



**COL Capital Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2008**

### **UNAUDITED RESULTS OF THE GROUP**

The Board of Directors (the “Directors”) of COL Capital Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2008 together with the comparative figures for the corresponding period in 2007 as follows. The consolidated interim financial statements have not been audited, but have been reviewed by the Company’s auditor, Deloitte Touche Tohmatsu, in accordance with the Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” and by the Company’s Audit Committee.

## CONDENSED CONSOLIDATED INCOME STATEMENT

		<b>Six months ended</b>	
		<b>30.6.2008</b>	30.6.2007
		<i>HK\$'000</i>	<i>HK\$'000</i>
<i>Notes</i>		<b>(unaudited)</b>	(unaudited)
		<b>13,939</b>	15,561
		<b>169,423</b>	1,100,144
		<b>183,362</b>	1,115,705
		<b>2,056</b>	2,294
		<b>4,192</b>	6,770
		<b>7,691</b>	6,497
	4	<b>(1,504,066)</b>	572,584
		<b>5,375</b>	15,494
		<b>(9,187)</b>	(8,223)
	5	<b>(25,265)</b>	(8,994)
		<b>–</b>	14,707
		<b>(6,243)</b>	609
		<b>(1,525,447)</b>	601,738
	6	<b>(1,413)</b>	(62,769)
		<b>(1,526,860)</b>	538,969
		<b>–</b>	(1,548)
	7	<b>–</b>	(1,548)
		<b>(1,526,860)</b>	537,421
	8	<b>(1,526,860)</b>	537,421
		<b>(1,528,615)</b>	528,424
		<b>1,755</b>	8,997
		<b>(1,526,860)</b>	537,421
		<b>11,047</b>	11,084
		<b>(HK\$5.54)</b>	HK\$1.88
	10	<b>(HK\$5.54)</b>	HK\$1.88
		<b>(HK\$5.54)</b>	HK\$1.89

## CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	As at <b>30.6.2008</b> <i>HK\$'000</i> <b>(unaudited)</b>	As at 31.12.2007 <i>HK\$'000</i> (audited)
<b>Non-current assets</b>			
Investment properties		<b>113,299</b>	110,925
Property, plant and equipment		<b>2,998</b>	3,796
Prepaid lease payments		<b>55</b>	1,001
Interest in associates		<b>371,407</b>	368,297
Available-for-sale investments		<b>588,245</b>	849,923
		<hr/> <b>1,076,004</b> <hr/>	<hr/> 1,333,942 <hr/>
<b>Current assets</b>			
Available-for-sale investments		–	9,801
Loan notes		–	52,401
Investments held for trading		<b>2,241,189</b>	3,617,216
Debtors, deposits and prepayments	<i>11</i>	<b>71,356</b>	41,284
Loan receivables		<b>164,877</b>	174,015
Tax recoverable		<b>4,050</b>	4,050
Pledged bank deposits		<b>8,845</b>	10,718
Bank balances and cash		<b>48,769</b>	67,824
		<hr/> <b>2,539,086</b> <hr/>	<hr/> 3,977,309 <hr/>
<b>Current liabilities</b>			
Creditors and accrued charges	<i>12</i>	<b>99,786</b>	97,995
Customers' deposits and receipts in advance		<b>34,934</b>	14,192
Other borrowings		<b>1,000,116</b>	918,838
Derivative financial instruments		<b>25,702</b>	4,874
Taxation payable		<b>170,974</b>	171,033
		<hr/> <b>1,331,512</b> <hr/>	<hr/> 1,206,932 <hr/>
Net current assets		<hr/> <b>1,207,574</b> <hr/>	<hr/> 2,770,377 <hr/>
Total assets less current liabilities		<hr/> <b>2,283,578</b> <hr/>	<hr/> 4,104,319 <hr/>
<b>Capital and reserves</b>			
Share capital		<b>2,760</b>	2,762
Reserves		<b>2,275,191</b>	4,097,685
		<hr/> <b>2,277,951</b> <hr/>	<hr/> 4,100,447 <hr/>
Equity attributable to equity holders of the Company		<b>2,277,951</b>	4,100,447
Minority interests		<b>5,627</b>	3,872
		<hr/> <b>2,283,578</b> <hr/>	<hr/> 4,104,319 <hr/>
Total equity		<hr/> <b>2,283,578</b> <hr/>	<hr/> 4,104,319 <hr/>

Notes:–

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at revalued amounts or fair values, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2007.

In the current interim period, the Group has applied, for the first time, the following new interpretations (“new HKFRSs”) issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 January 2008.

HK(IFRIC) – INT 11	HKFRS 2 – Group and treasury share transactions
HK(IFRIC) – INT 12	Service concession arrangements
HK(IFRIC) – INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been made.

The Group has not early applied the following new, revised and amended standards or interpretation that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements <sup>1</sup>
HKAS 23 (Revised)	Borrowing costs <sup>1</sup>
HKAS 27 (Revised)	Consolidated and separate financial statements <sup>2</sup>
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation <sup>1</sup>
HKFRS 2 (Amendment)	Vesting conditions and cancellations <sup>1</sup>
HKFRS 3 (Revised)	Business combinations <sup>2</sup>
HKFRS 8	Operating segments <sup>1</sup>
HK(IFRIC) – INT 13	Customer loyalty programmes <sup>3</sup>
HK(IFRIC) – INT 15	Agreements for the construction of real estate <sup>1</sup>
HK(IFRIC) – INT 16	Hedges of a net investment in a foreign operation <sup>4</sup>

<sup>1</sup> *Effective for accounting periods beginning on or after 1 January 2009.*

<sup>2</sup> *Effective for accounting periods beginning on or after 1 July 2009.*

<sup>3</sup> *Effective for accounting periods beginning on or after 1 July 2008.*

<sup>4</sup> *Effective for accounting periods beginning on or after 1 October 2008.*

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The directors of the Company anticipate that the application of the other new, revised and amended standards or interpretation will have no material impact on the results and financial position of the Group.

### **3. BUSINESS INFORMATION**

#### **Business segments**

The Group is currently organised into three main operating divisions – securities trading and investments, financial services and property investment. These divisions are the bases on which the Group reports its primary segment information.

The Group was engaged in mobile phone distribution. This operation was discontinued in the year 2007 (*see note 7*).

Segment information about these business is presented below:

For the six months ended 30 June 2008

	Continuing operations			Consolidated <i>HK\$'000</i>
	Securities trading and investments <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	
Gross proceeds from sales of investments held for trading	<u>169,423</u>	<u>–</u>	<u>–</u>	<u>169,423</u>
Revenue	<u>4,192</u>	<u>7,691</u>	<u>2,056</u>	<u>13,939</u>
Segment result	<u>(1,500,311)</u>	<u>7,669</u>	<u>1,489</u>	(1,491,153)
Unallocated other income				4,940
Unallocated corporate expenses				(7,726)
Share of losses of associates				(6,243)
Finance costs				<u>(25,265)</u>
Loss before taxation				(1,525,447)
Taxation				<u>(1,413)</u>
Loss for the period				<u><u>(1,526,860)</u></u>

For the six months ended 30 June 2007

	Continuing operations			Discontinued operation		
	Securities trading and investments <i>HK\$'000</i>	Financial services <i>HK\$'000</i>	Property investment <i>HK\$'000</i>	Total <i>HK\$'000</i>	Mobile phone distribution <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Gross proceeds from sales of investments held for trading	<u>1,100,144</u>	<u>–</u>	<u>–</u>	<u>1,100,144</u>	<u>–</u>	<u>1,100,144</u>
Revenue	<u>6,770</u>	<u>6,497</u>	<u>2,294</u>	<u>15,561</u>	<u>7,681</u>	<u>23,242</u>
Segment result	<u>582,157</u>	<u>6,492</u>	<u>16,354</u>	605,003	(3,199)	601,804
Unallocated other income				12,929	1,678	14,607
Unallocated corporate expenses				(7,809)	–	(7,809)
Share of profits of an associate				609	–	609
Finance costs				(8,994)	–	(8,994)
Profit before taxation				601,738	(1,521)	600,217
Taxation				(62,769)	(27)	(62,796)
Profit for the period				<u>538,969</u>	<u>(1,548)</u>	<u>537,421</u>

#### 4. NET (LOSS) GAIN ON INVESTMENTS

	Six months ended	
	30.6.2008 <i>HK\$'000</i>	30.6.2007 <i>HK\$'000</i>
Change in fair value of investments held for trading ( <i>Note a</i> )	(1,485,787)	580,546
Change in fair value of derivative financial instruments ( <i>Note b</i> )	(20,383)	(7,366)
Net realised gain (loss) on disposal of available-for-sale investments	<u>2,104</u>	<u>(596)</u>
	<u>(1,504,066)</u>	<u>572,584</u>

Notes:

- (a) Included in change in fair value of investment held for trading, approximately HK\$3,939,000 (2007: gain of HK\$117,368,000) represented net realised loss on disposal of investments held for trading.
- (b) Included in change in fair value of derivative financial instruments, approximately HK\$425,000 (2007: loss of HK\$7,366,000) represented net realised gain on derivative financial instruments.

## 5. FINANCE COSTS

The finance costs represent interest on bank and other borrowings wholly repayable within five years.

## 6. TAXATION

	Continuing operations		Discontinued operation		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007	30.6.2008	30.6.2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The current tax comprises:						
Hong Kong Profits Tax	1,295	61,034	–	27	1,295	61,061
Enterprise income tax in the People's Republic of China ("PRC")	118	1,735	–	–	118	1,735
	<u>1,413</u>	<u>62,769</u>	<u>–</u>	<u>27</u>	<u>1,413</u>	<u>62,796</u>

Hong Kong Profits Tax is calculated at 16.5% (2007: 17.5%) on the estimated assessable profit for the six months ended 30 June 2008. In June 2008, the Hong Kong Profits Tax rate was decreased from 17.5% to 16.5% with effect from the year of assessment 2008/09. Deferred tax balances brought forward from the preceding year have been adjusted to reflect such decrease.

Enterprise income tax in the PRC is calculated at 25% (2007: 33%) of estimated assessable profit except for the subsidiary which is eligible for certain tax holidays and concessions on the PRC income tax. On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (the "New Law") by Order No. 63 of the President of the PRC. On 6 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. The New Law and Implementation Regulations will change the tax rate from 33% to 25% for subsidiaries incorporated in PRC from 1 January 2008.



## 7. DISCONTINUED OPERATION

The results of the discontinued operation representing the mobile phone distribution operation, which was ceased in the year 2007, for the six months ended 30 June 2007 were as follows:

	Six months ended 30.6.2007 <i>HK\$'000</i>
Turnover	7,681
Cost of sales	(8,072)
Other income	1,678
Distribution expenses	(1,050)
Administrative and other expenses	(1,758)
	<hr/>
Loss before taxation	(1,521)
Taxation	(27)
	<hr/>
Loss for the period	<u>(1,548)</u>

## 8. (LOSS) PROFIT FOR THE PERIOD

Continuing operations		Discontinued operation		Consolidated	
Six months ended		Six months ended		Six months ended	
30.6.2008	30.6.2007	30.6.2008	30.6.2007	30.6.2008	30.6.2007
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>

(Loss) profit for the period  
has been arrived at after  
charging (crediting):

Staff costs including directors' emoluments	<b>3,644</b>	3,021	–	945	<b>3,644</b>	3,966
Reversal of inventories	–	–	–	(1,117)	–	(1,117)
Depreciation and amortisation	<b>149</b>	144	–	311	<b>149</b>	455
Interest income	<b>(1,039)</b>	(4,974)	–	(33)	<b>(1,039)</b>	(5,007)
Net foreign exchange gain	<b>(3,901)</b>	(6,954)	–	–	<b>(3,901)</b>	(6,954)
	<hr/> <b></b>	<hr/>	<hr/>	<hr/>	<hr/> <b></b>	<hr/>

## 9. DIVIDENDS

	<b>Six months ended</b>	
	<b>30.6.2008</b>	30.6.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Dividend recognised as distribution – HK\$0.04 (2007: HK\$0.04) per share	<u><b>11,047</b></u>	<u>11,084</u>
Interim dividend, proposed – Nil (2007: HK\$0.01) per share	<u><b>–</b></u>	<u>2,762</u>

## 10. (LOSS) EARNINGS PER SHARE

### *From continuing and discontinued operations*

The calculation of the basic (loss) earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	<b>Six months ended</b>	
	<b>30.6.2008</b>	30.6.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss) earnings for the purpose of basic (loss) earnings per share attributable to the equity holders of the Company	<u><b>(1,528,615)</b></u>	<u>528,424</u>
	<b>Number</b>	Number
	<b>of shares</b>	of shares
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share	<u><b>276,168,323</b></u>	<u>280,790,340</u>

*From continuing operations*

The calculation of the basic (loss) earnings per share from continuing operations attributable to the ordinary equity holders of the Company is based on the following data:

	<b>Six months ended</b>	
	<b>30.6.2008</b>	30.6.2007
	<b>HK\$'000</b>	HK\$'000
(Loss) earnings for the period attributable to equity holders of the Company	<b>(1,528,615)</b>	528,424
<i>Add:</i> Loss for the period from discontinued operation	—	1,548
	<hr/>	<hr/>
(Loss) earnings for the purposes of basic (loss) earnings per share from continuing operations	<b><u>(1,528,615)</u></b>	<b><u>529,972</u></b>

The denominators used are the same as those detailed above for basic earnings per share.

*From discontinued operation*

For the six months period ended 30 June 2007, basic loss per share for the discontinued operation is HK\$0.006 per share. The calculation of the basic loss per share was based on the loss for the period from the discontinued operation of HK\$1,548,000 attributable to the ordinary equity holders of the Company and the denominators detailed above for basic earnings per share.

**11. DEBTORS, DEPOSITS AND PREPAYMENTS**

The Group has a policy of allowing credit periods of 30 to 90 days to its trade debtors. An aged analysis of trade debtors is as follows:

	<b>30.6.2008</b>	31.12.2007
	<b>HK\$'000</b>	HK\$'000
Trade debtors within 90 days	<b>4,456</b>	1,992
Other debtors, deposits and prepayments	<b>66,900</b>	39,292
	<hr/>	<hr/>
	<b><u>71,356</u></b>	<b><u>41,284</u></b>

## 12. CREDITORS AND ACCRUED CHARGES

An aged analysis of trade creditors is as follows:

	<b>30.6.2008</b>	31.12.2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade creditors due within 90 days	<b>13,688</b>	29,778
Other creditors and accrued charges	<b>86,098</b>	68,217
	<hr/> <b>99,786</b> <hr/>	<hr/> 97,995 <hr/>

## DIVIDENDS

The Directors do not recommend the payment of interim dividend for the period ended 30 June 2008 (2007: HK\$0.01).

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL RESULTS

Turnover of the Group for the six months ended 30 June 2008 was HK\$183,362,000 (2007: HK\$1,115,705,000) representing a drop of 83.6% as compared to the corresponding period of 2007. The Group recorded a net loss attributable to shareholders of HK\$1,528,615,000 for the six months ended 30 June 2008 against a net profit of HK\$528,424,000 last year. Loss per share of the Company was HK\$5.54 (2007: Earning per share of HK\$1.88).

As at 30 June 2008, the Group's net asset value per share was HK\$8.25 (2007: HK\$10.80).

### REVIEW OF OPERATIONS

The first half of 2008 was an extremely difficult period for the global financial markets, faced with concerns over the continued correction in US home prices, further subprime mortgage related write-offs, credit crunch, high oil and food prices, and a slowdown of the US economy. During the period under review, the Group's business in trading and investment in financial securities recorded a decrease in turnover to HK\$173,615,000 (2007: HK\$1,106,914,000) and a loss of HK\$1,500,311,000 (2007: Profit of HK\$582,157,000) mainly due to the net loss on investments of HK\$1,504,066,000 (2007: Gain of HK\$572,584,000). As the performance of the Group's investment portfolio is measured by the mark-to-market accounting standard, a

substantial unrealized loss from fair value changes on investments held for trading was incurred in the period. As at 30 June 2008, the Group maintained a long-term portfolio of available-for-sale investments of HK\$588,245,000 (2007: HK\$588,052,000) and a trading portfolio of HK\$2,241,189,000 (2007: HK\$2,467,464,000).

The Group's money lending business recorded a turnover of mainly interest income of HK\$7,691,000 (2007: HK\$6,497,000) and a profit of HK\$7,669,000 (2007: HK\$6,492,000) during the period under review. As at 30 June 2008, the Group's loan portfolio amounted to HK\$164,877,000 (2007: HK\$121,122,000).

The Group's investment properties located in Hong Kong and China achieved a rental income of HK\$2,056,000 (2007: HK\$2,294,000) and a profit of HK\$1,489,000 (2007: HK\$16,354,000). As at 30 June 2008, the value of the Group's investment properties portfolio amounted to HK\$113,299,000 (2007: HK\$84,085,000).

## **PRINCIPAL ASSOCIATED COMPANIES**

The share of losses of associates of the Group for the six months ended 30 June 2008 was HK\$6,243,000 (2007: Profit of HK\$609,000).

For the period under review, Shanghai Allied Cement Limited ("SAC"), a 27% associate of the Group, recorded a turnover of HK\$242,320,000 (2007: HK\$185,506,000) and a loss of HK\$30,357,000 (2007: Profit of HK\$1,002,000). In May 2008, following the acquisition of the remaining 5% equity interest for a consideration of RMB4,577,000, Shandong Allied Wangchao Cement Limited has become a wholly-owned subsidiary of SAC. With no positive future prospects for its slag powder business and to avoid further loss, SAC entered into a conditional share transfer agreement in June 2008 to dispose its entire equity holding in Beijing Shanglian Shoufeng Construction Materials Limited for a consideration of RMB4,700,000. The disposal is expected to be completed within six months from the agreement date. With regard to the conditional acquisition of the entire issued share capital of Redstone Gold Limited ("Redstone"), a company engaged in the business of gold mining in Yunnan Province, China, for an aggregate consideration of HK\$1 billion, SAC is still in the process of carrying out its due diligence exercise on Redstone and the despatch of the circular to shareholders of SAC containing, inter alia, a notice to convene a special general meeting to approve the acquisition, has been extended to 31 October 2008.

Printronic Electronics Limited (“PEL”), a 40% associate of the Group, recorded a profit of HK\$4,981,000. PEL is an investment holding company and is the registered and beneficial owner of 51,649,630 fully paid up shares of Tianjin Printronics Circuit Corporation (“TPC”), representing approximately 21.01% of the equity of TPC. TPC is a company incorporated in China and its shares are listed as “A-Share” on the Shenzhen Stock Exchange. The principal business activity of TPC is the manufacture and sale of printed circuit boards.

## **FINANCIAL RESOURCES, BORROWINGS, CAPITAL STRUCTURE AND EXPOSURES TO FLUCTUATIONS IN EXCHANGE RATES**

The Group maintains a satisfactory financial position. As at 30 June 2008, the Group’s non-current assets consisted of investment properties of HK\$113,299,000 (2007: HK\$84,085,000); property, plant and equipment of HK\$2,998,000 (2007: HK\$3,159,000); prepaid lease payments of HK\$55,000 (2007: HK\$1,026,000), interest in an associate of HK\$371,407,000 (2007: HK\$181,335,000) and long term investments of HK\$588,245,000 (2007: HK\$642,793,000). These non-current assets are principally financed by shareholders’ funds. As at 30 June 2008, the Group had net current assets of HK\$1,207,574,000 (2007: HK\$2,086,306,000) and current ratio of 1.9 times (2007: 4.1 times), calculated on the basis of the Group’s current assets over current liabilities.

All the Group’s borrowings are arranged on a short term basis in Hong Kong Dollars, repayable within one year and secured on certain investment properties, investments held for trading, available-for-sale investments and pledged bank balances. As at 30 June 2008, the Group had borrowings of HK\$1,000,116,000 (2007: HK\$444,336,000) and a gearing ratio of 41.4% (2007: 13.1%), calculated on the basis of the Group’s net borrowings (after bank balances and cash) over shareholders’ fund.

During the first half of 2008, the issued share capital of the Company was reduced from HK\$2,761,835 to HK\$2,759,485 as a result of the repurchase of 235,000 shares (2007: 6,240,000 shares) for an aggregate consideration of HK\$983,780 (2007: HK\$29,089,800).

In December 2007, the Company proposed an open offer of 276,183,547 offer shares at HK\$4.00 per offer share to qualifying shareholders on the basis of one offer share to every share held on a fully underwritten basis to raise approximately HK\$1.1 billion and an issue of two warrants for every five offer shares. However, in February 2008, the underwriter, Vigor Online Offshore Limited, gave notice to the Company to terminate the underwriting agreement in view of the adverse change in the market conditions in Hong Kong and the significant fluctuation in the share price of the Company which, in the sole and absolute opinion of the underwriter, made it impractical to proceed. As a result, the open offer and the issue of warrant were terminated.

In April 2008, the Company proposed a bonus issue of warrants to qualifying shareholders on the basis of one bonus warrant for every five shares held, resulting in the issue of 55,236,709 bonus warrants on 23 July 2008. Each warrant entitles the holder to subscribe for one new share at the subscription price of HK\$3.50 during the one year subscription period.

During the period under review, the Group's assets, liabilities and transactions were mainly denominated in Hong Kong Dollar, Australian Dollar, RMB, Taiwan Dollar and Malaysian Ringgit. Because of its short term nature, the Group had not actively hedged risks arising from the Australian Dollar, RMB and Malaysian Ringgit denominated assets and transactions. As the exchange rates of the Taiwan Dollar were relatively stable during the period, the Group was not materially affected by its exposure to these currencies.

## **CHARGE ON GROUP ASSETS**

As at 30 June 2008, the Group's investment properties of HK\$33,300,000 (2007: HK\$26,640,000), investments held for trading of HK\$1,922,193,000 (2007: HK\$2,352,959,000), available-for-sale investments of HK\$244,455,000 (2007: HK\$175,321,000) and pledged bank balances of HK\$8,845,000 (2007: nil) were pledged to banks and securities brokers house to secure short term credit facilities granted to the Group.

## **EMPLOYEES**

The Group had 15 employees as at 30 June 2008 (2007: 14). The Group ensures that its employees are remunerated in line with market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

## **PROSPECTS**

The outlook for the global financial markets remains gloomy given the lack of confidence of consumers and investors due to concerns over global inflation, the adverse effects of an imminent recession in the US economy and geopolitical tensions in Europe and the Middle East. Although the situation will be difficult and volatile, the Group however believes that there will be attractive investment opportunities available as companies and businesses become grossly undervalued. The Group will seek to take advantage of the investment and business opportunities as they arise to enhance value for its shareholders.

## **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

During the period, the Company repurchased a total of 235,000 ordinary shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) in the range from HK\$4.00 to HK\$4.20 for a total consideration of HK\$983,780. The said shares were subsequently cancelled.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the period.

## **COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) throughout the six months ended 30 June 2008.



## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules as the Company’s code of conduct regarding Director’s securities transactions. Having made specific enquiry with all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the six months ended 30 June 2008.

By Order of the Board  
**COL Capital Limited**  
**Chong Sok Un**  
*Chairman*

Hong Kong, 18 September 2008

*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 Messrs. Lo Wai On, Lau Siu Ki and Zhang Jian as independent non-executive directors.*