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If you are in any doubt as to any aspect of this circular or the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in COL Capital Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

DISCLOSEABLE TRANSACTION

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DEFINITIONS

In this circular, the following expressions have the meanings correspondingly ascribed below unless the context otherwise requires:

“Announcement”	the announcement of the Company dated 9 January, 2008
“associates”	having the meaning ascribed to it under the Listing Rules
“Board”	the Board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“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)
“connected person”	having the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Extended Loan Facility”	the extended loan facility granted by Join Capital to Extra Earn under the Supplemental Loan Agreement pursuant to which Join Capital agreed to extend the loan facility available to Extra Earn under the Loan Agreement from US\$10,000,000 (equivalent to approximately HK\$78,000,000) to US\$15,000,000 (equivalent to approximately HK\$117,000,000)
“Extra Earn”	Extra Earn Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Extra Earn Mortgaged Shares”	all the issued shares of Extra Earn
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

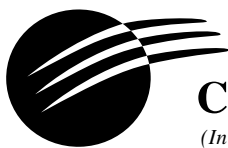
DEFINITIONS

“HKAS”	Hong Kong Accounting Standard issued by HKICPA
“HKICPA”	the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Join Capital”	Join Capital Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company
“Last Practicable Date”	28 January 2008, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	a loan agreement dated 27 November 2006 made between Join Capital, Extra Earn, and Lin Xu Ming and Ding Ming Shan, being the ultimate beneficial owners of the entire issued share capital of Extra Earn in relation to the grant of a loan facility of US\$10,000,000 (equivalent to approximately HK\$78,000,000)
“PRC”	the People’s Republic of China
“Project”	the “Lian Yun Gang Korean Industrial City Land Development Project” (連雲港韓國工業城土地開發項目) in Lian Yun Gang, Jiang Su in PRC
“Second Loan Agreement”	a loan agreement dated 31 December 2007 made between Join Capital, Extra Earn, and Lin Xu Ming and Ding Ming Shan, being the ultimate beneficial owners of the entire issued share capital of Extra Earn
“Second Loan Facility”	a loan facility up to US\$17,000,000 (equivalent to approximately HK\$132,600,000) subject to and in accordance with the terms and conditions of the Second Loan Agreement

DEFINITIONS

“Second Share Mortgage”	a share mortgage dated 31 December 2007 made by shareholders of Extra Earn in favour of Join Capital in respect of the Extra Earn Mortgaged Shares
“Shares”	ordinary shares of nominal value of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	having the meaning ascribed to it under the Listing Rules
“Supplemental Loan Agreement”	a supplemental loan agreement dated 16 January 2007 made between Join Capital, Extra Earn, and Lin Xu Ming and Ding Ming Shan, being the ultimate beneficial owners of the entire issued share capital of Extra Earn in relation to the grant of the Extended Loan Facility
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 under the Laws of Hong Kong)
“Transaction”	the granting of the Second Loan Facility under the Second Loan Agreement
“US”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States of America

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, Kevin

Mr. Zhang Jian

*Head Office and Principal Place of
Business in Hong Kong:*

47th Floor

China Online Centre

333 Lockhart Road

Wanchai

Hong Kong

30 January 2008

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

1. INTRODUCTION

Reference is made to the announcements published by the Company on 28 November 2006 and 19 January 2007 respectively whereby Join Capital, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement and the Supplemental Loan Agreement with Extra Earn, Lin Xu Ming and Ding Ming Shan, pursuant to which Join Capital agreed to make available to Extra Earn the Extended Loan Facility up to US\$15,000,000 (equivalent to approximately HK\$117,000,000) for the working capital of Extra Earn in relation to the Project and Lin Xu Ming and Ding Ming Shan agreed to guarantee and indemnify Join Capital against all of Extra Earn's liability for repayment of the loan and interest under the Loan Agreement, the Supplemental Loan Agreement and the Share Mortgage.

LETTER FROM THE BOARD

The Company announced on 9 January 2008 that Join Capital entered into the Second Loan Agreement with Extra Earn, pursuant to which Join Capital agreed to make available to Extra Earn the Second Loan Facility up to US\$17,000,000 (equivalent to approximately HK\$132,600,000) for repayment of the Extended Loan Facility, with Lin Xu Ming and Ding Ming Shan, being the ultimate beneficial owners of the entire issued share capital of Extra Earn, agreeing to guarantee and indemnify Join Capital against all of Extra Earn's liability for repayment of the loan and interest under the Second Loan Agreement and the Second Share Mortgage. The Second Loan Facility was secured by a Second Share Mortgage executed by the shareholders of Extra Earn in favour of Join Capital in respect of the Extra Earn Mortgaged Shares.

As the consideration ratio under Rule 14.06 of the Listing Rules in respect of the Second Loan Facility for the Company exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide the Shareholders with details of the Second Loan Agreement and other information in accordance with the requirements of the Listing Rules.

2. GENERAL INFORMATION OF THE TRANSACTION

On 31 December 2007, Join Capital entered into the Second Loan Agreement with Extra Earn, pursuant to which Join Capital agreed to make available to Extra Earn the Second Loan Facility up to US\$17,000,000 (equivalent to approximately HK\$132,600,000) for repayment of the Extended Loan Facility, with Lin Xu Ming and Ding Ming Shan, being the ultimate beneficial owners of the entire issued share capital of Extra Earn agreeing to guarantee and indemnify Join Capital against all of Extra Earn's liability for repayment of the loan and interest under the Second Loan Agreement and the Second Share Mortgage. The Second Loan Facility was secured by a Second Share Mortgage executed by shareholders of Extra Earn in favour of Join Capital in respect of the Extra Earn Mortgaged Shares.

LETTER FROM THE BOARD

3. PRINCIPAL TERMS OF THE SECOND LOAN AGREEMENT AND THE SECOND SHARE MORTGAGE

The Second Loan Agreement

The principal terms of the Second Loan Agreement are as follows:

Date: 31 December 2007

Parties:

<i>Lender</i>	Join Capital
<i>Borrower</i>	Extra Earn
<i>Guarantors</i>	Lin Xu Ming and Ding Ming Shan

Loan Facility: the Second Loan Facility

Purpose of the Loan Facility: for repayment of the Extended Loan Facility

Terms of the Loan Facility: the Second Loan Facility is available to Extra Earn for a term of 12 months from the date of the first drawdown being 31 December 2007 (the amount being drawn down on the date of the first drawdown was US\$16,820,833, which is equivalent to HK\$130,884,540). The loan together with interest under the Second Loan Agreement is to be repaid on the day falling 12 months from the date of the first drawdown. Extra Earn shall pay interest on the loan at the rate of 10% per annum, which is the same interest rate charged under the Loan Agreement, and which rate was arrived at after arm's length negotiation between Join Capital and Extra Earn and reflects the normal commercial rate. Interest on the loan shall accrue from day to day and be calculated on the outstanding loan amount on the basis of a year of 360 days and the actual number of days elapsed. All of Extra Earn's liability for repayment of the loan together with interest under the Second Loan Agreement and the Second Share Mortgage is guaranteed and indemnified by Lin Xu Ming and Ding Ming Shan, being the ultimate beneficial owners of the entire issued share capital of Extra Earn

LETTER FROM THE BOARD

The Second Share Mortgage

As a condition precedent to Join Capital agreeing to grant the Second Loan Facility pursuant to the terms of the Second Loan Agreement, shareholders of Extra Earn shall execute the Second Share Mortgage.

Pursuant to the terms of the Second Share Mortgage, shareholders of Extra Earn being the registered and beneficial owners of the Extra Earn Mortgaged Shares mortgage, charge and assign by way of first fixed mortgage the Extra Earn Mortgaged Shares to Join Capital as a continuing security for the due and punctual payment of the loan and interest and the due and punctual performance of all the obligations of Extra Earn contained in the Second Loan Agreement. Extra Earn's sole asset is its investment in a PRC wholly-owned foreign enterprise which principal business activity is property investment and development in relation to the Project, the Directors therefore considered that the value of the Extra Earn Mortgaged Shares is sufficient as the collateral to the Second Loan Facility. The Directors had further assessed the credit risk exposure of the Group in relation to entering into the Second Loan Agreement and considered that with the securities available the credit risk exposure is low.

4. REASONS FOR AND BENEFIT OF THE TRANSACTION

Join Capital is a licensed money lender. The provision of the Second Loan Facility is a transaction carried out as part of the ordinary and usual course of business activities of Join Capital, and the Second Loan Facility will provide interest income to Join Capital.

The Directors consider that the Second Loan Agreement and the Second Share Mortgage are being entered into on normal commercial terms and are fair and reasonable as far as the Shareholders as a whole are concerned. The Directors also confirm that, to the best of their knowledge, information and belief having made all reasonable enquiry, Extra Earn and its ultimate beneficial owners are independent third parties not connected with any of the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates, as defined in the Listing Rules.

5. FINANCIAL EFFECT OF THE TRANSACTION

The Directors consider the Transaction represents an opportunity to generate profit resulting from interest payment under the Second Loan Facility and that that this will increase the revenue, earnings and net asset value of the Group.

Further, the Directors are of the view that the granting of the Second Loan Facility will not have a material effect on the assets and liabilities of the Group.

LETTER FROM THE BOARD

6. LISTING RULES IMPLICATIONS

As the consideration ratio under Rule 14.06 of the Listing Rules in respect of the Second Loan Facility for the Company exceeds 5% but is less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

7. INFORMATION ABOUT THE GROUP

The Company

The principal business activity of the Company is investment holding and through its subsidiaries engages in securities trading and investments, provision of financial services, property investment and strategic investment.

Join Capital

Join Capital is a company incorporated in Hong Kong with limited liability. Join Capital is principally engaged in the money lending business and holds a money lenders licence under the Money Lenders Ordinance. Join Capital is an indirect wholly-owned subsidiary of the Company.

8. INFORMATION ABOUT THE BORROWER

Extra Earn

The principal business activity of Extra Earn is investment holding. The principal activity of Extra Earn's subsidiary is property investment and development.

9. GENERAL

Your attention is drawn to the general information of the Company set out in the appendix to this circular.

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

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration 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:

Name of Director	Personal interests	Corporate interests	Other interests	Percentage	
				Total	issued Shares
Ms. Chong Sok Un ("Ms. Chong")	–	106,484,400 (Note 1)	–	106,484,400	38.56%

Notes:

- (1) As at the Latest Practicable Date, Vigor Online Offshore Limited, a wholly-owned subsidiary of China Spirit Limited ("China Spirit") held 106,484,400 Shares. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interests in 106,484,400 Shares.
- (2) The interests stated above represented long position.

(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.

Name	Capacity	Number of Shares held	Percentage over all issued Shares
Ms. Chong Sok Un ("Ms. Chong")	Held by controlled corporation (<i>Note 1</i>)	106,484,400	38.56%
China Spirit Limited ("China Spirit")	Held by controlled corporation (<i>Note 1</i>)	106,484,400	38.56%
Vigor Online Offshore Limited ("Vigor Online")	Beneficial owner	106,484,400	38.56%
Mr. John Zwaanstra	Held by controlled corporation (<i>Note 2</i>)	25,051,000	9.07%
Penta Investment Advisers Limited ("Penta")	Investment Manager (<i>Note 3</i>)	25,051,000	9.07%
Penta Asia Fund, Ltd. ("Penta Asia")	Held by controlled corporation (<i>Note 4</i>)	13,926,000	5.04%
Mr. Todd Zwaanstra	Trustee of a discretionary trust (<i>Note 4</i>)	13,926,000	5.04%
Mercurius GP LLC ("Mercurius")	Founder of a discretionary trust (<i>Note 5</i>)	13,926,000	5.04%

Note:

- As at the Latest Practicable Date, Vigor Online is a wholly-owned subsidiary of China Spirit in which Ms. Chong maintains 100% beneficial interest. Accordingly, China Spirit and Ms. Chong are deemed to be interested in 106,484,400 Shares under the SFO.
- Mr. John Zwaanstra has an interest in 100% of Penta. Accordingly, Mr. John Zwaanstra is deemed to be interested in 25,051,000 Shares.

3. Penta has an interest in 25,051,000 Shares as an investment manager, and acts through its wholly-owned subsidiaries.
4. The interests are held by Penta Master Fund, Ltd. (“Penta Master”), a wholly-owned subsidiary of Penta Asia. Mr. Todd Zwaanstra is deemed to have interests in the Shares in which Penta Master is interested pursuant to his control of more than one-third of the voting power of Penta Asia as trustee of the Mercurius Partners Trust (“Mercurius Trust”), being a discretionary trust.
5. Mercurius is the founder of the Mercurius Trust and is therefore deemed to have interests in the Shares in which Mr. Todd Zwaanstra and Mercurius Trust are interested.
6. All interests stated above represented long positions.

3. SERVICE CONTRACTS OF THE DIRECTORS

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).

4. DIRECTORS’ INTERESTS IN COMPETING BUSINESS

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.

5. 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.

6. 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) The qualified accountant of the Company is Mr. Kong Muk Yin. He graduated from City University of Hong Kong with a bachelor's degree in business studies. He is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a Chartered Financial Analyst.
- (e) The principal share registrar and transfer office is Butterfield Fund Services (Bermuda) Limited, Rosebank Centre, 11 Bermudiana Road, Pembroke HM 08, Bermuda.
- (f) The Hong Kong branch share registrar of the Company is Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.