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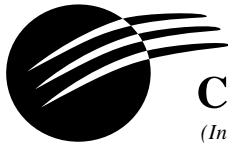
If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

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

The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Warrants (as defined herein) and new Shares (as defined herein) falling to be issued upon the exercise of the subscription rights attaching to the Warrants. Dealings in the Warrants are expected to commence from 9:30 a.m. on 28th July 2008.

Subject to, inter alia, the granting of the listing of, and permission to deal in, the Warrants and the new Shares falling to be issued upon the exercise of the subscription rights attaching to the Warrants on the Stock Exchange, the Warrants and any new Shares that may fall to be issued upon the exercise of the subscription rights attached to the Warrants will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS (as defined herein) with effect from the commencement date of dealings in the Warrants on the Stock Exchange or such other date as determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time.



COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

BONUS ISSUE OF WARRANTS

28th May 2008

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RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to COL Capital Limited and the proposed bonus issue of Warrants. The directors of COL Capital Limited collectively and individually accept full responsibility for the accuracy of the information in this document and confirm, having made all reasonable enquiries, that, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in this document misleading.

EXPECTED TIMETABLE

Last day of dealings in Shares cum entitlements to the Bonus Issue of Warrants	Wednesday, 18th June 2008
First day of dealings in Shares ex entitlements to the Bonus Issue of Warrants	Thursday, 19th June 2008
Latest time for registration of Share transfers for entitlements to the Bonus Issue of Warrants	4:00 p.m. Friday, 20th June 2008
Register of members closed for determining entitlements to the Bonus Issue of Warrants (both days inclusive) from	Monday, 23rd June 2008
to	Thursday, 26th June 2008
Record Date	Thursday, 26th June 2008
Despatch of certificates for Warrants on or before	Wednesday, 23rd July 2008
Commencement date of dealings in Warrants	Monday, 28th July 2008

Note: All times and dates refer to Hong Kong local time.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:–

“Announcement”	the announcement of the Company dated 10th April 2008
“Board”	Board of Directors
“Bonus Issue of Warrants”	the proposed issue of the Warrants on the basis of one Warrant for every five Shares held by the Shareholders, excluding the Excluded Shareholders, on the Record Date, upon and subject to the terms and conditions set out in this circular and the Instrument
“Business Day”	a day (other than a Saturday and Sunday and days on which a tropical cyclone warning signal no.8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Bye-Laws”	the Bye-Laws of the Company
“CCASS”	The Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Commencement Date”	the date on which dealings in the Warrants commences (which is expected to be 28th July 2008) on the Stock Exchange
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“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
“Directors”	the directors of the Company
“Excluded Shareholder(s)”	Overseas Shareholder(s) who are excluded from the Bonus Issue of Warrants by the reason that the Directors upon making enquiry, consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory body

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	23rd May 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 of Hong Kong Limited
“Overseas Shareholders”	Shareholders whose addresses on the Company’s register of members as at the Record Date are in places outside Hong Kong
“Record Date”	26th June 2008
“Registrar”	the Company’s branch share registrars in Hong Kong, Tricor Tengis Limited, situate at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, 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 Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$3.50 per Share (subject to adjustments) in respect of each Warrant
“Subscription Period”	the period commencing from the Commencement Date (which is expected to be 28th July 2008) to a date falling one year from the Commencement Date (which is expected to be 27th July 2009) (both dates inclusive, and if either such date is not a Business Day, then the Business Day immediately preceding such date)

DEFINITIONS

“Warrants”	warrants to be granted by the Company by way of the Bonus Issue of Warrants
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“%”	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:*

47/F., China Online Centre

333 Lockhart Road

Wanchai

Hong Kong

28th May 2008

To the Shareholders and,

for information only, the Overseas Shareholders

Dear Sir or Madam,

BONUS ISSUE OF WARRANTS

INTRODUCTION

It was announced on 10th April 2008 that the Board proposed, subject to the satisfaction of the conditions below, the Bonus Issue of Warrants. The purpose of this circular is to provide you with further information on the Bonus Issue of Warrants.

THE BONUS ISSUE OF WARRANTS

Terms

Under the Bonus Issue of Warrants, the Warrants will be issued in registered form in the proportion of one (1) Warrant for every five (5) Shares held by Shareholders (other than the Excluded Shareholders) whose names appear on the register of members of the Company on the Record Date.

LETTER FROM THE BOARD

The Warrants will entitle the holders thereof to subscribe for new Shares at the Subscription Price, at any time during the Subscription Period (being the period commencing from the Commencement Date (which is expected to be 28th July 2008) to a date falling one year from the Commencement Date (which is expected to be 27th July 2009) (both dates inclusive, and if either such date is not a Business Day, then the Business Day immediately preceding such date)). Fractional entitlements to the Warrants will not be granted to the Shareholders but will be aggregated and sold for the benefit of the Company. The Subscription Price is subject to adjustments upon occurrence of adjustment events arising as a result of changes in the share capital of the Company such as consolidation or sub-division of Shares, capitalisation of profits or reserves, capital distributions in cash or specie or subsequent issue of securities in the Company. Any subscription rights attached to the Warrants not exercised on or before the latest time of exercise will lapse and the Warrants will cease to be valid for any purpose.

The Subscription Price of HK\$3.50 represents (i) a discount of approximately 12.5% over the closing price of HK\$4.00 per Share as quoted on the Stock Exchange on 8th April 2008 (being the date on which the Company announced the results of the Group for the year ended 31st December 2007), (ii) a discount of approximately 18.4% over the closing price of HK\$4.29 per Share as quoted on the Stock Exchange on 10th April 2008 (being the date of the Announcement), (iii) a discount of approximately 13.6% over the average closing price of HK\$4.052 per Share of the Company on the Stock Exchange for the last five trading days ended 10th April 2008, (iv) a discount of approximately 10.3% over the average closing price of HK\$3.903 per Share of the Company on the Stock Exchange for the last ten trading days ended 10th April 2008, (v) a discount of approximately 17.8% to the closing price of HK\$4.26 per Share on the Stock Exchange on the Latest Practicable Date, and (vi) represents a discount of approximately 13.6% over the average closing price of HK\$4.051 per Share on the Stock Exchange for the ten trading days ended on the Latest Practicable Date.

Use of Proceeds

On the basis of 276,183,547 Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or repurchased by the Company on or before the Record Date, 55,236,709 Warrants are proposed to be issued pursuant to the Bonus Issue of Warrants. Full exercise of the 55,236,709 Warrants would result in the receipt by the Company of approximately HK\$193,328,000, before expenses and, assuming that the Subscription Price is not adjusted, an issue of 55,236,709 new Shares, representing approximately 20.0% of the existing issued share capital of the Company and approximately 16.7% of the issued share capital of the Company as enlarged by the issue of such new Shares. The Company intends to use the net proceeds for repayment of borrowings and for investment or to be entirely used for investment when opportunity arises. Currently, the Company has no investment project in contemplation and has not yet decided on the appropriation of the net proceeds.

LETTER FROM THE BOARD

Shareholders Approval

The Bonus Issue of Warrants is conditional upon, among others, the approval by the Shareholders at the annual general meeting of the Company to be held on 26th June 2008 to issue the Warrants under the Bonus Issue of Warrants and the Shares which may fall to be issued upon the exercise of the Warrants.

Under the Bye-Laws, any resolution put to the vote at a general meeting of the Company shall be decided on a show of hands, unless voting by poll has been demanded before or on the declaration of the result of the show of hands or on the withdrawal of an another demand for a poll to be taken.

Under the Bye-Laws, a poll may be properly demanded at a general meeting of the Company in one of the following manners:–

- (i) by the chairman of the meeting; or
- (ii) by at least three (3) Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth (1/10) of the total voting rights of all the Shareholders entitled to vote at the meeting; or
- (iv) by any Shareholder or Shareholders present in person (or, in the case of a Shareholder being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring the right to vote at the meeting being Shares on which an aggregate sum of not less than one-tenth (1/10) of the total sum paid up on all Shares conferring such right has been paid up.

LETTER FROM THE BOARD

Overseas Shareholders

On the basis of the information made available to the Directors, as at the Latest Practicable Date, Overseas Shareholders whose addresses as shown on the register of members of the Company were in Switzerland, Germany, Koeln, Malaysia, Singapore, Spain, the United Kingdom, and Thailand. The Directors have made enquiries on the legal restrictions and regulatory requirements in relation to the Bonus Issue of Warrants to the Overseas Shareholders in the above jurisdictions and on the compliance with the relevant restrictions and formalities. Based on the legal opinions obtained and having regard to the number of Overseas Shareholders as at the Latest Practicable Date, the likely costs and time involved if overseas compliance were to be observed, the Bonus Issue of Warrants can be made to the Overseas Shareholders.

However, if because of changes in the number of Overseas Shareholders, changes in law or such other circumstances, the Board considered that the likely costs and time involved if overseas compliance were to be observed, and the costs of overseas compliance would outweigh the benefits which the Company and the Shareholders as a whole would receive by including the Overseas Shareholders in the Bonus Issue of Warrants, it may be necessary and expedient to exclude the Overseas Shareholders from the Bonus Issue of Warrants.

In such circumstances, no allotment of the Warrants will be made to the Excluded Shareholders pursuant to the Bonus Issue of Warrants and arrangements will be made for the Warrants which would otherwise have been issued to the Excluded Shareholders to be sold in the market as soon as practicable. Any net proceeds of sale, after deduction of expenses, will be distributed in Hong Kong dollars to the Excluded Shareholders pro rata to their respective shareholdings and remittances thereof will be posted to them, at their own risk, unless the amount falling to be distributed to any such person is less than HK\$100.00, in which case it will be retained for the benefit of the Company.

For the avoidance of doubt, the Excluded Shareholders will be sent a copy of this circular for their information only.

LETTER FROM THE BOARD

Conditions to the Bonus Issue of Warrants

The Bonus Issue of Warrants is conditional upon the following conditions:-

- (a) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants; and
- (b) the passing by the Shareholders at the annual general meeting of the Company of the necessary resolutions to approve the issue of the Warrants and any shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants and any transactions contemplated thereunder.

Save for the Bonus Issue of Warrants, the Company has no other outstanding equity securities which remain to be issued on exercise of any other subscription rights subject to Chapter 15 of the Listing Rules.

Listings and Dealings

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants. No part of the equity or debt securities of the Company is listed on or dealt in on any other stock exchange and no such listing of or permission to deal in is being or is proposed to be sought.

Shares which may fall to be issued upon exercise of the Warrants will rank for any dividends and other distributions and/or offers of further securities made by the Company, the record date for which is on or after the relevant subscription date and subject thereto, *pari passu* in all respects with the then existing issued Shares on the relevant subscription date.

All necessary arrangements have been made by the Company to enable the Warrants to be admitted into CCASS. Subject to the granting of the listing of, and permission to deal in, the Warrants and the Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Warrants and the Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Commencement Date (being the date on which dealings in the Warrants commence (which is expected to be 28th July 2008) on the Stock Exchange) or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

LETTER FROM THE BOARD

The Warrants will be traded in board lots of 4,000 units entitling holders thereof to subscribe an amount of HK\$14,000 initially for Shares, on the basis of the Subscription Price. It is expected that certificates for the Warrants will be posted to the persons entitled thereto on or before 23rd July 2008 at their own risk. Dealings in the Warrants on the Stock Exchange are expected to commence on 28th July 2008.

Book Closure

The register of members of the Company will be closed from Monday, 23rd June 2008 to Thursday, 26th June 2008 (both days inclusive) in order to establish entitlements of Shareholders to the Bonus Issue of Warrants, during which period no transfer of Shares will be registered. In order to qualify for the Warrants under the Bonus Issue of Warrants, Shareholders are reminded to ensure that all Share transfers, accompanied by the relevant certificates, must be lodged with the Registrar, Tricor Tengis Limited, situate at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Friday, 20th June 2008.

Reason for the Bonus Issue of Warrants

The Board believes that the Bonus Issue of Warrants will provide the Shareholders with the opportunity to participate further in the future growth of the Group and to strengthen the Group's working capital position and enhance its capital base.

Taxation and Expenses

Dealings in the Warrants registered on the Company's register of warrant holders maintained in Hong Kong will be subject to Hong Kong stamp duty. Shareholders are recommended to consult their professional advisers as to the tax implications of the Bonus Issue of Warrants, in particular, whether the Bonus Issue of Warrants would be regarded as a transaction of an income or capital nature or make such Shareholders liable to taxation.

GENERAL INFORMATION

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

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

SUMMARY OF THE TERMS OF THE WARRANTS

The warrants (hereinafter defined as “**Warrants**” for the purpose of this Appendix) are proposed to be created and constituted by the instrument by way of deed poll to be executed by the Company (the “**Instrument**”) and will be issued in registered form and will form one class with and rank *pari passu* in all respects with each other.

Warrantholders (as defined below) shall be entitled to the benefit of, be bound by, and be deemed to have notice of all the provisions of the Instrument. Copies of the Instrument, the principal provisions of which are summarised below, will be available for inspection at the registered office of the Company or such other place as may be notified to the Warrantholders (as defined below) from time to time.

1. Exercise of subscription rights

- (a) Subject to the provisions of the Instrument and to compliance with all exchange control, fiscal and other laws and regulations applicable thereto, the registered holder or joint holders for the time being of a Warrant (the “**Warrantholder**”) shall have the right, which may be exercised in whole or in part, but not in respect of a fraction of a fully paid new ordinary share of HK\$0.01 each in the issued share capital of the Company (the “**Share**”), at any time during the period commencing from the Commencement Date (which is expected to be 28th July 2008) to a date falling one year from the Commencement Date (which is expected to be 27th July 2009) (both dates inclusive, and if either such date is not a Business Day, then the Business Day immediately preceding such date) (the “**Subscription Period**”), to subscribe in cash the whole or part, in integral multiples of HK\$3.50, of the exercise moneys for fullypaid Shares at an initial subscription price of HK\$3.50 per new Share (subject to the adjustments referred to below) (the “**Subscription Price**”) per Share. The business day falling during the Subscription Period on which any of the Subscription Rights are duly exercised is referred to in this summary as the “**Subscription Date**”. After the Subscription Period, any right (the “**Subscription Rights**”) to subscribe in cash the whole or part of the amount in respect of which the Warrant is issued for the Shares which have not been exercised shall lapse and Warrant certificates shall cease to be valid for any purpose whatsoever.

- (b) In order to exercise any of the Subscription Rights represented by this Warrant certificate, the Warrantholder must complete and sign a Subscription Form (as defined in the Instrument) (which shall be irrevocable) and deliver the same and this Warrant Certificate to Tricor Tengis Limited (the “**Registrar**”), together with a remittance for the relevant portion of the exercise moneys, being the amount of the Subscription Price for the Shares in respect of which the Warrantholder is exercising his Subscription Rights. In each case, compliance must also be made with any exchange control, fiscal or other laws or regulations for the time being applicable.

- (c) No fraction of a Share will be allotted but in the event that the amount (or aggregate amount) of the remittance(s) delivered by a Warrantholder exceeds the Subscription Price due for the Shares in respect of which he is exercising his Subscription Rights, any such excess (whether arising from a fraction of a Share or from overpayment) will be refunded by the Company to the Warrantholder, provided always that for the purpose of determining whether any (and if so what) excess arises, the Subscription Rights represented by such Warrant certificates will be aggregated.

- (d) The Company has undertaken in the Instrument that Shares falling to be issued upon the exercise of any of the Subscription Rights represented by this Warrant certificate will be issued and allotted not later than twenty-eight (28) days after the relevant Subscription Date and will rank pari passu in all respects with the fully-paid Shares in issue on the relevant Subscription Date and accordingly shall entitle the holders thereof to participate in all dividends and/or other distributions declared, paid or made and/or offers of further securities made by the Company on or after the relevant Subscription Date unless adjustment therefor has been made as provided in the Instrument and other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the relevant Subscription Date and notice of the amount and record date therefor shall have been given to The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) prior to the relevant Subscription Date.

- (e) As soon as practicable after the relevant allotment and issue of Shares under this Condition (and, in any event, not later than twenty-eight (28) days after the relevant Subscription Date) there will be issued free of charge to the Warrantholder to whom such allotment has been made upon his exercise of any Subscription Rights:
- (i) a certificate for the relevant Shares in the name(s) of such Warrantholder(s);
 - (ii) (if applicable) a balancing Warrant certificate in registered form in the name(s) of such Warrantholder(s) in respect of any Subscription Rights represented by this Warrant certificate remaining unexercised;
 - (iii) (if applicable) a cheque representing the excess (if any) of the amount (or aggregate amount) remitted over the total amount payable in respect of the Subscription Rights being exercised as mentioned in sub-paragraph (c) above; and
 - (iv) (if applicable) the relevant Deficiency Certificate (as defined in the Instrument).

The certificate for Shares arising on the exercise of Subscription Rights, the balancing Warrant certificate (if any), the cheque in respect of a refund (if any) and the said Deficiency Certificate (if any) will be sent by post at the risk of the said Warrantholder to the address of such Warrantholder (or in the case of a joint holding to that one of the joint Warrantholders whose name stands first in the Register). If the Company agrees, such certificates and cheque may by prior arrangement be retained by the Registrar to await collection by the relevant Warrantholder.

2. Adjustments to subscription price

The Instrument contains detailed provisions relating to the adjustment of the Subscription Price. The following is a summary of, and is subject to, the adjustment provisions of the Instrument:

- (a) The Subscription Price will (except as mentioned in sub-paragraphs (b) and (c) below) be adjusted as provided in the Instrument in each of the following cases (but shall however not be adjusted below the nominal value of Shares until the Subscription Right Reserve (as defined in the Instrument) is maintained pursuant to the Instrument):
 - (i) an alteration of the nominal amount of the Shares by reason of any consolidation or subdivision;

- (ii) an issue (other than pursuant to a scrip dividend scheme in lieu of a cash dividend) by the Company of Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) a capital distribution (as defined in the Instrument) being made by the Company, whether on a reduction of capital or otherwise, to holders of Shares (in their capacity as such);
- (iv) a grant by the Company to holders of Shares (in their capacity as such) of rights to acquire for cash assets (if any) of the Company or any of its Subsidiaries;
- (v) an offer or grant of Shares being made by the Company to holders of Shares by way of rights or of options or warrants to subscribe for new Shares, at a price which is less than 90 per cent. of the market price (calculation as provided in the Instrument) ;
- (vi) an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if in any case the total Effective Consideration (as defined in the Instrument) per new Share is less than 90 per cent. of the market price (calculation as provided in the Instrument), or the conversion, exchange or subscription rights of any such issue are altered so that the said total Effective Consideration is less than 90 per cent. of such market price (calculation as provided in the Instrument); and
- (vii) the purchase by the Company of Shares or securities convertible into new Shares or any rights to acquire Shares (other than on the Stock Exchange or any other stock exchange) in circumstances where the Directors consider that it may be appropriate to make an adjustment to the Subscription Price.

- (b) Except as mentioned in sub-paragraph (c) below, no such adjustment as is referred to in sub-paragraphs (ii) to (vii) of paragraph (a) above shall be made in respect of:
- (i) an issue of fully paid Shares upon the exercise of any conversion rights attaching to securities convertible into Shares or upon the exercise of any rights (including the Subscription Rights) to acquire Shares;
 - (ii) an issue by the Company of Shares, or by the Company or any Subsidiary of securities convertible into or carrying rights to acquire Shares, in consideration in whole or in part for the acquisition of any other securities, assets or business;
 - (iii) an issue of fully paid Shares by way of capitalisation of all or part of the Subscription Right Reserve (as defined in the Instrument) which has been or may be established in certain circumstances pursuant to the terms and conditions contained in the Instrument (or any similar reserve which has been or may be established pursuant to the terms of any other securities convertible into or carrying rights to acquire Shares); or
 - (iv) an issue of Shares pursuant to a scrip dividend scheme in lieu of a cash dividend where an amount not less than the nominal amount of the Shares so issued is capitalised and the market value (calculation as provided in the Instrument) of such Shares is not more than 110 per cent. of the amount of dividend which holders of Shares could elect to or would otherwise receive in cash.
- (c) Notwithstanding the provisions referred to in paragraphs (a) and (b) above, in any circumstances where the Directors shall consider that an adjustment to the Subscription Price provided for under the said provisions should not be made or should be calculated on a different basis or that an adjustment to the Subscription Price should be made notwithstanding that no such adjustment is required under the said provisions or that an adjustment should take effect on a different date or at a different time from that provided for under the said provisions, the Company may appoint either an approved merchant bank or the Auditors (as defined in the Instrument) to consider whether for any reason whatsoever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if such approved merchant bank or the Auditors (as the case may be) shall consider this to be the case, the adjustment shall be modified or nullified, or an adjustment made instead of no adjustment, in such manner (including, without limitation, making an adjustment calculated on a different basis and/or the adjustment shall take effect from such other date and/or time) as shall be certified by such approved merchant bank or the Auditors (as the case may be) to be in their opinion appropriate.

- (d) Any adjustment to the Subscription Price shall be made to the nearest one cent so that any amount under half a cent shall be rounded down and any amount of half a cent or more shall be rounded up and in no event shall any adjustment be made to the Subscription Price in any case in which the amount by which the same would be reduced would be less than one cent and any adjustment which would otherwise then be required shall not be carried forward. In no event shall an adjustment be made (otherwise than upon the consolidation of Shares into shares of a larger nominal amount each or upon a repurchase of Shares) which would increase the Subscription Price or which would result in the Shares being issued at a discount to their nominal value (unless otherwise provided in the Instrument).

3. Registered warrants

The Warrants are issued in registered form. The Company shall be entitled to treat the registered Warrantholder as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction or required by law, be bound to recognise an equitable or other claim to or interest in such Warrant on the part of any other person, whether or not it shall have express or other notice thereof.

4. Transfer, transmission and register

The Warrants shall be transferable in integral multiples of HK\$3.50 by instrument of transfer in any usual or common form or such other form as may be approved by the Directors. The Company shall accordingly maintain the Register in the territory where the Stock Exchange for the time being is situate (or in such other place as the Directors consider appropriate, having regard to applicable rules governing the listing of Warrants). The Instrument contains provisions relating to the transfer, transmission and registration of the Warrants. Transfers of Warrants must be executed by both the transferor and the transferee. Where the transferor or the transferee is HKSCC Nominees Limited or its successors thereto (or such other company as may be approved by the Directors for this purpose), the transfers may be executed by machine imprinted signature on its behalf or under hand(s) of authorised person(s). The provisions of the Company's Bye-laws relating to the registration, transmission and transfer of Shares and the register of members shall, mutatis mutandis, apply to the registration, transmission and transfer of the Warrants and the Register except to the extent there are express provisions in relation thereto in the Instrument.

Since the Warrants will be admitted to the Central Clearing and Settlement System ("CCASS"), so far as applicable laws or regulations of relevant regulatory authorities, terms of the Instrument and circumstances permit, the Company may determine the last trading day of the Warrants to be a date at least three (3) trading days before the last day of the Subscription Period (which is expected to be 27th July 2009).

Persons who hold Warrants and have not registered the Warrants in their own names and wish to exercise the Warrants should note that they may incur additional costs and expenses in connection with any expedited re-registration of the Warrants prior to the transfer or exercise of the Warrants, in particular during the period commencing 10 (ten) Business Days prior to and including the last day for subscription (which is expected to be 27th July 2009).

5. Closure of register of warrantholders

The registration of transfers may be suspended and the register of Warrantholders may be closed for such period as the Directors may from time to time direct, provided that the same may not be closed for a period, or for periods together, of more than 30 days in any one year. Any transfer or exercise of the Subscription Rights attached to the Warrants made while the register of Warrantholders is so closed shall, as between the Company and the person claiming under the relevant transfer of Warrants or, as the case may be, as between the Company and the person claiming under the relevant transfer of Warrants or, as the case may be, as between the Company and the Warrantholder who has so exercised the Subscription Rights attached to his Warrants (but not otherwise), be considered as made immediately after the reopening of the register of Warrantholders.

6. Purchase and cancellation

The Company or any of the Subsidiaries (as defined in the Instrument) may at any time purchase Warrants:

- (a) in the open market or by tender (available to all Warrantholders alike) at any price; or
- (b) by private treaty at a price per Warrant, exclusive of expenses, not exceeding 110 per cent. of the closing price of the Warrants on the Stock Exchange prior to the date of purchase thereof,

but not otherwise. All Warrants purchased as aforesaid shall be cancelled forthwith and may not be re-issued or re-sold.

7. Meetings of warrantholders and modification of rights

- (a) The Instrument contains provisions for convening meetings of Warrantholders to consider any matter affecting the interests of Warrantholders, including the modification by Special Resolution (as defined in the Instrument) of the provisions of the Instrument and/or of the conditions endorsed on the Warrant certificates subject to the approval of the Stock Exchange (if required). A Special Resolution duly passed at any such meeting shall be binding on the Warrantholders, whether present or not.
- (b) All or any of the rights for the time being attached to the Warrants (including any of the provisions of the Instrument) may from time to time (whether or not the Company is being wound up), be altered or abrogated (including, but without prejudice to that generality by waiving compliance with, or by waiving or authorising any past or proposed breach of, any of the provisions of the conditions endorsed on the Warrant certificates and/or the Instrument) with the prior sanction of a Special Resolution and may be effected only by deed poll executed by the Company and expressed to be supplemental to the Instrument.
- (c) Where a Warrantholder is a recognised clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its nominee(s), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) or proxy (or proxies) at any meeting of the Warrantholders provided that, if more than one person is so authorised, the authorisation or proxy form must specify the number and class of Warrants in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house or its nominee(s) could exercise if such person were an individual Warrantholder.

8. Quorum

At any such meeting two or more persons holding Warrants and/or being proxies and being or representing in the aggregate the holders of not less than five (5) per cent. in value of the Subscription Rights for the time being outstanding and exercisable shall form a quorum for the transaction of business and no business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business.

9. Replacement of warrant certificates

If a Warrant certificate is mutilated, defaced, lost or destroyed, it may, at the discretion of the Company, be replaced at the principal office of the Registrar on payment of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and/or security as the Company may require and on payment of such fee not exceeding HK\$2.50 (or such other amount as may from time to time be permitted under the rules prescribed by the Stock Exchange) as the Company may determine. Mutilated or defaced Warrant certificates must be surrendered before replacements will be issued. In the case of lost Warrant certificates, Section 71A of the Companies Ordinance shall apply as if “shares” referred to therein included Warrants.

10. Protection of subscription rights

The Instrument contains undertakings by and restrictions on the Company designed to protect the Subscription Rights.

11. Call

If, at any time the aggregate amount of the exercise moneys attached to the outstanding Warrants is equal to or less than 20 per cent. of the amount of moneys payable on exercise of all the Warrants issued under the Instrument then the Company may, on giving not less than three months’ notice to the Warrantheolders, require Warrantheolders either to exercise their Subscription Rights or to allow the Warrants held by them to lapse. On expiry of such notice, all unexercised Warrants will be automatically cancelled without any compensation to the Warrantheolders.

12. Issue of further warrants

The Company shall be at liberty to issue further warrants to subscribe for new Shares in such manner and on such terms as it sees fit, provided that it is in accordance with the Listing Rules.

13. Undertakings by the company

In addition to the undertakings given by it in relation to the grant and exercise of the Subscription Rights and the protection thereof, the Company has undertaken in the Instrument that:

- (a) it will send to each Warrantholder, at the same time as the same are sent to the holders of Shares, its audited accounts and all other notices, reports and communications despatched by it to the holders of Shares generally;
- (b) it will pay all Hong Kong stamp duties, capital duties, registration fees or similar charges, if any, payable in respect of the execution of the Instrument, the creation and initial issue of the Warrants in registered form, the exercise of Subscription Rights and the issue of Shares upon exercise of the Subscription Rights;
- (c) it will keep available for issue sufficient Ordinary Capital to satisfy in full all rights for the time being outstanding of subscription for and conversion into Shares; and
- (d) it will use its best endeavours to procure that:
 - (i) at all times during the Subscription Period, the Warrants may be dealt in on the Stock Exchange (save that this obligation will lapse in the event that the listing of the Warrants on the Stock Exchange is withdrawn following an offer for all or any of the Warrants); and
 - (ii) all Shares allotted upon exercise of the Subscription Rights may, upon allotment or as soon as reasonably practicable thereafter, be dealt in on the Stock Exchange (save that this obligation will lapse in the event that the listing of the Shares on the Stock Exchange is withdrawn following an offer for all or any of the Shares where a like offer is extended to Warrantholders).

14. Winding up of the company

- (A) If an effective resolution is passed during the Subscription Period for the voluntary winding up of the Company, then if such winding up is for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the Warrantholders, or some persons designated by them for such purpose by Special Resolution (as defined in the Instrument), shall be a party or in conjunction with which a proposal is made to the Warrantholders and is approved by Special Resolution (as defined in the Instrument), the terms of such scheme of arrangement or (as the case may be) proposal will be binding on all the Warrantholders; and
- (B) in the event a notice is given by the Company to the holders of Shares during the Subscription Period to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice to each holder of Shares give notice thereof to all Warrantholders (together with a notice of the existence of this provision) and thereupon, each Warrantholder shall be entitled to exercise all or any of the Subscription Rights attaching to his Warrants at any time not later than two (2) Business Days prior to the proposed general meeting of the Company by delivering to the Company the completed Subscription Form(s) (as defined in the Instrument), accompanied by payment of the relevant Exercise Moneys, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Warrantholders credited as fully paid.

Subject to the foregoing, if the Company is wound up, all Subscription Rights which have not been exercised at the date of the passing of such resolution will lapse and each Warrant certificate will cease to be valid for any purpose.

15. Overseas warrant holders

The Instrument contains provisions giving certain discretion to the Directors in the case of any Warrantholder(s) who has a registered address in any territory (other than Hong Kong) where (after making enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange), in the opinion of the Directors, the issue of new Shares upon the exercise of any of the Subscription Rights represented by any Warrants held by such Warrantholder(s) may be unlawful or impracticable.

16. Notices

The Instrument contains provisions relating to notices to be given to the Warrantholders.

17. Governing law

The Instrument and the Warrants are governed by and will be construed in accordance with the laws of Hong Kong.