative bid prices of the Convertible Notes, the coupon interest received and coupon interest accrued thereon from the last interest payment date to the date of Completion, the Directors consider the Consideration I is fair and reasonable and that the proposed disposal is in the best interests of the Company and the Shareholders as a whole.

Conditions : Completion of the disposal of Convertible Notes I is conditional upon the fulfilment/satisfaction of the following on or before 15 May 2012 (as agreed between Purchaser I and Vendor under the deed of variation on 17 April 2012 and announced by the Company on 17 April 2012):

- (a) the Purchaser I having obtained FIRB approval (if applicable) in connection with the acquisition of Convertible Notes I;
- (b) approval by a simple majority of shareholders of the Company voting at a general meeting convened to approve the S&P Agreement I and the sale of Convertible Notes I or written approval by a shareholder or a closely allied group of shareholders of the Company together hold more than 50% in the issued share capital of the Company having been obtained;
- (c) AGL, the holding company of the Purchaser I, having complied with all necessary requirements for the transaction contemplated hereunder pursuant to the Listing Rules;
- (d) each of the Vendor's warranties in the S&P Agreement I remaining true and complete in all material respects up to Completion;
- (e) each of the Purchaser I's warranties in the S&P Agreement I remaining true and complete in all material respects up to Completion, and
- (f) all consents of the shareholders of the Company, the Stock Exchange and the Securities and Futures Commission and all filings with any relevant government or regulatory authorities and other relevant third parties in Hong Kong, Bermuda or elsewhere which are required or appropriate for the entering into and the implementation of the S&P Agreement I having been given or made; all waiting periods required under the laws of Hong Kong, Bermuda or any other relevant jurisdictions having expired or terminated; and all applicable statutory or other obligations having been complied with.

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Purchaser I may in its sole and absolute discretion waive the Conditions (either in whole or in part where applicable) but except Conditions (a), (b), (c), (e) and (f) above at any time by notice in writing to the Vendor but without prejudice to any other rights or remedies which the Purchaser I may have under the S&P Agreement I.

The Vendor may in its sole and absolute discretion waive the Conditions (either in whole or in part where applicable) but except Conditions (a), (b), (c), (d) and (f) above at any time by notice in writing to the Purchaser I but without prejudice to any other rights or remedies which the Vendor may have under the S&P Agreement I.

Completion : Completion shall take place on the fifth business day after the date on which the last of the Conditions is fulfilled or waived or such other date as the parties shall mutually agree.

As at the Latest Practicable Date, save for Condition (b) none of the above conditions precedent has been fulfilled (or waived by the Purchaser I or the Vendor, where applicable).

S&P AGREEMENT II

Date : 16 March 2012

Vendor : Action Best Limited, an indirect wholly-owned subsidiary of the Company

Purchaser II : Attractive Gain Limited

Save for the Group's holdings of approximately 4.72% of the issued share capital and 0.82% of the issued warrants of AOL, the holding company of the Purchaser II and to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser II and its ultimate beneficial owners are Independent Third Parties.

Consideration II : The Consideration II for the sale of Convertible Notes II is A\$18,900,000 (converted into HK\$152,631,675 at the agreed exchange rate on date of completion) (being 90% of the Issue Price of Convertible Notes II) plus all interest accrued thereon up to the date of Completion of A\$410,667 (converted into HK\$3,316,441 at the agreed exchange rate on the date of completion) and will be settled in cash on Completion. The Consideration II was arrived at after arm's length negotiation and by reference to the recent indicative bid prices of the Convertible Notes.

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The consideration per Convertible Note II represents:–

- (a) a discount of approximately 1.94% to the indicative bid price of 91.783% of the Issue Price of the Convertible Notes as at 15 March 2012, the last transaction date of the Convertible Notes before the date of S&P Agreement II;
- (b) a discount of approximately 2.0% to the average indicative bid price of 91.877% of the Issue Price of the Convertible Notes for the last 5 transaction days up to and including 15 March 2012; and
- (c) a discount of approximately 2.0% to the average indicative bid price of 91.877% of the Issue Price of the Convertible Notes for the last 10 transaction days up to and including 15 March 2012.

Taking into account of the discount to the recent indicative bid prices of the Convertible Notes, the coupon interest received and coupon interest accrued thereon from the last interest payment date to the date of Completion, the Directors consider the Consideration II is fair and reasonable and that the proposed disposal is in the best interests of the Company and the Shareholders as a whole.

Conditions : Completion of the disposal of Convertible Notes II is conditional upon the fulfilment/satisfaction of the following on or before 16 April 2012:

- (a) the Purchaser II having obtained FIRB approval (if applicable) in connection with the acquisition of Convertible Notes II;
- (b) approval by a simple majority of shareholders of the Company voting at a general meeting convened to approve the S&P Agreement II and the sale of Convertible Notes II or written approval by a shareholder or a closely allied group of shareholders of the Company together hold more than 50% in the issued share capital of the Company having been obtained;
- (c) AOL, the holding company of the Purchaser II, having complied with all necessary requirements for the transaction contemplated hereunder pursuant to the Listing Rules;
- (d) each of the Vendor's warranties in the S&P Agreement II remaining true and complete in all material respects up to Completion;
- (e) each of the Purchaser II's warranties in the S&P Agreement II remaining true and complete in all material respects up to Completion, and

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- (f) all consents of the shareholders of the Company, the Stock Exchange and the Securities and Futures Commission and all filings with any relevant government or regulatory authorities and other relevant third parties in Hong Kong, Bermuda or elsewhere which are required or appropriate for the entering into and the implementation of the S&P Agreement II having been given or made; all waiting periods required under the laws of Hong Kong, Bermuda or any other relevant jurisdictions having expired or terminated; and all applicable statutory or other obligations having been complied with.

Purchaser II may in its sole and absolute discretion waive the Conditions (either in whole or in part where applicable) but except Conditions (a), (b), (c), (e) and (f) above at any time by notice in writing to the Vendor but without prejudice to any other rights or remedies which the Purchaser II may have under the S&P Agreement II.

The Vendor may in its sole and absolute discretion waive the Conditions (either in whole or in part where applicable) but except Conditions (a), (b), (c), (d) and (f) above at any time by notice in writing to Purchaser II but without prejudice to any other rights or remedies which the Vendor may have under the S&P Agreement II.

Completion : Completion shall take place on the fifth business day after the date on which the last of the Conditions is fulfilled or waived or such other date as the parties shall mutually agree. Completion of the sale and purchase of Convertible Notes II has been taken place on 3 April 2012.

Completion of the sale and purchase of Convertible Notes I and II are not interconditional.

INFORMATION ON CONVERTIBLE NOTES I AND II

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, FKP and its ultimate beneficial owners are Independent Third Parties not connected with the Company and connected persons of the Company and is not acting in concert with any of the connected person(s) and each other.

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The principal terms of Convertible Notes I and II are summarized as follows:

Issuer	:	FKP Limited
Principal amount of Convertible Notes I	:	A\$4 million
Principal amount of Convertible Notes II	:	A\$21 million
Issue Date	:	5 January 2011
Maturity Date	:	5 January 2016 (5 years from the issue date)
Issue Price	:	100% of the principal amount of the Convertible Notes
Coupon Rate	:	8.0% per annum, payable semi-annually
Conversion Period	:	The conversion right attaching to the Convertible Notes may be exercised, at the option of each Noteholder, at any time from 41 days after the Issue Date until 10 days prior to the Maturity Date
Conversion Price	:	The initial Conversion Price is A\$1.014 per Stapled Security, adjusted for certain events as set out below
Conversion Securities	:	Noteholders have the right to convert their Convertible Notes into Stapled Securities (credited as fully paid). However, at any time during the Conversion Period FKP may elect to pay the Cash Settlement Amount in lieu of such Stapled Securities
Cash Settlement Amount	:	The product of (a) the number of Stapled Securities deliverable upon exercise of the conversion right at the discretion of FKP and (b) the volume weighted average price of the Stapled Securities for each day during the 30 consecutive stock exchange business days immediately after the cash settlement notice date
Guarantors	:	The RE and such other members of the FKP Property Group required in order to ensure that the total tangible assets of FKP and the Guarantors shall at all times comprise a minimum of 80% of the total tangible assets of the FKP Group

LETTER FROM THE BOARD

- Redemption at the Option of FKP : Issuer Call – callable after 5 January 2014 in whole but not in part at the Put Price if the volume weighted average price of the Stapled Securities for any 20 consecutive trading day period is at least 130% of the Conversion Price
- Clean Up Call – callable anytime in whole but not in part at the Put Price if the aggregate principal amount of the Convertible Notes outstanding is less than 10% of the aggregate principal amount originally issued
- Tax Call – FKP may redeem in whole but not in part the Convertible Notes at the Put Price, if following a change in Australian tax laws or regulations, FKP or any Guarantor is required to pay additional amounts in respect of any withholding or other taxes imposed in respect of payments to be made by FKP or, as the case may be, Guarantor in respect of the Convertible Notes
- Redemption at the Option of Noteholders : Change of Control Put – following the occurrence of a change of control event, each Noteholder will have the option to require FKP to redeem in whole or in part such Noteholder’s Notes at the Put Price
- Redemption following delisting of the Stapled Securities – following the Stapled Securities ceasing to be listed or admitted to trading on any agreed stock exchange or the suspension of the Stapled Securities for a period or more than 20 consecutive trading days, each Noteholder will have the option to require FKP to redeem in whole or in part such Noteholder’s Convertible Notes at the Put Price
- Retirement Assets Sale Put – following the occurrence of a retirement assets sale event, each Noteholder will have the option to require FKP to redeem in whole or in part such Noteholder’s Convertible Notes at the Retirement Asset Sale Put Price.
- Investor Put – on the investor put date (5 January 2014)
- Conversion upon Change of Control : Within 14 days of becoming aware of a change of control event, a change of control notice must be given to Noteholders. Following the giving of a change of control notice, upon any exercise of conversion rights such that the relevant conversion date falls within 30 days following a change of control or if later 30 days following the date on which a change of control notice is given, the conversion price shall be adjusted in accordance with the following formula:

LETTER FROM THE BOARD

$$\text{COCCP} = \text{OCP} / (1 + (\text{CP} \times c/t))$$

where:

COCCP = the Conversion Price after such adjustment

OCP = the Conversion Price in effect on the day before the change of control occurs

CP = the conversion premium of 20% expressed as a fraction

c = the number of days from and including the day the change of control occurs to but excluding the Maturity Date

t = the number of days from and including the issue date to but excluding the Maturity Date

Adjustments to Conversion Price : Adjustment of the Conversion Price in certain circumstances, including but not limited to:

- (i) Consolidation, subdivision or reclassification of the Stapled Securities
- (ii) Capitalisation of profits or reserves
- (iii) Capital distributions and extraordinary distributions subject to dividend protection
- (iv) Issues under the distribution reinvestment plan and rights issues of Stapled Securities or options over Stapled Securities to the holders of Stapled Securities at less than 95% of current market price per Stapled Security
- (v) Rights issues of other securities to holders of Stapled Securities
- (vi) Issues of Stapled Securities or equity related securities at less than 95% of the current market price
- (vii) Modifications of rights of conversion of equity related securities issued so that the consideration per Stapled Securities is less than 95% of its current market price after such modification

LETTER FROM THE BOARD

Listing : The Convertible Notes has been listed on the Singapore Exchange Securities Trading Limited

The Stapled Securities to be issued on conversion of the Convertible Notes will be issued in uncertificated form through the Clearing House Electronic Sub-register System operated by ASX Settlement and Transfer Corporation Pty Ltd and shall be listed on the Australian Securities Exchange

Lock Up : Each of FKP and the RE will not issue any Stapled Securities or certain related securities for a period starting from the date of the relevant subscription agreement and ending on the date falling 90 days after the issue date (without the prior written consent of the relevant sole bookrunner and sole lead manager)

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.

INFORMATION ON FKP

FKP is an Australian property and investment group. It is involved in property development, construction, land subdivision, retirement village ownership and management, property investment and asset management. Its portfolio includes mixed-use, land, retail, residential, retirement, industrial and commercial assets.

REASONS FOR DISPOSAL OF CONVERTIBLE NOTES I AND II

The Convertible Notes was subscribed by the Vendor from FKP Limited on 5 January 2011 with the cost of acquisition of A\$25 million (HK\$193,837,500).

Given that Convertible Notes I and II have been trading at a discount to its issue price since the end of May 2011 erasing the unrealized gain achieved upon its listing in early 2011, the Group considers the proposed disposals as an exit opportunity to realise cash flow under the prevailing economic climate and uncertain economic outlook. Accordingly, the Board believes that it is in the best interest of the Company and its Shareholders that the proposed disposals be entered into. The Directors consider that the terms of the S&P Agreements I and II are on normal commercial terms, which are fair and reasonable and the entering into of the S&P Agreements I and II are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

DELAY IN COMPLETION OF THE DISPOSAL OF CONVERTIBLE NOTES I

On 17 April 2012, the Vendor entered into a deed of variation with Purchaser I pursuant to which, inter alia, the parties mutually agreed to extend the long stop date of S&P Agreement I to 15 May 2012, with all other terms and conditions of the S&P Agreement I remain unchanged. Accordingly, the completion of the disposal of Convertible Notes I is conditional upon the fulfillment/satisfaction of the conditions as stated in the paragraph "S&P Agreement I" on or before 15 May 2012 and completion shall take place on the fifth business day after the date on which the last of the conditions is fulfilled or waived or such other date as the parties shall mutually agree.

FINANCIAL EFFECT OF THE DISPOSAL OF CONVERTIBLE NOTES I AND II

As set out in the unaudited pro forma financial information on the Group in Appendix II to this circular, the total asset of the Group will be increased by approximately HK\$13,011,000 to HK\$3,695,501,000 while the total liabilities of the Group will remain unchanged as a result of the disposal of the Convertible Notes.

Based on the unaudited consolidated financial statement of the Group as at 31 December 2011, the aggregated carrying values of Convertible Notes I and II is HK\$172,652,000 and the proposed disposal of Convertible Notes I and II are expected to record an estimated realized loss of approximately HK\$12,222,000 (subject to audit) (i.e. being the difference between the Consideration I and II of HK\$181,616,000, the carrying value of HK\$172,652,000 and the unrealized loss on fair value change of HK\$21,186,000 previously recognised in the investment revaluation reserve) for the Group.

USE OF PROCEEDS

Proceeds of the disposal of Convertible Notes II have been applied for reduction of borrowings of the Group.

Proceeds of the proposed disposal of Convertible Notes I are intended to be applied for investment as opportunities arise though no investment opportunity has been identified, and/or for reduction of borrowings and/or for general working capital of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant Percentage Ratios for the disposal of Convertible Notes I when aggregated with the disposal of Convertible Notes II exceeds 25% but is below 100% under Rule 14.07 of the Listing Rules, the proposed disposals of Convertible Notes I and II would constitute a major transaction for the Company and is subject to approval by Shareholders in general meeting. The Company has obtained a written shareholder's approval for the proposed disposals of Convertible Notes I and II from Vigor Online which holds approximately 71.31% of the total issued share capital of the Company as at the Latest Practicable Date. Accordingly, no general meeting for the Shareholders' approval of the proposed disposal of Convertible Notes I and II will be held.

LETTER FROM THE BOARD

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The sluggish rebound of the US economy, the endless tribulations and ongoing struggles to provide concrete measures to solve the Eurozone sovereign debt crisis and the possible slow down in the growth of economy of China has already had a negative impact on emerging markets. Given that these fundamental problems will continue to prevail and adversely affect the global economy and financial markets, it is expected that the economic outlook for 2012 will remain gloomy and the market sentiments will be constrained. Following the disposal of the Convertible Notes and part of its other investment portfolio, the Group will continue to review and rationalize its investment portfolio and strategies, and its business scope with a view to improving its financial performance.

Although market conditions will be difficult, the Group believes that there will be attractive investment opportunities available as companies and businesses become grossly undervalued. The Group will continue to seek and identify such opportunities in China, Hong Kong and the Asia Pacific region to improve its financial performance and enhance value for shareholders.

RECOMMENDATION

Although no general meeting will be convened for approving the disposal of Convertible Notes I and II, the Board considers that the transactions contemplated under the disposal of Convertible Notes I and II are on normal commercial terms and the terms of the S&P Agreements I and II 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 disposal of Convertible Notes I and II, the Board would have recommended the Shareholders to vote in favour of the disposal of Convertible Notes I and II.

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 Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual accounts for the last financial year for the Group.

- (a) the 6-month period ended 31 December 2011 (unaudited) is disclosed in the Company's 2011/2012 interim report published on 27 February 2012 from pages 1 to 21. Please also see below hyperlink to the Interim Report 2011/2012:

<http://www.hkexnews.hk/listedco/listconews/sehk/2012/0329/LTN20120329094.pdf>

- (b) the 18-month period ended 30 June 2011 is disclosed in the Company's 2010/2011 annual report published on 22 September 2011 from pages 26 to 110. Please also see below hyperlink to the Annual Report 2010/2011:

<http://www.hkexnews.hk/listedco/listconews/sehk/2011/1031/LTN20111031009.pdf>

- (c) the year ended 31 December 2009 is disclosed in the Company's 2009 annual report published on 29 April 2010 from pages 25 to 102. Please also see below hyperlink to the Annual Report 2009:

<http://www.hkexnews.hk/listedco/listconews/sehk/2010/0429/LTN201004291401.pdf>

- (d) the year ended 31 December 2008 is disclosed in the Company's 2008 annual report published on 29 April 2009 from pages 26 to 90. Please also see below hyperlink to the Annual Report 2008:

<http://www.hkexnews.hk/listedco/listconews/sehk/2009/0429/LTN200904291544.pdf>

2. STATEMENT OF INDEBTEDNESS

At the close of business on 28 February 2012, 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\$1,115,849,000 and secured term loan of HK\$164,820,000. As at 28 February 2012, the Group's investments held for trading, available-for-sale investments and securities brokers house deposits with respective carrying values of approximately HK\$1,133,549,000, HK\$208,557,000 and HK\$198,000 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 28 February 2012 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 of the effect of the disposal of Convertible Notes I and II, 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 the Latest Practicable Date are disclosed in the paragraph headed "Litigation" in Appendix III. Save as aforesaid, the Group had no other material litigation as at the Latest Practicable Date.

6. MATERIAL ADVERSE CHANGE

Save for the profit warning announced by the Company on 20 January 2012 and the announcement of interim result for six months ended 31 December 2011 announced by the Company on 27 February 2012 regarding the record of a loss for the six months ended 31 December 2011 as compared a profit for the corresponding period in 2010, as at the Latest Practicable Date, the Directors confirmed that there had been no material adverse change in the financial or trading position or prospect of the Group since 30 June 2011, the date to which the latest published audited financial statements of the Group were made up.

**I. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA CONSOLIDATED
STATEMENT OF ASSETS AND LIABILITIES****ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA CONSOLIDATED STATEMENT
OF ASSETS AND LIABILITIES TO THE DIRECTORS OF COL CAPITAL LIMITED**

We report on the unaudited pro forma consolidated statement of assets and liabilities of COL Capital Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”), which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed disposal of 8% convertible notes issued by FKP Limited might have affected the financial information presented, for inclusion in Appendix II to the circular dated 20 April 2012 (“Circular”). The basis of preparation of the unaudited pro forma consolidated statement of assets and liabilities is set out on page 18-22 of the Circular.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma consolidated statement of assets and liabilities in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma consolidated statement of assets and liabilities and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma consolidated statement of assets and liabilities beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 “Accountants’ Reports on Pro Forma Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the

evidence supporting the adjustments and discussing the unaudited pro forma consolidated statement of assets and liabilities with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma consolidated statement of assets and liabilities has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma consolidated statement of assets and liabilities as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma consolidated statement of assets and liabilities is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 31 December 2011 or any future date.

Opinion

In our opinion:

- (a) the unaudited pro forma consolidated statement of assets and liabilities has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the unaudited pro forma consolidated statement of assets and liabilities as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

20 April 2012

**II. BASIS OF PREPARATION OF THE UNAUDITED PRO FORMA CONSOLIDATED
STATEMENT OF ASSETS AND LIABILITIES OF THE GROUP AFTER DISPOSAL**

The unaudited pro forma consolidated statement of assets and liabilities of the Group is prepared in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the disposal of the Convertible Notes I & II (“Disposal”).

The unaudited pro forma consolidated statement of assets and liabilities of the Group is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2011 as set out in the Company’s interim report for the six months ended 31 December 2011, after making pro forma adjustments relating to Disposal, as if the Disposal had been completed on 31 December 2011.

The unaudited pro forma consolidated statement of assets and liabilities is based on the aforesaid historical data after giving effect to the pro forma adjustments described in the accompanying notes. Narrative description of the pro forma adjustments that are (i) directly attributable to the transaction and (ii) factually supportable, is summarised in the accompanying notes.

The unaudited pro forma consolidated statement of assets and liabilities has been prepared by the directors of the Company for illustrative purpose only and is based on a number of assumptions, estimates, uncertainties and currently available information. Because of its nature, the unaudited pro forma consolidated statement of assets and liabilities may not give a true picture of the financial position of the Group upon completion of the Disposal or for any future period or any future date.

III. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND
LIABILITIES OF THE GROUP AFTER DISPOSALUnaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Group after
Disposal

	The Group <i>HK\$'000</i> <i>Note 1</i>	Pro forma adjustments <i>HK\$'000</i> <i>Note 2</i>	The Group after Disposal <i>HK\$'000</i>
Non-current assets			
Investment properties	142,266		142,266
Property, plant and equipment	5,119		5,119
Interests in associates	1,527,997		1,527,997
Available-for-sale investments	<u>396,650</u>	(172,652) (i)	<u>223,998</u>
	<u>2,072,032</u>		<u>1,899,380</u>
Current assets			
Available-for-sale investments	52,372		52,372
Investments held for trading	1,098,910		1,098,910
Debtors, deposits and prepayments	146,119		146,119
Loans receivable	150,898		150,898
Taxation recoverable	4,157		4,157
Pledged bank deposits	3,163		3,163
Bank balances and cash	<u>154,839</u>	185,663 (ii)	<u>340,502</u>
	<u>1,610,458</u>		<u>1,796,121</u>
Current liabilities			
Creditors and accrued charges	56,290		56,290
Customers' deposits and receipts in advance	2,959		2,959
Other borrowings	1,389,614		1,389,614
Derivative financial instruments	17,673		17,673
Taxation payable	<u>79,646</u>		<u>79,646</u>
	<u>1,546,182</u>		<u>1,546,182</u>
Net current assets	<u>64,276</u>		<u>249,939</u>
Total assets less current liabilities	<u><u>2,136,308</u></u>		<u><u>2,149,319</u></u>

Notes:

- 1 These figures were extracted from the unaudited condensed consolidated statements of financial position of the Group as set out in the interim report of the Company for the six months ended 31 December 2011.
- 2 For the purpose of the preparation of unaudited pro forma consolidated statement of assets and liabilities, the pro forma adjustments in connection with the Disposal represent:
 - (i) the elimination of the Group's interests in convertible notes issued by FKP Limited with carrying amount of HK\$172,652,000 at 31 December 2011, which included in the available-for-sale investments;
 - (ii) The cash consideration of approximately HK\$185,663,000 pursuant to the terms of S&P Agreement I and S&P Agreement II.

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 facts 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 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 (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	Number of ordinary shares of HK\$0.01 each				Total	Percentage of issued ordinary shares
	Personal interests	Family interests	Corporate interests	Other interests		
Ms. Chong Sok Un ("Ms. Chong")	–	–	390,325,707	–	390,325,707	71.31%
			(Note)			

Note:

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

(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 positions in the Shares

Name	Capacity	Number of ordinary shares held	Percentage of issued ordinary shares
Ms. Chong Sok Un ("Ms. Chong")	Held by controlled corporation (<i>Note</i>)	390,325,707	71.31%
China Spirit Limited ("China Spirit")	Held by controlled corporation (<i>Note</i>)	390,325,707	71.31%
Vigor Online Offshore Limited ("Vigor Online")	Beneficial owner (<i>Note</i>)	390,325,707	71.31%

Note:

Vigor Online, a wholly-owned subsidiary of China Spirit, owns 390,325,707 ordinary shares of the Company. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interest in 390,325,707 ordinary shares of the Company.

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 30 June 2011 (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 known as 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, as at the Latest Practicable Date, 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 contracts (not being a contract entered into in the ordinary course of business) have 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) a supplemental agreement dated 15 April 2010 entered into between Join Capital Limited, an indirect wholly-owned subsidiary of the Company (“Join Capital”) and Sunnysino (B.V.I.) Limited (“Sunnysino”) in relation to the extension of the repayment date to 12 May 2010 under the loan agreement dated 11 Oct 2009 entered into between Join Capital and Sunnysino in respect of the granting of the secured term loan facility of a principal amount of HK\$221 million by Join Capital to Sunnysino (the “Sunnysino Loan Agreement”);

- (b) 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;
- (c) a loan agreement dated 25 May 2010 entered into between Join Capital and Mabuhay Holdings Corporation (“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 (the “Mabuhay Loan Agreement I”);
- (d) 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 (“Mulpha SPV”) 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;
- (e) the subscription agreement dated 25 June 2010 entered into between Champion Record Limited, an indirect wholly-owned subsidiary of the Company, and Extra Earn Holdings Limited (“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);
- (f) 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;
- (g) 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 2012 issued by Mulpha SPV to Ms. Yong at an aggregate consideration of HK\$40,000,000;
- (h) the loan agreement dated 9 September 2010 entered into between Join Capital as lender and Mr. He Peng (“Mr. He”) as borrower in relation to a loan facility of up to HK\$255 million granted by Join Capital to Mr. He (the “He Peng Loan Agreement”);
- (i) the agreement dated 27 September 2010 entered into between Mission Time and Mr. Chew Chee Choong (“Mr. Chew”) in relation to the disposal of the loan note at a book carrying value of US\$3,739,600.84 of the US\$56,000,000 zero coupon notes due 2012 issued by Mulpha SPV to Mr. Chew at a consideration of HK\$30,000,000;
- (j) the agreement dated 27 September 2010 entered into between Mission Time and Jumboview Limited (“Jumboview”) in relation to the disposal of the loan note at a book carrying value of US\$5,484,747.89 of the US\$56,000,000 zero coupon notes due 2012 issued by Mulpha SPV to Jumboview at a consideration of HK\$44,000,000;

- (k) the underwriting agreement dated 4 October 2010 entered into between Spring Idea Limited, an indirect wholly-owned subsidiary of the Company and Nexbis Limited (“Nexbis”) relating to the underwriting of certain number of new shares to be issued and allotted by Nexbis under a rights issue in an amount up to A\$9 million.
- (l) the deed of variation dated 25 November 2010 entered into between Join Capital and Mabuhay relating to the extension of the repayment date of the loan facility of up to US\$4.5 million granted under the Mabuhay Loan Agreement I;
- (m) a loan agreement dated 4 January 2011 entered into between Join Capital and Mabuhay relating to the granting of a loan facility of up to HK\$20 million by Join Capital to Mabuhay (the “Mabuhay Loan Agreement II”);
- (n) a supplemental agreement dated 29 April 2011 entered into between Join Capital and Mr. He in relation to the extension of the repayment date under the He Peng Loan Agreement to 31 August 2011;
- (o) a loan agreement dated 22 June 2011 entered into between Join Capital and Mabuhay relating to the granting of a loan facility of up to the US\$3,200,265.11 (approximately HK\$24.96 million) by Join Capital to Mabuhay;
- (p) the agreement dated 12 July 2011 entered into between Mission Time and Capital Sharp Investment Limited (“Capital Sharp”) in relation to the disposal of the loan note at a book carrying value of US\$7,285,898.30 of the US\$56,000,000 zero coupon notes due 2012 issued by Mulpha SPV to Capital Sharp at a consideration of US\$8,073,773.38 (equivalent to approximately HK\$62,975,000);
- (q) the agreement dated 24 May 2011 (the “Disposal Agreement”) entered into between the Company, Besford International Limited (“Besford”), a direct wholly-owned subsidiary of the Company, New Able Holdings Limited and Allied Overseas Limited for the sale and purchase of (i) one share in the issued share capital of Taskwell Limited (“Taskwell”), an indirect wholly-owned subsidiary of the Company; (ii) one share in the issued share capital of Rise Cheer Investments Limited (“Rise Cheer”), an indirect wholly-owned subsidiary of the Company; and (iii) all the interests, benefits and rights of and in the shareholder’s loan owed by Taskwell and Rise Cheer to Besford as at the date of completion of the said disposal pursuant to the Disposal Agreement;
- (r) a loan agreement dated 4 August 2011 entered into between Join Capital as lender and Mr. Yuen Hoi Po (“Mr. Yuen”) as borrower, relating to a short term loan of up to HK\$53,000,000 granted by Join Capital to Mr. Yuen;

- (s) a supplemental agreement dated 10 January 2012 entered into between Join Capital, Mabuhay and T & M Holdings, Inc, a wholly-owned subsidiary of Mabuhay, relating to the extension of the repayment date under the Mabuhay Loan Agreement II to 10 January 2013;
- (t) the S&P Agreement I and the S&P Agreement II; and
- (u) a deed of variation dated 17 April 2012 entered into between Purchaser I and the Vendor pursuant to which, inter alia, the parties mutually agreed to extend the long stop date of S&P Agreement I to 15 May 2012.

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. EXPERT AND CONSENT

The following are the qualifications of the expert who has given opinion or advice which are contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu (“Deloitte”)	Certified Public Accountants

Deloitte has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and report and reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, Deloitte did not have any direct or indirect shareholding in any member of the Group or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, Deloitte did not have any direct or indirect interest in any assets which have been since 30 June 2011 (the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

9. 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. She is an associate member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.
- (d) The principal share registrar and transfer office of the Company is Butterfield Fulcrum Group (Bermuda) Limited, Rosebank Centre, 11 Bermudiana Road, Pembroke HM08, Bermuda.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (f) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

10. 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 principal office of the Company at 47/F., China Online Centre, 333 Lockhart Road, Wanchai, Hong Kong from the date of this circular up to and including 4 May 2012:–

- (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 financial year ended 31 December 2009 and for the period of eighteen months ended 30 June 2011;
- (d) the circulars of the Company dated 24 September 2010, 30 September 2010, 3 January 2011 and 15 July 2011;
- (e) the accountants' report on the unaudited pro-forma financial information on the Group as set out in Appendix II to this circular;
- (f) the letter of consent from Deloitte referred to under “Expert and Consent” in this Appendix;
- (g) the comfort letter dated 20 April 2012 issued by Deloitte to the Board; and
- (h) this circular.