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**COL Capital Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

**MAJOR TRANSACTION RELATING TO  
SUBSCRIPTION OF SENIOR, UNSECURED  
CONVERTIBLE NOTES DUE 2016**

On 10 December 2010 (after trading hours), the Subscriber agreed to subscribe for A\$25 million (approximately HK\$191,500,000) of the Convertible Notes.

As the relevant Percentage Ratios for the amount of Convertible Notes agreed to be subscribed by the Subscriber exceeds 25% but is below 100% under Rule 14.07 of the Listing Rules, the proposed subscription of the Convertible Notes, if fully allocated to the Subscriber, would constitute a major transaction for the Company and is subject to approval by Shareholders. The Company has obtained a written shareholder's approval for the proposed subscription of the Convertible Notes from Vigor Online which holds approximately 70.11% of the total issued share capital of the Company as at the date hereof. Accordingly, no general meeting for the Shareholders' approval of the proposed subscription of the Convertible Notes will be held. A circular containing details of the Convertible Notes will be despatched to the Shareholders on or before 3 January 2011.

**Date:** 10 December 2010 (after trading hours)

**Issuer:** FKP Limited

**Subscriber:** Action Best Limited

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, save for the Group's holding of approximately 1.1% of the Stapled Securities, FKP and its ultimate beneficial owners are Independent Third Parties not connected with the Company and connected persons of the Company and is not acting in concert with any of the connected person(s) and each other.

## PRINCIPAL TERMS OF THE CONVERTIBLE NOTES

Based on the information provided by FKP, the indicative principal terms of the Convertible Notes are summarised as follows:

Issuer:	FKP Limited
Principal amount of the Convertible Notes to be subscribed:	A\$25 million (approximately HK\$191,500,000)
Issue Date:	5 January 2011 (being also the settlement date of the Convertible Notes)
Maturity Date:	5 January 2016 (5 years from the Issue Date)
Issue Price:	100% of the principal amount of the Convertible Notes
Coupon Rate:	8.0% per annum, payable semi-annually
Conversion Period:	The conversion right attaching to the Convertible Notes may be exercised, at the option of each Noteholder, at any time from 41 days after the Issue Date until 10 days prior to the Maturity Date
Conversion Price:	The initial Conversion Price is A\$1.014 per Stapled Security, adjusted for certain events as set out below
Conversion Securities:	Noteholders have the right to convert their Convertible Notes into Stapled Securities (credited as fully paid). However, at any time during the Conversion Period, FKP may elect to pay the Cash Settlement Amount in lieu of such Stapled Securities
Cash Settlement Amount:	The product of (a) the number of Stapled Securities deliverable upon exercise of the conversion right at the discretion of FKP and (b) the volume weighted average price of the Stapled Securities for each day during the 30 consecutive stock exchange business days immediately after the cash settlement notice date
Guarantors:	The RE and such other members of the FKP Property Group required in order to ensure that the total tangible assets of FKP and the Guarantors shall at all times comprise a minimum of 80% of the total tangible assets of the FKP Group

Redemption at the Option of FKP:

*Issuer Call* – callable after 5 January 2014 in whole but not in part at the Put Price if the volume weighted average price of the Stapled Securities for any 20 consecutive trading day period is at least 130% of the Conversion Price

*Clean Up Call* – callable anytime in whole but not in part at the Put Price if the aggregate principal amount of the Convertible Notes outstanding is less than 10% of the aggregate principal amount originally issued

*Tax Call* – FKP may redeem in whole but not in part the Convertible Notes at the Put Price, if following a change in Australian tax laws or regulations, FKP or any Guarantor is required to pay additional amounts in respect of any withholding or other taxes imposed in respect of payments to be made by FKP or, as the case may be, Guarantor in respect of the Convertible Notes

Redemption at the Option of Noteholders:

*Change of Control Put* – following the occurrence of a change of control event, each Noteholder will have the option to require FKP to redeem in whole or in part such Noteholder's Notes at the Put Price

*Redemption following delisting of the Stapled Securities* – following the Stapled Securities ceasing to be listed or admitted to trading on any agreed stock exchange or the suspension of the Stapled Securities for a period or more than 20 consecutive trading days, each Noteholder will have the option to require FKP to redeem in whole or in part such Noteholder's Convertible Notes at the Put Price

*Retirement Assets Sale Put* – following the occurrence of a retirement assets sale event, each Noteholder will have the option to require FKP to redeem in whole or in part such Noteholder's Convertible Notes at the Retirement Asset Sale Put Price.

*Investor Put* - on the investor put date (5 January 2014)

## Conversion upon Change of Control

Within 14 days of becoming aware of a change of control event, a change of control notice must be given to Noteholders. Following the giving of a change of control notice, upon any exercise of conversion rights such that the relevant conversion date falls within 30 days following a change of control or if later 30 days following the date on which a change of control notice is given, the conversion price shall be adjusted in accordance with the following formula:

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

where:

COCCP = the Conversion Price after such adjustment

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

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

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

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

## Adjustments to Conversion Price:

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

- (i) Consolidation, subdivision or reclassification of the Stapled Securities
- (ii) Capitalisation of profits or reserves
- (iii) Capital distributions and extraordinary distributions subject to dividend protection
- (iv) Issues under the distribution reinvestment plan and rights issues of Stapled Securities or options over Stapled Securities to the holders of Stapled Securities at less than 95% of current market price per Stapled Security

- (v) Rights issues of other securities to holders of Stapled Securities
- (vi) Issues of Stapled Securities or equity related securities at less than 95% of the current market price
- (vii) Modifications of rights of conversion of equity related securities issued so that the consideration per Stapled Securities is less than 95% of its current market price after such modification

Listing: FKP will apply to list the Convertible Notes on the Singapore Exchange Securities Trading Limited.

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

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

Others: The settlement of the Convertible Notes is subject to the satisfaction of a number of conditions precedent by FKP including the completion of the offering circular and the receipt of all required regulatory approvals

## **REASONS FOR SUBSCRIBING TO THE CONVERTIBLE NOTES**

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. The proposed subscription of the Convertible Notes is a transaction carried out as part of the ordinary and usual course of business activities of the Group and will provide interest income to the Group. The Convertible Notes will be recorded as convertible note under non-current assets of the Group. The subscription commitment of the Convertible Notes will be funded by internal resources and/or borrowings of the Group. The Directors consider that the transactions contemplated by the proposed subscription is on normal commercial terms and the terms of the proposed subscription are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE GROUP**

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

## **INFORMATION ON FKP**

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

## **IMPLICATIONS UNDER THE LISTING RULES**

As the relevant Percentage Ratios for the amount of Convertible Notes agreed to be subscribed by the Subscriber exceeds 25% but is below 100% under Rule 14.07 of the Listing Rules, the proposed subscription of the Convertible Notes, if fully allocated to the Subscriber, would constitute a major transaction for the Company and is subject to approval by Shareholders. The Company has obtained a written shareholder's approval for the proposed subscription of the Convertible Notes from Vigor Online which holds approximately 70.11% of the total issued share capital of the Company as at the date hereof. Accordingly, no general meeting for the Shareholders' approval of the proposed subscription of the Convertible Notes will be held. A circular containing details of the Convertible Notes will be despatched to the Shareholders on or before 3 January 2011.

## **DEFINITIONS**

“A\$”	Australian dollars, the lawful currency of Australia
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Convertible Notes”	the 8% senior unsecured convertible notes issued by FKP Limited due 2016
“Directors”	the directors of the Company

“FKP”	FKP Limited (ABN 28 010 729 950), a company incorporated in Australia, whose shares are listed on the ASX Limited
“FKP Group”	FKP Limited, each of its subsidiaries, FKP Funds Management Limited (ABN 17 089 800 082) as responsible entity of the Trust (the “RE”). The Trust and its controlled entities (including any joint venture vehicles and minority interests that are included in the financial reports of FKP and the RE)
“FKP Property Group”	FKP Group excluding any joint venture vehicles and minority interests that are included in the financial reports of FKP and the RE
“Group”	The Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the 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
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Noteholders”	holders of the Convertible Notes
“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“Put Price”	100% of the principal amount of the Convertible Notes plus accrued but unpaid interest
“Retirement Assets Sale Put Price”	110% of the principal amount of the Convertible Notes plus accrued but unpaid interest
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company

“Shareholder(s)”	holder(s) of the Shares
“Stapled Securities”	a stapled security, traded as one single listed security on the ASX Limited, constituted by an ordinary share in FKP and a unit in the Trust stapled together so that they cannot be traded separately with ticker number FKP AU
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Action Best Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Trust”	FKP Property Trust (ARSN: 099 648 754)
“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 this announcement
“%”	per cent

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

Hong Kong, 13 December 2010

*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. Lo Wai On, Mr. Lau Siu Ki and Mr. Zhang Jian as Independent Non-Executive Directors.*