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COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

**DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION
THE ACQUISITION OF EQUITY INTERESTS
IN
YANGPU ZHAOHE INDUSTRIAL CO. LTD.**

On 28 December 2015 (after trading hours), Vendor I and Jiatai Construction entered into the Agreement I, pursuant to which Jiatai Construction, a wholly-owned subsidiary of the Company, has conditionally agreed to acquire and Vendor I has conditionally agreed to sell 10.2% of the registered capital held by Vendor I in Yangpu Zhaohé for a consideration of RMB50,000,000 (approximately HK\$59,250,000). On the same day, Vendor II and Jiatai Construction entered into the Agreement II, pursuant to which Jiatai Construction has conditionally agreed to acquire and Vendor II has conditionally agreed to sell 8.16% of the registered capital held by Vendor II in Yangpu Zhaohé for a consideration of RMB40,000,000 (approximately HK\$47,400,000). After completion of the Acquisitions, Yangpu Zhaohé will become a direct wholly-owned subsidiary of Jiatai Construction.

Pursuant to Rule 14.22 of the Listing Rules, the transactions as contemplated under the Agreement I and the Agreement II will be aggregated and as the highest of the applicable percentage ratios is greater than 5% but less than 25%, as calculated under Rule 14.07 of the Listing Rules, the transactions as contemplated under the Agreement I and the Agreement II when aggregated will constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Vendor I is a substantial shareholder of Yangpu Zhaohé, an indirect non wholly-owned subsidiary of the Company. Therefore, Vendor I is a connected person of the Company under the Listing Rules and the transaction as contemplated under the Agreement I also constitutes a connected transaction of the Company under the Listing Rules. As the applicable percentage ratios are more than 0.1% but less than 5%, the transaction as contemplated under the Agreement I is subject to the reporting and announcement requirements, but is exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE AGREEMENT I

Date: 28 December 2015 (after trading hours)

Parties:

- (i) Vendor I; and
- (ii) Jiatai Construction.

Vendor I is a substantial shareholder of Yangpu Zhaohe, an indirect non wholly-owned subsidiary of the Company and is therefore a connected person of the Company under the Listing Rules.

Acquisition of equity interest in Yangpu Zhaohe:

Jiatai Construction has conditionally agreed to acquire and Vendor I has conditionally agreed to sell 10.2% of the registered capital of Yangpu Zhaohe held by Vendor I. Upon the completion of transaction as contemplated under the Agreement I, together with the Agreement II, i.e. the completion of relevant filings with the competent authorities in the PRC, Yangpu Zhaohe will become a wholly-owned subsidiary of Jiatai Construction.

Consideration:

The consideration for the transaction as contemplated under the Agreement I is RMB50,000,000 (approximately HK\$59,250,000), which was negotiated by Jiatai Construction and Vendor I on an arm's length basis and determined by taking into consideration of, among others, (i) the recent operating performance and asset value of Tongren Group (Yangpu Zhaohe owns as to 72.5% equity interest in Tongren and has a shareholder loan of RMB100 million to Tongren which are the sole assets of Yangpu Zhaohe), (ii) Tongren Group's ownership of three operating and well-established integrated hospitals (i.e. two Class III integrated hospitals namely the Nanjing Tongren Hospital (南京同仁醫院) and the Kunming Tongren Hospital (昆明同仁醫院) and one Class II integrated hospital namely the Yunnan Xinxinhua Hospital (雲南新新華醫院)) and two pieces of land for medical and health purposes situated at Nanjing and Kunming, PRC respectively, (iii) the experienced management and medical specialists team of Tongren Group, (iv) the future prospect of Tongren Group and (v) the original investment cost of RMB25,000,000 being 10.2% of the registered capital of Yangpu Zhaohe contributed by Vendor I in 2008.

Having considered the factors taken into account by the parties in arriving at the consideration after arm's length negotiation as mentioned above and the factors set out in the paragraph headed "Reasons for and Benefits of the Acquisitions", the Directors are of the view that the consideration under the Agreement I is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Payment of consideration:

Pursuant to the Agreement I, Jiatai Construction shall pay the consideration in cash to Vendor I within 3 months after the registration of the transfer of the 10.2% registered capital of Yangpu Zhaohe with the relevant authorities. It is expected that the consideration would be funded from internal resources and/or borrowings of the Group.

Condition precedent:

The transaction as contemplated under the Agreement I will be subject to the condition precedent that the Company has obtained the necessary approval in respect of the Agreement I and the transactions contemplated thereunder (if applicable).

Completion:

Registration of the transfer of the 10.2% registered capital of Yangpu Zhaohe with relevant authorities shall take place within 5 business days after the fulfillment of the condition precedent. The Agreement I and the Agreement II are not interconditional.

THE AGREEMENT II

Date: 28 December 2015 (after trading hours)

Parties:

- (iii) Vendor II; and
- (iv) Jiatai Construction.

To the best of the Director's knowledge, information and belief and having made all reasonable enquiries, Vendor II and its ultimate beneficial owners are Independent Third Parties.

Acquisition of equity interest in Yangpu Zhaohe:

Jiatai Construction has conditionally agreed to acquire and Vendor II has conditionally agreed to sell 8.16% of the registered capital of Yangpu Zhaohe held by Vendor II. Upon the completion of transaction as contemplated under the Agreement II, together with the Agreement I, i.e. the completion of relevant filings with the competent authorities in the PRC, Yangpu Zhaohe will become a wholly-owned subsidiary of Jiatai Construction.

Consideration:

The total consideration for the transaction as contemplated under the Agreement II is RMB40,000,000 (approximately HK\$47,400,000), which was negotiated by Jiatai Construction and Vendor II on an arm's length basis and determined by taking into consideration of, among others, (i) the recent operating performance and asset value of Tongren Group (Yangpu Zhaohe owns as to 72.5% equity interest in Tongren and has a shareholder loan of RMB100 million to Tongren which are the sole assets of Yangpu Zhaohe), (ii) Tongren Group's ownership of three operating and well-established integrated hospitals (i.e. two Class III integrated hospitals namely the Nanjing Tongren Hospital (南京同仁醫院) and the Kunming Tongren Hospital (昆明同仁醫院) and one Class II integrated hospital namely the Yunnan Xinxinhua Hospital (雲南新新華醫院)) and two pieces of land for medical and health purposes situated at Nanjing and Kunming, PRC respectively, (iii) the experienced management and medical specialists team of Tongren Group, (iv) the future prospect of Tongren Group and (v) the original investment cost of RMB20,000,000 being 8.16% of the registered capital of Yangpu Zhaohe contributed by Vendor II in 2008.

Payment of consideration:

Pursuant to the Agreement II, Jiatai Construction shall pay the consideration in cash to Vendor II within 3 months after the registration of the transfer of the 8.16% registered capital of Yangpu Zhaohe with relevant authorities. It is expected that the consideration would be funded from internal resources and/or borrowings of the Group.

Condition precedent:

The transaction as contemplated under the Agreement II will be subject to the condition precedent that the Company has obtained the necessary approval in respect of the Agreement II and the transactions contemplated thereunder (if applicable).

Completion:

Registration of the transfer of the 8.16% registered capital of Yangpu Zhaohe with relevant authorities shall take place within 5 business days after the fulfillment of the condition precedent. The Agreement II and the Agreement I are not interconditional.

INFORMATION ABOUT THE GROUP

The Group's principal business is investment holding and through its subsidiaries engaged in investment in and management and operation of healthcare and hospital businesses, aged care businesses, trading of medical equipment and related supplies, property investment and development, securities trading and investments, provision of financial services and strategic investment.

INFORMATION ABOUT YANGPU ZHAOHE

The principal business of Yangpu Zhaohe is hospital and clinic management in the PRC. Yangpu Zhaohe owns as to 72.5% of the equity interest in Tongren and has a shareholder loan of RMB100 million to Tongren which are the sole assets of Yangpu Zhaohe.

The principal business of Tongren Group is investment in and management and operation of healthcare and hospital businesses, trading of medical equipment and related supplies, and property development in the PRC. Currently, Tongren Group owns three well-established operating integrated hospitals consisting of the Nanjing Tongren Hospital (南京同仁醫院) (Class III Integrated Hospital), the Kunming Tongren Hospital (昆明同仁醫院) (Class III Integrated Hospital) and Yunnan Xinxinhua Hospital (雲南新新華醫院) (Class II Integrated Hospital), offering a wide range of comprehensive hospital and healthcare services.

Nanjing Tongren Hospital was opened in 2007 and is located in Jiangning Development Zone, Nanjing, Jiangsu Province, the PRC with a site area of 240 Mu and gross floor area of 121,000 sqm, consisting of a 4-storey main building and two 12-storey buildings, with a planned operating capacity of 1,200 beds, 4,000 out-patient visits per day, 250 emergency room visits per day and 150 operation room usages per day. Currently, there are 598 beds opened, 30 clinical departments, 7 medical technical centres and a body-check centre (being the largest in Nanjing City) operated in Nanjing Tongren Hospital with 936 medical and technical staff and employees. Kunming Tongren Hospital was opened in 2010 and is located in Kunming City, Yunnan Province, PRC with a site area of 100 Mu and gross floor area of 70,000 sqm, consisting of an outpatient building, a medical technical building and an in-patient building, with a planned operating capacity of 500 beds, 20 clinical departments, 6 medical technical centres and a body-check centre (being the most comprehensive in Yunnan) for the first phase. Currently, there are 429 beds opened, 17 clinical departments, 6 medical technical centres and a body-check centre operated in Kunming Tongren Hospital with 752 medical and technical staff and employees. Yunnan Xinxinhua Hospital was acquired by Tongren in 2004 and is located in Kunming City, Yunnan Province, PRC. Currently, there are 240 beds, 25 clinical departments and 5 medical technical centres operated in Yunnan Xinxinhua Hospital with 345 medical and technical staff and employees.

In addition, Tongren Group owns two pieces of vacant land designated for medical and health purposes each located near the Nanjing Tongren Hospital (“Nanjing Land”) and the Kunming Tongren Hospital (“Kunming Land”) respectively and also engages in property development operation in Nanjing, PRC. The Nanjing Land consists of a site area of 103.46 Mu and planned gross floor area of 110,000 sqm and is currently occupied by three buildings with site area of 31 Mu and gross floor area of 18,756 sqm and are used as rehabilitation centre and staff quarters. There is approximately 72.46 Mu remaining vacant. The Kunming Land consists of a site area of 155 Mu and is currently occupied by one building with site area of 17 Mu and gross floor area of 4,699 sqm and used as office building. There is approximately 138 Mu which remains vacant with planned gross floor area of 150,000 sqm.

As at the mid November 2015, the property development project of Tongren Group, Kangya Garden Phase III, was still in progress of which 407 units (about 97%) out of 419 units had been pre-sold and any contribution to the result of Tongren Group is expected only be recorded following the completion of the development and issuance of occupation permits by relevant authorities which is expected to be in the first quarter of 2016. Subject to the audit on the total construction cost upon completion, the estimated remaining capital expenditure required to complete the development of Kangya Garden Phase III is approximately RMB51 million.

Upon completion of the Acquisitions, Yangpu Zhaohe will become a wholly-owned subsidiary of the Group.

The following is the unaudited consolidated financial information of Yangpu Zhaohe as extracted from its unaudited management accounts for the two years ended 31 December 2013 and 31 December 2014 which were prepared in accordance with PRC accounting standards:

	For the year ended 31 December 2013 (unaudited) (RMB'000)	For the year ended 31 December 2014 (unaudited) (RMB'000)
Turnover ⁽¹⁾	909,109	619,328
Profit (loss) before taxation	56,094	(68,109)
Profit (loss) after taxation	33,745	(77,623)
Net assets	233,742	156,120
Total assets	1,973,793	2,098,424

Loss for the year ended 31 December 2014 was mainly due to the decrease in development profit of Kangya Garden Phase II being recorded and the construction of Kangya Garden Phase III being still in progress resulting in no contribution to the results of Yangpu Zhaohe in 2014.

⁽¹⁾ inclusive of revenue from property development business of Kangya Garden Phase II for 2013, and Phase I and II (remaining units) for 2014 of RMB357,288,000 and RMB45,497,000 respectively

INFORMATION ABOUT VENDOR I AND VENDOR II

Vendor I is a company duly established and validly existing under the laws of the PRC and engages in investment holding.

Vendor II is a company duly established and validly existing under the laws of the PRC and engages in investment holding.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

The Group considers that the outlook for the private healthcare sector in the PRC is positive due to its favourable demographic (such as aging population) and macro factors (such as growing middle class), low penetration of private healthcare institutions, and supportive government policies (such as the “Opinions on Promoting Further Reform of the Healthcare System (中共中央國務院關於深化醫藥衛生體制改革的意見)” which were promulgated by the State Council on March 17, 2009, the “Notice on the Implementation Measures for the Reform of the Healthcare System (2009 to 2011) (國務院關於印發醫藥衛生體制改革近期重點實施方案(2009-2011年)的通知)”, which was promulgated by the State Council on March 18, 2009 and the “Notice of the State Council on Forwarding the Opinions of the NDRC, the NHFPC and other Departments on Further Encouraging and Guiding Private Capital to Invest in Medical Institutions (關於進一步鼓勵和引導社會資本舉辦醫療機構意見的通知) (“Order No. 58””, which was promulgated by the General Office of the State Council on November 26, 2010)). Such was further reinforced by the grand planning of “To accelerate construction of Healthy China, deepen the reform of medical and health system, rationalize the price of medicines, carry out the linkage among medical treatment, health care and medicine, set up the basic medical and health care and modern hospital management systems and implement food safety strategy” under the latest communique of the Fifth Plenary Session of the 18th Communist Party of China Central Committee in 2015. Further, there is an increase in the public awareness of health and safety in the PRC. As such, private sector investments in medical institutions, a key part of the ongoing healthcare reform in the PRC, is expected to continue to provide the Tongren Group with significant growth opportunities.

The Group believes that under the current management structure of Yangpu Zhaohe the potential of the businesses of Yangpu Zhaohe and Tongren Group as well as the value of its assets could never be realised and maximized. The Group would be unable to have complete control to develop the businesses of Yangpu Zhaohe and Tongren Group according to its plan unless and until the Group makes Yangpu Zhaohe its wholly-owned subsidiary. Taking into account the high potential of the businesses which are fully encouraged and supported by the policies of the central government of the PRC, following the Acquisitions, the Group will be able to maximize the potential of Yangpu Zhaohe and Tongren Group by strengthening its management and financial aspects with the assistance of its recently appointed non-executive director and executive director.

The Group considered that the Acquisitions will represent a good opportunity for the Group to buy-out the minority interests making Yangpu Zhaohe wholly-owned by the Group. This will allow the Group to gain absolute control and to run and operate Yangpu Zhaohe and Tongren Group in accordance with its plans in order to maximise the potentials of the business of the Tongren Group and to enjoy the entire economic benefits from the Tongren Group. Further, the Group will be able to enjoy flexibilities in the financial policies and options including but not limited to the flexibility to reduce the high gearing level of Tongren Group. After the completion of the Acquisitions, Yangpu Zhaohe will become a wholly-owned subsidiary of the Group and its financial results and assets and liabilities will be fully consolidated into the consolidated financial statements of the Group and the Group's indirect equity interests in Tongren will be increased from 86.69% to 100%.

Given (i) the above reasons for and the benefits of Acquisitions and (ii) the factors in determining the considerations for the Acquisitions as set out in the sub-paragraphs headed "Consideration" in the paragraphs headed "The Agreement I" and "The Agreement II", the Company considers that the terms and conditions of the Agreement I and the Agreement II are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the transactions as contemplated under the Agreement I and the Agreement II will be aggregated and as the highest of the applicable percentage ratios is greater than 5% but less than 25%, as calculated under Rule 14.07 of the Listing Rules, the transactions as contemplated under the Agreement I and the Agreement II when aggregated constitute a discloseable transactions for the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Vendor I is a substantial shareholder of Yangpu Zhaohe, an indirect non wholly-owned subsidiary of the Company. Therefore, Vendor I is a connected person of the Company under the Listing Rules and the transaction as contemplated under the Agreement I also constitutes a connected transaction of the Company under the Listing Rules. As the applicable percentage ratios are more than 0.1% but less than 5%, the transaction as contemplated under the Agreement I is subject to the reporting and announcement requirements, but is exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors are of the view that the terms of the Agreement I and the Agreement II are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders of the Company as a whole.

None of the Directors has a material interest in the Agreement I and hence none of them has abstained from voting on the board resolution approving the Agreement I.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning when used herein:

“Acquisitions”	the acquisitions pursuant to the Agreement I and the Agreement II respectively;
“Agreement I”	the agreement dated 28 December 2015 entered into between Vendor I and Jiatai Construction in relation to the sale and purchase of 10.2% of the registered capital of Yangpu Zhaohe held by Vendor I;
“Agreement II”	the agreement dated 28 December 2015 entered into between Vendor II and Jiatai Construction in relation to the sale and purchase of 8.16% of the registered capital of Yangpu Zhaohe held by Vendor II;
“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 (stock code: 383);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“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;
“Jiatai Construction”	Lianyungang Jiatai Construction Co. Ltd* (連雲港嘉泰建設工程有限公司), a limited liability company established under the laws of the PRC, a wholly-owned subsidiary of the Company;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Share(s)”	ordinary share(s) of HK\$0.0005 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;
“Tongmei Stomatology”	Nanjing Tongmei Stomatology Hospital Management Co., Ltd* (南京同美口腔醫院管理有限公司), a limited liability company established under the laws of the PRC and wholly- owned by Jiatai Construction;
“Tongren”	Tongren Healthcare Industry Group Co., Ltd* (同仁醫療產業集團有限公司), a limited liability company established under the laws of the PRC and owned as to 72.5% by Yangpu Zhaohe and 27.5% by Tongmei Stomatology;
“Tongren Group”	Tongren and its subsidiaries;
“Vendor I”	Hainan Hengrun Industrial Investment Company Limited* (海南恆潤實業投資有限公司), a limited liability company established under the laws of the PRC, a substantial shareholder of Yangpu Zhaohe;
“Vendor II”	Shenzhen Sanxiang Investment Company Limited* (深圳市三湘投資有限公司), a limited liability company established under the laws of the PRC;
“Yangpu Zhaohe”	Yangpu Zhaohe Industrial Co., Ltd* (洋浦兆合實業有限公司), a limited liability company established under the laws of the PRC and directly owned as to 81.64% by Jiatai Construction;

“%” per cent.

* *the English name is translation of the official Chinese name for identification purpose only*

For illustration purposes, RMB is converted into HK\$ at RMB1 = HK\$1.185 in this announcement.

By Order of the Board
COL Capital Limited
Dr. Lim Cheok Peng
Chairman

Hong Kong, 28 December 2015

As at the date of this announcement, the Board comprises: –

Executive Directors

*Ms. Chong Sok Un (Deputy Chairman), Dr. Jonathan Weiyan Seah (Chief Executive Officer),
Dato' Wong Peng Chong and Mr. Kong Muk Yin*

Non-Executive Director

Dr. Lim Cheok Peng (Chairman)

Independent Non-Executive Directors

Mr. Lau Siu Ki, Mr. Ma Wah Yan and Mr. Zhang Jian