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COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

**MAJOR TRANSACTION
REGARDING ACQUISITION OF SHARES IN
APAC RESOURCES LIMITED**

A letter from the Board is set out on pages 3 to 9 of this circular.

30 September 2010

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DEFINITIONS

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

“Acquisition”	the acquisition of the Acquired Shares by the Company
“Acquired Shares”	the 637,459,562 APAC Shares acquired by the Group through market from Independent Third Parties
“Announcement”	the announcement of the Company dated 6 September 2010 in relation to the Acquisition
“APAC”	APAC Resources 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: 1104)
“APAC Shares”	ordinary shares of nominal value of HK\$0.10 each in the issued share capital of APAC
“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
“Consideration”	the consideration payable by the Company for the acquisition of the Acquired Shares
“Directors”	the directors of the Company
“Enlarged Group”	the Group immediately after completion of the Acquisition
“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 PRC

DEFINITIONS

“Independent Third Parties”	parties who, together with their respective ultimate beneficial owners, are persons independent of the Company and its connected persons (as defined in the Listing Rules)
“Latest Practicable Date”	27 September 2010, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vigor Online”	Vigor Online Offshore Limited, a company incorporated in the British Virgin Islands and a controlling Shareholder holding 390,325,707 Shares representing approximately 70.11% of the entire issued share capital of the Company as at the date of the Acquisition
“%”	per cent

LETTER FROM THE BOARD



COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

Executive Directors:

Ms. Chong Sok Un (*Chairman*)

Dato' Wong Peng Chong

Mr. Kong Muk Yin

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

Independent Non-executive Directors:

Mr. Lo Wai On

Mr. Lau Siu Ki

Mr. Zhang Jian

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

47th Floor

China Online Centre

333 Lockhart Road

Wan Chai

Hong Kong

30 September 2010

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION REGARDING ACQUISITION OF SHARES IN APAC RESOURCES LIMITED

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

LETTER FROM THE BOARD

INTRODUCTION

As disclosed in the Announcement, on 6 September 2010, the Group acquired through market from Independent Third Parties an aggregate of 637,459,562 APAC Shares at an aggregate consideration of HK\$319,344,812 (being approximately HK\$0.501 per APAC Share, with 0.1% to 0.25% brokerage, 0.1% stamp duty, 0.004% Securities and Futures Commission transaction levy, 0.005% Stock Exchange trading fee and 0.002% CCASS settlement fee).

The Acquired Shares represent an aggregate of 637,459,562 APAC Shares and approximately 9.21% of the entire issued share capital of APAC. Before completion of the Acquisition, the Group, through its wholly-owned subsidiary, was beneficially interested in 1,103,240,000 APAC Shares, representing approximately 15.94% of the entire issued share capital of APAC under its securities trading portfolio as at the date of the Acquisition. Following completion of the Acquisition, the Company has become beneficially interested in an aggregate of 1,740,699,562 APAC Shares, representing approximately 25.15% of the entire issued share capital of APAC.

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

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

THE ACQUISITION

On 6 September 2010, the Group acquired through market from Independent Third Parties an aggregate of 637,459,562 APAC Shares at an aggregate consideration of HK\$319,344,812 (being approximately HK\$0.501 per APAC Share, with 0.1% to 0.25% brokerage, 0.1% stamp duty, 0.004% Securities and Futures Commission transaction levy, 0.005% Stock Exchange trading fee and 0.002% CCASS settlement fee).

To the best knowledge, information and belief of the Directors having made all reasonable enquiry and so far as the Directors are aware, each of the vendors of the Acquired Shares is an Independent Third Party.

LETTER FROM THE BOARD

Assets acquired

The Acquired Shares represent an aggregate of 637,459,562 APAC Shares and approximately 9.21% of the entire issued share capital of APAC. So far as the Directors are aware, there are no contractual restrictions which are applicable to the subsequent sale of the Acquired Shares.

Before completion of the Acquisition, the Group, through its wholly-owned subsidiary, was beneficially interested in 1,103,240,000 APAC Shares, representing approximately 15.94% of the entire issued share capital of APAC under its securities trading portfolio as at the date of the Acquisition. Following completion of the Acquisition, the Company has become beneficially interested in an aggregate of 1,740,699,562 APAC Shares, representing approximately 25.15% of the entire issued share capital of APAC.

As disclosed in the announcement of the Company dated 8 September 2010, on 7 September 2010 and 8 September 2010, the Group further acquired through market from Independent Third Parties an aggregate of 138,840,000 APAC Shares (the “Second Acquired Shares”) at an aggregate consideration of HK\$69,547,159 (being approximately HK\$0.501 per APAC Share, with 0.1% to 0.25% brokerage, 0.1% stamp duty, 0.004% Securities and Futures Commission transaction levy, 0.005% Stock Exchange trading fee and 0.002% CCASS settlement fee). The Second Acquired Shares represent an aggregate of 138,840,000 APAC Shares and approximately 2.0% of the entire issued share capital of APAC. Following completion of the acquisition of the Second Acquired Shares, the Company has become beneficially interested in an aggregate of 1,879,539,562 APAC Shares, representing approximately 27.15% of the entire issued share capital of APAC.

Consideration

The Consideration payable for the Acquired Shares is HK\$319,344,812 (being HK\$0.501 per APAC Share, with 0.1% to 0.25% brokerage, 0.1% stamp duty, 0.004% Securities and Futures Commission transaction levy, 0.005% Stock Exchange trading fee and 0.002% CCASS settlement fee).

The Consideration was financed from borrowing of the Group.

LETTER FROM THE BOARD

The average price of HK\$0.501 per Acquired Share represents:–

- (a) a premium of 3.30 % to the closing price of HK\$0.485 per APAC Share as at 6 September 2010;
- (b) a premium of 4.375% to the average closing price of HK\$0.48 per APAC Share for the last 5 trading days up to and including 6 September 2010;
- (c) a premium of 8.09% to the average closing price of HK\$0.4635 per APAC Share for the last 10 trading days up to and including 6 September 2010;
- (d) a discount of 32.75% to the unaudited asset value (based upon the market value of its listed investments (including its investments in listed associates) and its cash and cash equivalents on hand) per APAC Share of HK\$0.745 as at 30 August 2010 as announced by APAC on 1 September 2010;
- (e) a discount of 1.76% to the unaudited consolidated net asset value per APAC Share of HK\$0.51 as at 30 June 2010; and
- (f) a premium of 5.474% to the closing price of HK\$0.475 per APAC Share as at the Latest Practicable Date.

The relevant Consideration for the 1,940,000 APAC Shares acquired at an average price of HK\$0.473 (before transaction costs) through market was determined by reference to the prevailing market prices of the APAC Shares and for 635,519,562 APAC Shares acquired at a price of HK\$0.50 (before transaction costs) through market by crossing was determined after arm's length negotiations between parties with reference to (i) the recent market prices of APAC Share as quoted on the Stock Exchange; (ii) the unaudited consolidated net asset value per APAC Share as at 30 June 2010; (iii) the unaudited asset value per APAC Share as at 30 August 2010; and (iv) the substantial block size of the Acquired Shares.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION

The principal businesses of the Group are securities trading and investments, provision of financial services, property investment and strategic investment. The Group considers that the Acquisition provides an opportunity for the Group to participate in the businesses of (i) trading in base metals and commodities; and (ii) trading and investment in listed securities with a portfolio primarily focused on natural resources and related sector and industries. The Group will hold the Acquired Shares as strategic long term investment and as confirmed by the Group's auditors, upon completion of the Acquisition, APAC will become an associate of the Group and the Group's investment in APAC will be classified as an "interest in associate" and its financial results, assets and liabilities will be accounted for in the financial statements of the Group using the equity method of accounting.

The unaudited pro forma financial information on the Enlarged Group which illustrates the financial effect of the Acquisition on the assets and liabilities of the Group assuming the completion of the Acquisition had taken place on 30 June 2010 is set out in Appendix II.

In view of the above, the Board is of the view that the terms of the Acquisition are fair and reasonable and on normal commercial terms, and the Acquisition is in the interest of the Company and its shareholders taken as a whole.

Information on APAC

APAC is a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. APAC is principally engaged in investment holding. The principal business activities of APAC's subsidiaries are (a) trading in base metals and commodities, and (b) trading and investment in listed securities with a portfolio primarily focused on natural resources and related sector and industries.

LETTER FROM THE BOARD

Below is the audited financial information of APAC for the two years ended 31 December 2008 and 31 December 2009 extracted from the audited consolidated financial statements of APAC and the unaudited financial information of APAC for the 6 months ended 30 June 2010 extracted from the unaudited consolidated financial statements of APAC:

	For the year ended 31 December 2008 (audited) HK\$'000	For the year ended 31 December 2009 (audited) HK\$'000	For the 6 months ended 30 June 2010 (unaudited) HK\$'000
Revenue	298,613	301,420	378,219
Profit (loss) before taxation and extraordinary items	(1,252,388)	444,384	221,614
Profit (loss) after taxation and extraordinary items	(1,252,329)	372,603	143,382
Profit (loss) attributable to the equity holders of APAC	(1,252,329)	372,603	143,382
Net asset value	1,271,261	2,962,014	3,538,163

Information on the Company

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.

IMPLICATIONS UNDER THE LISTING RULES

As the relevant Percentage Ratios for the Acquisition under Rule 14.07 exceeds 25% but is below 100%, the Acquisition constitutes a major transaction for the Company and is subject to approval by Shareholders. The Company has obtained a written shareholder's approval for the Acquisition from Vigor Online which holds approximately 70.11% of the total issued share capital of the Company as at the date of the Acquisition. Accordingly, no general meeting for the Shareholders' approval of the Acquisition will be held. So far as the Directors are aware, no Shareholder has a material interest in the Acquisition which is different from other shareholders of the Company, therefore, no Shareholder is required to abstain from the voting in respect of the Acquisition.

LETTER FROM THE BOARD

FUTURE PROSPECTS OF THE GROUP

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

RECOMMENDATION

Although no general meeting will be convened for approving the Acquisition, the Board considers that the transactions contemplated under the Acquisition are on normal commercial terms and the terms of the Acquisition 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 Acquisition, the Board would have recommended the Shareholders to vote in favour of the Acquisition.

ADDITIONAL INFORMATION

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

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

1. FINANCIAL INFORMATION

The financial information of the Group for:–

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

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

2. STATEMENT OF INDEBTEDNESS

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

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

3. CONTINGENT LIABILITIES

- (a) In respect of the disposal of a subsidiary in prior years, the Group has given an indemnity to the purchaser against all liabilities, losses, costs and expenses suffered and/or incurred by the purchaser in relation to or arising out of the assignment of certain of the subsidiary's business contracts.
- (b) In 1997, the Group had given a counter-indemnity to a former substantial shareholder and the ex-chairman of PCCW Limited (formerly known as Tricom Holdings Limited ("Tricom")), and Chambord Investment Inc. in respect of certain indemnities given to Tricom at the time of and to facilitate the listing of Tricom's shares on the Stock Exchange. These indemnities related to the use of the Tricom tradename, the infringement of the permitted use of properties, the guarantees granted to Tricom to secure banking facilities and tax liabilities.

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

4. WORKING CAPITAL

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

5. LITIGATION

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

6. MATERIAL CHANGE

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

I. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL
INFORMATION**Deloitte.**
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TO THE DIRECTORS OF COL CAPITAL LIMITED

We report on the unaudited pro forma financial information 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 acquisition of 637,459,562 ordinary shares of APAC Resources Limited (“Acquisition”) might have affected the financial information presented, for inclusion in Appendix II of the circular dated 30 September 2010 (“Circular”). The basis of preparation of the unaudited pro forma financial information is set out on pages 14-16 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 financial information 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 financial information 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 financial information 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 financial information 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 financial information 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 financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information is for illustrative purpose only, based on the judgements 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 financial position of the Group as at 30 June 2010 or any future date.

Opinion

In our opinion:

- a) the unaudited pro forma financial information 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 purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong, 30 September 2010

**II. UNAUDITED PRO FORMA FINANCIAL INFORMATION ON THE ENLARGED
GROUP****Introduction**

The unaudited pro forma statement of assets and liabilities of the Group has been prepared to illustrate the effect of the acquisition of 637,459,562 ordinary shares of APAC Resources Limited (the “Acquisition”).

The unaudited pro forma statement of assets and liabilities of the Group has been prepared in accordance with Rule 4.29 of the Listing Rules for the purposes of illustrating the effect of the Acquisition as if the Acquisition took place on 30 June 2010.

The unaudited pro forma statement of assets and liabilities of the Group is based upon the unaudited consolidated statement of financial position of the Group as at 30 June 2010, that has been extracted from the unaudited consolidated financial statements of the Group for the six months ended 30 June 2010, after making pro forma adjustment relating to the Acquisition that are (i) directly attributable to the transaction, and (ii) factually supportable.

The unaudited pro forma statement of assets and liabilities of the Group is based on a number of assumptions, estimates and uncertainties. Accordingly, the accompanying unaudited pro forma statement of assets and liabilities on the Group does not purport to describe the actual financial position of the Group that would have been attained had the Acquisition been completed on 30 June 2010. The unaudited pro forma statement of assets and liabilities of the Group does not purport to predict the future financial position of the Group.

The unaudited pro forma statement of assets and liabilities of the Group should be read in conjunction with the historical information of the Group as set out in the unaudited consolidated financial statements of the Group for the period ended 30 June 2010.

The statement has been prepared by the directors of the Company for illustrative purposes only and because of its nature, it may not give a true picture of financial position of the Group following completion of the Acquisition.

APPENDIX II
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION ON THE ENLARGED GROUP**
PRO FORMA FINANCIAL INFORMATION

	The Group as at 30 June 2010 <i>HK\$'000</i> <i>Note (a)</i>	Pro forma adjustments <i>HK\$'000</i>		Pro Forma Group <i>HK\$'000</i>
Non-current assets				
Investment properties	100,375			100,375
Property, plant and equipment	3,282			3,282
Interests in associates	169,427	915,095	<i>Note (b)(ii)</i>	1,084,522
Available-for-sale investments	366,574			366,574
Loan notes	168,754			168,754
	808,412			1,723,507
Current assets				
Available-for-sale investments	4,704			4,704
Investments held for trading	2,095,837	(595,750)	<i>Note (c)</i>	1,500,087
Debtors, deposits and prepayments	69,754			69,754
Amount due from an associate	14,339			14,339
Loans receivable	363,349			363,349
Taxation recoverable	2,025			2,025
Pledged bank deposits	6,890			6,890
Bank balances and cash	97,261	(97,261)	<i>Note (b)(i)</i>	–
	2,654,159			1,961,148
Current liabilities				
Creditors and accrued charges	33,798			33,798
Customers' deposits and receipts in advance	56,645			56,645
Consideration payable	–	222,084	<i>Note (b)(i)</i>	222,084
Other borrowings	899,172			899,172
Derivative financial instruments	15,040			15,040
Taxation payable	80,001			80,001
	1,084,656			1,306,740
Net current assets	1,569,503			654,408
Total assets less current liabilities	2,377,915			2,377,915
Non-current liabilities				
Other borrowings	150,000			150,000
Convertible bonds	225,011			225,011
	375,011			375,011
Net assets	2,002,904			2,002,904

Notes:

- (a) The amounts are extracted from the unaudited consolidated statement of financial position of the Group as at 30 June 2010, that has been extracted from the unaudited consolidated financial statements of the Group for the six months ended 30 June 2010.
- (b) The Group acquired further 637,459,562 shares of APAC Resources Limited, which represented equity interest of 9.21%, on 6 September 2010 and together with the previously held interest of 15.94%, APAC Resources Limited has become an associate of the Group since then.

Related pro forma adjustments are as follows with the assumption that the Acquisition has been completed as at 30 June 2010:

- (i) recognition of the consideration of HK\$319,345,000 for the Acquisition which assumed comprising cash of HK\$97,261,000 and consideration payable as at 30 June 2010 of HK\$222,084,000. Upon completion of the Acquisition, the entire consideration of HK\$319,345,000 was settled by utilising an existing securities margin loan facility line of the Group; and
- (ii) recognition of interest in an associate of HK\$915,095,000 includes goodwill of HK\$25,247,000 which represents the consideration of HK\$319,345,000 and the fair value of HK\$595,750,000 related to the previously-held equity interest in APAC Resources Limited based on the quoted market bid price of HK\$0.54 per share as at 30 June 2010 over the carrying amount of net assets attributable to the 25.15% interest in APAC Resources Limited held by the Group as at 30 June 2010 of HK\$889,848,000. In the opinion of the directors of the Company, the carrying amount of the net assets of APAC Resources Limited as at 30 June 2010 are approximated to their fair value at the completion date of the transaction. The Group is required to fair-value all identifiable assets and liabilities of APAC Resources Limited upon the acquisition date in order to derive the proper amount of goodwill or the excess of the aggregated fair value of consideration and the previously held equity interest in the acquiree over the fair value of the net assets attributable to the 25.15% interest held by the Group ("excess") in accordance with HKAS 28 *Investments in Associates*. The directors are in the process of assessing the fair value as such. Since the fair values of the identifiable assets, liabilities and contingent liabilities of APAC Resources Limited upon the acquisition date may be different to their carrying amounts as at 30 June 2010, there may be goodwill or excess finally and the amount may be also different from the above.
- (c) The adjustment represents the elimination of the previously-held equity interest of 15.94% in APAC Resources Limited which was classified as investments held for trading before the Acquisition.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Directors' interests

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

Long Position in the Shares

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

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

(b) Substantial Shareholders' interests

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

Long position in the Shares and underlying shares of the Company

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

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

Notes:

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

3. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

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

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

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

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

5. DIRECTORS' SERVICE CONTRACTS

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

6. LITIGATION

- (a) In November 1998, a writ was issued against the Company's subsidiaries, Hongkong Digital Television Limited ("Digital TV", formerly known as 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, neither the Company nor any of its subsidiaries is engaged in any litigation or claims of material importance and, so far as the Directors are aware, no litigation or claims of material importance are pending or threatened by or against any companies of the Group.

7. MATERIAL CONTRACTS

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

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

- (h) a supplemental agreement dated 4 January 2010 entered into between Join Capital, Extra Earn Holdings Limited (“Extra Earn”), Lin Xu Ming and Ding Ming Shan in relation to the extension of the repayment date under the loan agreement dated 31 December 2007 (as supplemented by the supplemental loan agreement dated 8 January 2009) to 31 December 2010;
- (i) a loan agreement dated 22 March 2010 entered into between Join Capital and Mabuhay Holdings Corporation (“Mabuhay”) relating to the granting of a loan facility of up to US\$1 million (approximately HK\$7.8 million) by Join Capital to Mabuhay;
- (j) a supplemental agreement dated 15 April 2010 entered into between Join Capital and Sunnysino in relation to the extension of the repayment date under the Sunnysino Loan Agreement to 12 May 2010;
- (k) a supplemental agreement dated 24 May 2010 entered into between Join Capital and Sunnysino in relation to the extension of the repayment date under the Sunnysino Loan Agreement to 30 June 2010;
- (l) a loan agreement dated 25 May 2010 entered into between Join Capital and Mabuhay relating to the granting of a loan facility of up to US\$4.5 million (approximately HK\$35.1 million) by Join Capital to Mabuhay;
- (m) the agreement dated 15 June 2010 entered into between Mission Time Holdings Limited (“Mission Time” as the purchaser), a wholly-owned subsidiary of the Company, Mulpha SPV Limited (as the issuer) and Mulpha International Bhd. (as the guarantor) in relation to the purchase of the loan note of nominal amount of US\$26,200,000 by Mission Time at a consideration of US\$21,652,885.20;
- (n) the subscription agreement dated 25 June 2010 entered into between Champion Record Limited, an indirect wholly-owned subsidiary of the Company, and Extra Earn in relation to the subscription of 180,000 new ordinary shares in Extra Earn at a consideration of US\$18,000,000 (approximately HK\$140,400,000);
- (o) a supplemental agreement dated 9 July 2010 entered into between Join Capital and Sunnysino in relation to the extension of the repayment date under the Sunnysino Loan Agreement to 30 July 2010;
- (p) the loan agreement dated 9 September 2010 entered into between Join Capital and Mr. He Peng (“Mr. He”) relating to the secured loan facility of a principal amount of up to HK\$255 million granted by Join Capital to Mr. He; and

- (q) the agreement dated 3 September 2010 entered into between Mission Time and Ms. Yong Pit Chin (“Ms. Yong”) in relation to the disposal of the loan note at a book carrying value of US\$5,018,216.81 of the US\$56,000,000 zero coupon notes due 2012 issued by Mulpha SPV Limited to Ms. Yong at a consideration of HK\$40,000,000.
- (r) 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 Limited to Mr. Chew at a consideration of HK\$30,000,000.
- (s) 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 Limited to Jumboview at a consideration of HK\$44,000,000.

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

8. 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 Enlarged 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 Enlarged Group.

As at the Latest Practicable Date, Deloitte did not have any direct or indirect interest in any assets which have been since 31 December 2009 (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 Enlarged Group, or are proposed to be acquired or disposed of by, or leased to any member of the Enlarged 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 of the Company in Hong Kong is 47th Floor, China Online Centre, 333 Lockhart Road, Wanchai, Hong Kong.
- (c) The secretary of the Company is Ms. Fung Ching Man, Ada, an associate member of the Institute of Chartered Secretaries and Administrators.
- (d) This circular is prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail.

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 head office and principal office of the Company in Hong Kong at 47/F., China Online Centre, 333 Lockhart Road, Wanchai, Hong Kong, and will also be available on the websites of the Company at <http://www.irasia.com/listco/hk/colcapital/> during normal business hours on any business day from the date of this circular up to and including 14 October 2010:–

- (a) the Memorandum of Association and Bye-laws of the Company;
- (b) the material contracts referred to under the paragraph headed "Material Contracts" in this Appendix;
- (c) the annual reports of the Company for the two financial years ended 31 December 2008 and 31 December 2009 and the interim report of the Company for the six months period ended 30 June 2010;
- (d) the circular of the Company dated 24 September 2010;
- (e) the accountant's report on the unaudited pro-forma financial information on the Enlarged 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 30 September 2010 issued by Deloitte to the Board; and
- (h) this circular.