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**COL Capital Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

## **MAJOR TRANSACTION ACQUISITION OF SHARES OF EXTRA EARN HOLDINGS LIMITED**

The Board announces that on 19 September 2012 (after trading hours), the Purchaser entered into the S&P Agreement with the Vendor to acquire the Sale Shares at an aggregate consideration of HK\$89,860,000. Completion took place on the date of the S&P Agreement.

The Sale Shares represent approximately 19.34% of the entire issued share capital of Extra Earn. The Company, through the Purchaser, already holds an approximate 38.67% in the issued share capital of Extra Earn.

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 of the Shareholders. The Company has obtained a written shareholder's approval for the Acquisition from Vigor Online which holds approximately 71.89% 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. Pursuant to Rule 14.41 of the Listing Rules, the Company is required to despatch to the Shareholders a circular in relation to the Acquisition within 15 business days after the publication of this announcement, that is, on or before 12 October 2012. The Company may not be able to despatch the circular within such period due to the time required to prepare the relevant financial and other information to be included in the circular under the Listing Rules, in which case the Company shall make a further announcement of any expected delay in despatch of the circular in due course.

### **THE ACQUISITION**

On 19 September 2012 (after trading hours), the Purchaser and the Vendor entered into the S&P Agreement wherein the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Shares for an aggregate consideration of HK\$89,860,000. Completion took place on the date of the S&P Agreement.

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

### **Assets acquired**

The Sale Shares represent approximately 19.34% of the entire issued share capital of Extra Earn. There are no contractual restrictions which are applicable to the subsequent sale of the Sale Shares.

The Company, through the Purchaser being its wholly-owned subsidiary, is already beneficially interested in 180,000 shares in Extra Earn, representing approximately 38.67% of the entire issued share capital of Extra Earn as at the date of the S&P Agreement. Simultaneous with the Completion, and pursuant to the Extra Earn Asset Reorganization, Extra Earn repurchased all its remaining issued shares held by the other shareholders excluding those held by the Purchaser. Accordingly, following the Completion, the Company will become beneficially interested in an aggregate of 270,000 shares in Extra Earn, representing the entire issued share capital of Extra Earn. Extra Earn will therefore become a wholly-owned subsidiary of the Company after the Completion with its sole investment being the holding of an approximate 58.01% of the registered capital of Jiatai City.

### **Consideration**

The Consideration payable for the Sale Shares is HK\$89,860,000.

The Consideration will be satisfied by the Purchaser issuing a promissory note to the Vendor on the Completion. Pursuant to the promissory note, the Purchaser has promised to pay to the Vendor the Consideration on or before 19 September 2013. Interest at the rate of 12% per annum shall accrue on the outstanding amount under the promissory note commencing from the date of the Completion.

The Consideration was determined after arm's length negotiations between parties with reference to unaudited consolidated net assets value of Extra Earn.

### **Information on the Group**

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

## Information on Extra Earn

Following the issue of new shares by Extra Earn in June 2012, the Group's shareholding in Extra Earn decreased to approximately 38.67% from 40%. Extra Earn is an investment holding company and upon Completion and following the Extra Earn Asset Reorganization, its sole investment will be its approximate 58.01% interest in the registered capital of Jiatai City. Extra Earn, through Jiatai City and Jiatai City's PRC subsidiaries, engages in urban infrastructure development, property development, hospital ownership and operations, medical equipment and supplies trading, and other investments in the PRC. Extra Earn's hospital ownership and operation consists of the Nanjing Tongren Hospital (南京同仁醫院) opened in 2007 with a capacity of 1,200 beds, and 898 medical staff and employee; the Kunming Tongren Hospital (昆明同仁醫院) opened in 2010 with a capacity of 500 beds, and 617 medical staff and employee; and Yunnan Xinxinhua Hospital (雲南新新華醫院) opened in 2004 with a capacity of 240 beds, and 384 medical staff and employee, all of which are integrated hospitals offering a wide range of comprehensive clinical and healthcare services.

The following is the financial information of Extra Earn as extracted from its unaudited consolidated management accounts (based on the audited consolidated accounts of Jiatai City for the two years ended 31 December 2010 and 2011 and the unaudited consolidated accounts of Jiatai City for the 7 months period ended 31 July 2012) as provided by Extra Earn for the two years ended 31 December 2010 and 2011 and for the 7 months period ended 31 July 2012, which were prepared in accordance with Hong Kong accounting standards:

	<b>For the 7 months period ended 31 July 2012 Unaudited (HK\$'000)</b>	<b>For the year ended 31 December 2011 Unaudited (HK\$'000)</b>	<b>For the year ended 31 December 2010 Unaudited (HK\$'000)</b>
Net loss before tax	113,941	115,083	89,319
Net loss after tax	113,941	102,308	90,423
Net asset value	464,640	649,355	678,659

## **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. Following the Completion, Extra Earn will become a subsidiary of the Company and its result and assets and liabilities will be consolidated into that of the Company. The Directors consider that the Acquisition is a valuable opportunity to further participate in the urban infrastructure development, property development, hospital ownership and operations, medical equipment and supplies trading and other investments in the PRC and secure its footing in such industries in the PRC, which is also in conformity with the Group's strategy to seek and identify grossly undervalued investment and business opportunities in the PRC. In view of the above, the Board considers that the terms and conditions of the S&P Agreement are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## **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 of the Shareholders. The Company has obtained a written shareholder's approval for the Acquisition from Vigor Online which holds approximately 71.89% 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. Pursuant to Rule 14.41 of the Listing Rules, the Company is required to despatch to the Shareholders a circular in relation to the Acquisition within 15 business days after the publication of this announcement, that is, on or before 12 October 2012. The Company may not be able to despatch the circular within such period due to the time required to prepare the relevant financial and other information to be included in the circular under the Listing Rules, in which case the Company shall make a further announcement of any expected delay in despatch of the circular in due course.

## **DEFINITIONS**

“Acquisition”	the acquisition of the Sale Shares by the Purchaser
“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
“Completion”	completion of the Acquisition
“Consideration”	the consideration payable by the Company for the acquisition of the Sale Shares

“Directors”	the directors of the Company
“Extra Earn”	Extra Earn Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Extra Earn Asset Reorganization”	the asset reorganization of Extra Earn by means of the transfer of an aggregate of approximately 41.99% of the registered capital of Jiatai City to, and the repurchase and cancellation of Extra Earn’s approximately 41.99% issued shares from, the other shareholders of Extra Earn (excluding those held by the Purchaser)
“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
“Independent Third Party(ies)”	party(ies) who, together with his/her ultimate beneficial owner(s) is/are persons independent of the Company and its connected persons (as defined in the Listing Rules)
“Jiatai City”	Lianyungang Jiatai City Development Co., Ltd. (連雲港嘉泰城市發展有限公司), a company established in the PRC with limited liability and is directly and wholly-owned by Extra Earn. The sole investment of Extra Earn.
“Listing Rules”	Rules Governing the Listing of Securities on Stock Exchange
“PRC”	the People’s Republic of China
“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
“Purchaser”	Champion Record Limited, a company incorporated in British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“S&P Agreement”	the agreement dated 19 September 2012 entered into between the Vendor and the Purchaser in relation to the acquisition of the Sale Shares

“Sale Shares”	90,000 ordinary shares in the issued share capital of Extra Earn
“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
“Vendor”	Highest Score Limited, a company incorporated in British Virgin Islands with limited liability
“Vigor Online”	Vigor Online Offshore Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling Shareholder holding 390,325,707 Shares representing approximately 71.89% of the entire issued share capital of the Company as at the date of this announcement
“%”	per cent

On behalf of the Board  
**COL Capital Limited**  
**Chong Sok Un**  
*Chairman*

Hong Kong, 19 September 2012

*As at the date of this announcement, the Board comprises Ms. Chong Sok Un (Chairman), Dato' Wong Peng Chong and Mr. Kong Muk Yin as Executive Directors; and Mr. Lau Siu Ki, Mr. Ma Wah Yan and Mr. Zhang Jian as Independent Non-Executive Directors.*