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COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 00383)

**(1) PROPOSED RIGHTS ISSUE OF NOT LESS THAN
275,622,494 RIGHTS SHARES AND NOT MORE THAN
330,842,256 RIGHTS SHARES AT HK\$0.40 EACH
ON THE BASIS OF ONE RIGHTS SHARE
FOR EVERY EXISTING SHARE
HELD ON THE RECORD DATE**

AND

**PLACING OF NINE PER CENT. CONVERTIBLE BONDS DUE 2012
UNDER SPECIFIC MANDATE**

**(2) APPLICATION FOR GRANTING OF WHITEWASH WAIVER
(3) PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE SHARES
(4) CHANGE IN BOARD LOT SIZE
AND
(5) RESUMPTION OF TRADING**

**Underwriter of the Rights Issue
VIGOR ONLINE OFFSHORE LIMITED**

Placing Agent

 **新鴻基金融集團**
SUN HUNG KAI FINANCIAL

RIGHTS ISSUE

The Company proposes to raise not less than approximately HK\$110,248,997.60 before expenses by way of a rights issue of not less than 275,622,494 Rights Shares and not more than 330,842,256 Rights Shares at a price of HK\$0.40 per Rights Share on the basis of one Rights Share for every existing Share held on the Record Date.

Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted one Rights Share in nil-paid form for every existing Share held on the Record Date. As at the date of this announcement, there are 55,219,762 Warrants entitling holders thereof to subscribe for 55,219,762 Shares. The estimated net proceeds of the Rights Issue is approximately HK\$107,248,997.60 (assuming no outstanding Warrants are exercised on or before the Record Date) or approximately HK\$129,336,902.40 (assuming all outstanding Warrants are exercised in full on or before the Record Date), which is intended to be used for reduction of short-term borrowings and to the extent not used will be for investment when opportunities arise and for general working capital of the Group.

As at the date of this announcement, Vigor is interested in an aggregate of 106,484,400 Shares, representing approximately 38.63% of the issued share capital of the Company and 21,296,880 Warrants. Pursuant to the Irrevocable Undertaking, it has irrevocably undertaken to the Company that subject to the Rights Issue not being terminated, it will subscribe and lodge acceptance for the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by it and any additional Rights Shares which Vigor is entitled as a result of exercise of the Warrants held by it pursuant to the terms of the Rights Issue on the Record Date.

Pursuant to the Underwriting Agreement, the Underwritten Shares will be fully underwritten by Vigor on the terms and subject to the conditions set out in the Underwriting Agreement. If Vigor terminates the Underwriting Agreement (see sub-section headed “Termination of the Underwriting Agreement” below) or the conditions of the Rights Issue are not satisfied or waived in whole or in part by Vigor, the Rights Issue will not proceed.

Completion of the Rights Issue and the Placing are inter-conditional. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares, Warrants or the nil-paid Rights Shares, and if they are in any doubt about their position, they are recommended to consult their professional adviser. Moreover, Shareholders and potential investors' attention drawn to the section headed "Warning of the risks of dealing in the Shares, Warrants and the nil-paid Rights Shares" below.

The last day of dealings in the Shares on a cum-rights basis is Wednesday, 24th December, 2008. The Shares will be dealt with on an ex-rights basis from Monday, 29th December, 2008. The Right Shares are expected to be dealt with in their nil-paid form from Monday, 12th January, 2009 to Monday, 19th January, 2009 (both dates inclusive). To qualify for the Rights Issue, any transfer of the Shares (together with the relevant share certificates) must be lodged for registration with the Company's branch share registrars in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Wednesday, 31st December, 2008.

The last day for acceptance and payment of the Rights Shares is expected to be at 4:00 p.m. on Thursday, 22nd January, 2009. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in nil-paid form and the Rights Shares.

The Company will send the Prospectus Documents to all Qualifying Shareholders on Thursday, 8th January, 2009.

PLACING OF CONVERTIBLE BONDS

The Company and the Placing Agent entered into the Placing Agreement on 23rd November, 2008, whereby the Company has conditionally agreed to place, through the Placing Agent on a fully underwritten basis, a maximum of HK\$300,000,000 value of Convertible Bonds to the Placees convertible into Shares at the Conversion Price.

The Conversion Shares to be allotted and issued under the Placing represent (i) approximately 145.13% of the existing issued share capital of the Company of 275,622,494 Shares; (ii) approximately 59.20% of the Company's issued share capital of 675,622,494 Shares as enlarged by the Conversion Shares; and (iii) approximately 42.05% of the Company's issued share capital of 951,244,988 Shares as enlarged by the Conversion Shares and the Rights Issue (assuming no outstanding Warrants are exercised on or before the Record Date); and (iv) approximately 37.68% of the Company's issued share capital of 1,061,684,512 Shares as enlarged by the Conversion Shares and the Rights Issue (assuming all outstanding Warrants are exercised on or before the Record Date).

The maximum proceeds from the Placing will be HK\$300,000,000, which are intended to be used for reduction of short term borrowings and to the extent not used will be for investment when opportunities arise and for general working capital of the Group.

The Placing is conditional upon (i) the passing of a resolution by the Board authorising the issue of the Convertible Bonds and the entering into of the Placing Agreement; and (ii) the approval of the issue of the Convertible Bonds and the entering into of the Placing Agreement by Shareholders at the SGM; (iii) the Stock Exchange granting listing of, and permission to deal in, the Conversion Shares; and (iv) permission of the Bermuda Monetary Authority for the allotment and issue of the Conversion Shares, if necessary and (v) conditions of the Underwriting Agreement being satisfied (save as regards any conditions for the Placing Agreement to become unconditional) and completion of the Underwriting Agreement taking effect.

Completion of the Placing and the Rights Issue are inter-conditional. Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the Warrants.

A circular containing, among other things, details regarding the Placing and a notice convening the SGM will be despatched to the Shareholders as soon as possible.

APPLICATION FOR GRANTING OF WHITEWASH WAIVER

Assuming Vigor has taken up its underwriting commitment of 169,138,094 Rights Shares assuming no exercise of the rights attached to the Warrants on or before the Record Date or 203,060,976 Rights Shares assuming full exercise of the rights attached to the Warrants on or before the Record Date pursuant to the Underwriting Agreement, Vigor and its concert parties will increase their aggregate shareholding from approximately 38.63 per cent. of the existing issued share capital of the Company to 69.32 per cent. of the issued share capital of the Company of 551,244,988 Shares as enlarged by the issue of Rights Shares assuming no exercise of the rights attached to the Warrants on or before the Record Date and approximately 69.31 per cent. of the existing issued share capital of the Company of 661,684,512 Shares as enlarged by the issue of Rights Shares assuming full exercise of the rights attached to the Warrants on or before the Record Date.

Under Rule 26 of the Takeovers Code, Vigor and the parties acting in concert with it will be required to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by Vigor or the parties acting in concert with it. An application will be made by Vigor and the parties acting in concert with it to the Executive for the Whitewash Waiver, which, if granted, would be subject to the approval of the Independent Shareholders on a vote taken by way of a poll. If the Whitewash Waiver is granted and approved by the Independent Shareholders by way of poll, the obligation of Vigor and the parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code will be waived. **Completion of the Rights Issue is conditional upon, amongst other things, the granting of the Whitewash Waiver by the Executive and such condition cannot be waived. Accordingly, if the Whitewash Waiver is not obtained, the Rights Issue will lapse and will not proceed. Investors are advised to exercise extreme caution in dealing in the Shares and Warrants as the Rights Issue may or may not proceed and will only be made upon fulfillment of the conditions therein. Further announcement will be made by the Company regarding the Rights Issue when appropriate.**

PROPOSED GRANT OF SPECIFIC MANDATE TO ALLOT AND ISSUE SHARES

The Company will allot and issue the Rights Shares under the Rights Issue and Conversion Shares upon the conversion of the Convertible Bonds. The Rights Shares and Conversion Shares will rank pari passu with all the then existing issued Shares.

The Company will seek the grant of a Specific Mandate from the Shareholders to allot and issue the Rights Shares and the Conversion Shares upon the conversion of the Convertible Bonds.

CHANGE IN BOARD LOT SIZE

The Board announces that the board lot size of the Shares for trading on the Stock Exchange will be changed from 1,000 Shares to 4,000 Shares with effect from Wednesday, 4th February, 2009. The expected timetable for such change in board lot size is set out below.

Shareholders may submit their existing share certificates in board lot of 1,000 Shares each (pink) to the Company's share registrar in exchange for new share certificates in board lot of 4,000 Shares each (light yellow) free of charge during business hours from 9:00 a.m. Wednesday, 4th February, 2009 to 4:00 p.m. Tuesday, 3rd March, 2009 (both dates inclusive).

LISTING RULES AND TAKEOVERS CODE IMPLICATIONS

The Rights Issue is subject to the granting of the Whitewash Waiver by the Executive and the Whitewash Waiver is subject to the approval of the Independent Shareholders on a vote taken by way of poll at the SGM.

Vigor and the parties acting in concert with it and its associates and those who were interested in or involved in the Underwriting Agreement and/or the transactions contemplated thereunder will abstain from voting on the resolutions at the SGM for approving the Whitewash Waiver.

The proposal for grant of Specific Mandate to allot and issue the Rights Shares and the Conversion Shares upon the conversion of the Convertible Bonds is also subject to approval by the Shareholders at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the proposed grant of Specific Mandate at the SGM as no Shareholder has an interest in the Placing different from the other Shareholders.

An independent board committee of the Company, comprising of Mr. Lo Wai On, Mr. Lau Siu Ki and Mr. Zhang Jian, has been constituted to consider the terms of the Whitewash Waiver and to make a recommendation to its shareholders. An independent financial adviser, subject to approval by the Independent board committee, will be appointed to advise the independent board committee of the Company on the fairness and reasonableness of the transactions contemplated under the Whitewash Waiver. Further announcement will be made following the appointment of the independent financial adviser.

Subject to the approval of the Whitewash Waiver and the Placing at the SGM, application will be made to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in nil-paid form, Rights Shares and the Conversion Shares.

A circular containing details of, among other things, (i) the Rights Issue, (ii) Whitewash Waiver; (iii) the Placing, (iv) a letter from the independent board committee, (v) a letter from the independent financial adviser and (vi) a notice to convene the SGM will be despatched to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in Shares and the Warrants on the Stock Exchange has been suspended from 9:30 a.m. on 24th November, 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares and the Warrants on the Stock Exchange with effect from 9:30 a.m. on 2nd December, 2008.

THE RIGHTS SHARES

Issue statistics

Basis of the Rights Issue:	One Rights Share for every existing Share held on the Record Date
Number of existing Shares in issue:	275,622,494 Shares as at the date of this announcement
Number of Rights Shares:	Not less than 275,622,494 Rights Shares (assuming no outstanding Warrants are exercised) and not more than 330,842,256 Rights Shares (assuming all outstanding Warrants are fully exercised)
Underwriter:	Vigor

Number of Underwritten Shares: not less than 169,138,094 (assuming no outstanding Warrants are exercised) Underwritten Shares and not more than 203,060,976 (assuming all outstanding Warrants are fully exercised) Underwritten Shares. The minimum and maximum number of Rights Shares to be underwritten by Vigor (taking into account the minimum of 106,484,400 Rights Shares and the maximum of 127,781,280 Rights Shares agreed to be taken up by Vigor) are 169,138,094 and 203,060,976 respectively, representing 30.68% of the issued share capital of the Company as enlarged by the Rights Issue and 30.69 % of the issued share capital of the Company as enlarged by the Rights Issue and the full exercise of outstanding Warrants on or before the Record Date.

Under the Rights Issue, not less than 275,622,494 nil-paid Rights Shares (assuming no Warrants are exercised on or before the Record Date) would be provisionally allotted, representing 100.0% of the existing issued share capital of the Company and 50.0% of the issued share capital of the Company as enlarged by the issue of 275,622,494 Rights Shares.

The number of Rights Shares which may be issued pursuant to the Rights Issue will be increased in proportion to any additional Shares which may be allotted and issued upon the exercise of the Warrants on or before the Record Date. As at the date of this announcement, there are outstanding Warrants entitling holders thereof to subscribe for 55,219,762 Shares. If all of the subscription rights attaching to the outstanding Warrants are exercised in full and the Shares are allotted and issued pursuant to such exercise on or before the Record Date, the number of issued Shares will be increased to 330,842,256 Shares, and the number of Rights Shares which may be issued pursuant to the Rights Issue will be increased to 330,842,256 Rights Shares.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date. In order to be registered as members of the Company on the Record Date, all transfers of the Shares must be lodged (together with the relevant share certificate(s)) with the Company's branch share registrars in Hong Kong by 4:30 p.m. (Hong Kong time) on Wednesday, 31st December, 2008. The branch share registrar of the Company in Hong Kong is:

Tricor Tengis Limited
26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong

The Company will send the Prospectus Documents, including the Prospectus, the PALs and the EAFs, to the Qualifying Shareholders. The Company will send the Prospectus only to the Excluded Shareholders and holders of Warrants for information purposes.

As at the date of this announcement, the Company has certain Shareholders whose addresses as shown on the register of members of the Company were located outside Hong Kong. In determining whether there will be Excluded Shareholders, the Company will make enquiry regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies or stock exchanges in relation to the Company's offering of the Rights Issue to the Excluded Shareholders in compliance with Rule 13.36(2)(a) of the Listing Rules.

Closure of register of members

The register of members of the Company will be closed from Friday, 2nd January, 2009 to Wednesday, 7th January, 2009, both dates inclusive. No transfers of Shares will be registered during this period.

Subscription Price

HK\$0.40 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a renounee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 48.05% to the closing price of HK\$0.770 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (ii) a discount of approximately 49.49% to the average closing price of HK\$0.792 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Date;
- (iii) a discount of approximately 52.94% to the average closing price of HK\$0.850 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Date;
- (iv) a discount of approximately 52.21% to the average closing price of HK\$0.837 per Share as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Date;
- (v) a discount of approximately 31.62% to the theoretical ex-right price of HK\$0.585 based on the closing price of HK\$0.77 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (vi) a discount of approximately 97.31% to the audited consolidated net asset value per Share of approximately HK\$14.85 as at 31st December 2007; and
- (vii) a discount of approximately 95.15% to the unaudited consolidated net asset value per Share of approximately HK\$8.25 as at 30th June, 2008.

The Subscription Price was arrived at after arm's length basis between the Company and Vigor with reference to the market price of the Shares under the prevailing market conditions. The Directors consider the terms of the Rights Issue to be fair and reasonable and in the best interests of the Group and the Shareholders given the right to all Shareholders to acquire the Rights Shares at a discount to the market price.

Basis of Provisional Allotments

One Rights Share (in nil-paid form) for every existing Share held by Qualifying Shareholders as at the close of business on the Record Date.

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu with the then existing Shares in issue in all respects. Holders of fully paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

Certificates for the Rights Shares

Subject to the fulfillment or the waiver in whole or in part by Vigor of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted by Wednesday, 4th February, 2009 to those Qualifying Shareholders who have paid for and have accepted the Rights Shares, at their own risk.

Fractions of the Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form. All fractions of Rights Shares will be aggregated and all nil-paid Rights Shares arising from such aggregation will be sold in the market and, if a premium (net of expenses) can be achieved, the Company will keep the net proceeds for its own benefit. Any unsold fractions of Rights Shares will be made available for excess application.

Application for excess Rights Shares

Qualifying Shareholders shall be entitled to apply for, any unsold Rights Shares created by adding together fractions of the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the EAFs and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Board will determine the allotment of the excess Rights Shares on a fair and equitable basis on the following principles:

- (1) preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings;

- (2) subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders who have applied for excess application based on a pro-rata basis to the excess Rights Shares applied by them, with board lot allocations to be made on a best effort's basis; and
- (3) in accordance with any further requirements of the Stock Exchange.

Given that the above arrangement has been adopted by other listed companies and the Company will allow for those without board lot to be topped up and thereafter permit Qualifying Shareholders to apply for excess Right Shares pro rata, the Board believes that this arrangement is fair and reasonable

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

Nil-paid Rights Shares are expected to be traded in board lots of 1,000 (as the Shares are currently traded on the Stock Exchange in board lots of 1,000). Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Irrevocable Undertaking

As at the date of this announcement, Vigor is interested in an aggregate of 106,484,400 Shares, representing approximately 38.63% of the issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Vigor has irrevocably undertaken to the Company that, subject to the Rights Issue not being terminated, it will subscribe and lodge acceptance for the Rights Shares which will constitute the provisional allotment of Rights Shares in respect of the Shares held by it, being 106,484,400 Rights Shares and any additional Rights Shares which Vigor is entitled as a result of exercise of the Warrants held by it, being 21,296,880 Rights Shares.

UNDERWRITING AGREEMENT

Principal Terms of Underwriting Agreement

Date:	23rd November, 2008
Underwriter:	Vigor
Number of existing Shares in issue:	275,622,494 Shares as at the date of this announcement
Number of the Rights Shares:	not less than 275,622,494 Rights Shares (assuming no outstanding Warrants are exercised) and not more than 330,842,256 Rights Shares (assuming all outstanding Warrants are exercised)
	The Rights Issue complies with Rule 14A.31(3)(c) of the Listing Rules
Number of Underwritten Shares:	not less than 169,138,094 Underwritten Shares (assuming no outstanding Warrants are exercised) and not more than 203,060,976 Underwritten Shares (assuming all outstanding Warrants are fully exercised). The minimum and maximum number of Rights Shares to be underwritten by Vigor (taking into account the minimum of 106,484,400 Rights Shares and the maximum of 127,781,280 Rights Shares agreed to be taken up by Vigor) are 169,138,094 and 203,060,976 respectively, representing 30.68% of the issued share capital of the Company as enlarged by the Rights Issue and 30.69% of the issued share capital of the Company as enlarged by the Rights Issue and the full exercise of outstanding Warrants on or before the Record Date
Commission:	no underwriting commission will be received by Vigor

Vigor and its concert parties have not acquired any voting rights in the Company nor dealt in the Shares, Warrants, options, derivatives and/or securities carry conversion or subscription rights into Shares during the six months period to the date of this announcement.

Conditions of the Underwriting Agreement

The obligations of Vigor under the Underwriting Agreement are conditional on the fulfillment of, inter alia, the following condition precedents on or before the Latest Time for Termination:

- (i) the Independent Shareholders passing resolutions at the SGM to approve the Whitewash Waiver by way of poll;
- (ii) the Executive granting the Whitewash Waiver;
- (iii) one copy of each of the Prospectus Documents and other documents relating to the Rights Issue being delivered to the Stock Exchange;
- (iv) four printed copies of each of the Prospectus Documents being delivered to the Underwriter on or before the Posting Date, each duly certified by two Directors (or by their attorneys duly authorised in writing) as having been approved by resolution of the Board;
- (v) permission of the Bermuda Monetary Authority for the allotment and issue of the Rights Shares, if necessary, being obtained;
- (vi) the Registrar of Companies in Hong Kong registering the Prospectus Documents, together with all other consents and documents required to be endorsed on or attached to the Prospectus Documents;
- (vii) the Prospectus Documents being filed with the Registrar of Companies in Bermuda;
- (viii) printed copies of each of the Prospectus Documents being posted to Qualifying Shareholders and printed copies of the Prospectus stamped “For information only” being posted to Excluded Shareholders and holders of Warrants;

- (ix) the Listing Committee of the Stock Exchange granting (subject to allotment and other usual conditions) the listing of, and permission to deal in, the Rights Shares and not having withdrawn or revoked such listing and permission as at the Latest Time for Acceptance;
- (x) all necessary approvals and consents, if any, of all relevant governmental or regulatory authorities and other relevant third parties in Hong Kong, Bermuda, or elsewhere which are required or appropriate for the entering into and the implementation of the Underwriting Agreement having been given or obtained;
- (xi) compliance by the Company with its obligations under the Underwriting Agreement; and
- (xii) conditions of the Placing Agreement being satisfied (save as regards any conditions for the Underwriting Agreement to become unconditional) and completion of the Placing Agreement taking effect.

In the event of the conditions not being fulfilled on or before the respective dates aforesaid (or such later date or dates as may be agreed between the Company and Vigor), all obligations and liabilities of the parties under the Underwriting Agreement will forthwith cease and determine and neither party will have any claim against the other (save in respect of any antecedent breaches hereof). None of the conditions are waivable.

Termination of the Underwriting Agreement

If prior to 4:00 p.m. on the Latest Time for Termination, in the sole and absolute opinion of the Underwriter:

- (a) the success of the Rights Issue would be affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national and international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business of the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes inexpedient or inadvisable to proceed with the Rights Issue; or
- (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (b) any material adverse change in market conditions (including without limitation, a change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or restriction or trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially and adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue;

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreements if prior to the Latest Time for Termination:

- (a) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (b) any event occurring or matter arising after the Underwriting Agreement but before the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties in the Underwriting Agreements untrue or incorrect in material respect.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Rights Shares not subscribed by the Shareholders on a fully underwritten basis, upon the terms and subject to the conditions of the Underwriting Agreement.

THE PLACING AGREEMENT

Date

23rd November, 2008

Parties involved

The Placing Agent and the Company

Placing Agent

The Placing Agent has conditionally agreed to place up to HK\$300,000,000 Convertible Bonds on a fully underwritten basis and will receive a placing commission of 3% of the aggregate value of Convertible Bonds placed. The Directors are of the view that the placing commission is fair and reasonable with reference to the current market norm in relation to similar transaction. The Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

Placees

The Placing Agent agreed to place the Convertible Bonds on a fully underwritten basis to not fewer than six Placees who and whose ultimate beneficial owners will be independent of and not be connected persons (as defined in the Listing Rules) of the Company and its connected persons (as defined in the Listing Rules). A further announcement will be made by the Company upon completion of the Placing.

Conversion Shares

The Conversion Shares represent (i) approximately 145.13% of the existing issued share capital of the Company of 275,622,494 Shares; (ii) approximately 59.20% of the Company's issued share capital of 675,622,494 Shares as enlarged by the Conversion Shares; and (iii) approximately 42.05% of the Company's issued share capital of 951,244,988 Shares as enlarged by the Conversion Shares and the Rights Issue (assuming no outstanding Warrants are exercised on or before the Record Date); and (iv) approximately 37.68% of the Company's issued share capital of 1,061,684,512 Shares as enlarged by the allotment and issue of the Conversion Shares and the Rights Issue (assuming all outstanding Warrants are exercised on or before the Record Date).

Ranking of Conversion Shares

The Conversion Shares will rank, upon allotment and issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Conversion Shares.

Conversion Price

The Conversion Price of HK\$0.75 represents:

- (i) a discount of approximately 2.60% to the closing price of HK\$0.770 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 5.30% to the average closing price per Share of HK\$0.792 in the last 5 consecutive trading days up to and including the Last Trading Date; and
- (iii) a discount of approximately 11.76% to the average closing price per Share of HK\$0.850 in the last 10 consecutive trading days up to and including the Last Trading Date.

The Conversion Price was determined with reference to the prevailing market price of the Share and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Conditions of the Placing

Completion of the Placing is conditional upon:

- (i) the passing of a resolution by the Board authorising the issue of the Convertible Bonds and the entering into of the Placing Agreement;
- (ii) the approval of the issue of the Convertible Bonds and the entering into of the Placing Agreement by Shareholders at the SGM;
- (iii) the Stock Exchange granting listing of, and permission to deal in, the Conversion Shares;

- (iv) permission of the Bermuda Monetary Authority for the allotment and issue of the Conversion Shares, if necessary; and
- (v) conditions of the Underwriting Agreement being satisfied (save as regards any conditions for the Placing Agreement to become unconditional) and completion of the Underwriting Agreement taking effect.

As at the date of this announcement, condition (i) has been fulfilled.

Termination

The Placing Agreement may be terminated by the Placing Agent if at any time prior to 4:00 p.m. on the day immediately preceding the date of completion of the Placing:

- (i) any of the undertakings, warranties or representations contained in the Placing Agreement becomes untrue or incorrect in any material respect; or
- (ii) the Placing, in the reasonable opinion of the Placing Agent, would be materially and adversely affected by:
 - (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

- (c) any material adverse change in the business or in the financial or trading position of the Group as a whole;
- (iii) the occurrence of any change in market conditions (including without limitation suspension or material restriction on trading in securities) which in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing

The conditions set out in the Placing Agreement are expected to be fulfilled on or before 30th January, 2009 or such later date as may be agreed by the Company and the Placing Agent. Completion of the Placing will take place on the second business day after the Placing Agreement becomes unconditional.

Completion of the Placing and the Rights Issue are inter-conditional. Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and the Warrants.

Given the prevailing economic climate and capital market environment, the Group had considered alternative fund raising methods such as other forms of debt financing and borrowings and considers that it is prudent to secure long term fundings to improve its capital structure so that the Company believes it is reasonable to conduct the Placing simultaneous with the Rights Issue.

THE CONVERTIBLE BONDS

The terms of the Convertible Bonds have been negotiated on arm's length basis and the principal terms of which are summarised below:

Principal amounts

HK\$300,000,000

Interest

9% per annum payable semi-annually in arrears. If the Convertible Bonds are converted into Shares before maturity, interest shall accrue and pay on the principal amounts of the Convertible Bonds up to date of conversion.

Maturity

3 years from the date of the issue of the relevant Convertible Bonds.

Conversion Price

HK\$0.75 per Share which is subject to adjustment and any dilutive events (if any) as mentioned below.

The Conversion Price of HK\$0.75 represents (i) a discount of about 2.60% to the closing price of HK\$0.770 per Share as quoted on the Stock Exchange on the Last Trading Date; (ii) a discount of about 5.30% to the average closing price per Share of about HK\$0.792 as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Date; and (iii) a discount of about 11.76% to the average closing price per Share of HK\$0.850 as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Date.

The Conversion Price may be subject to adjustment for (i) consolidation, subdivision, or reclassification of Shares, (ii) capitalization of profits or reserves of the Company, (iii) distributions made by the Company, (iv) rights issues of Shares or options over Shares, (v) rights issues of other securities of the Company, (vi) issues of Shares or securities to subscribe or purchase Shares at less than market price, (vii) other issues of securities carrying rights of conversion into, or exchange or subscription for Shares, at less than market price (including modification of rights of conversion), (viii) other offers to Shareholders entitled them to participate in arrangements whereby securities may be acquired by them which in the opinion of an approved merchant bank or the auditors of the Company consider is fair and reasonable to make adjustments. The Company will make an announcement when there is any adjustment to the Conversion Price and the adjustment will be certified by the approved merchant bank or Company's auditors.

Conversion

Each holder may convert the whole or part of the principal amount of the relevant Convertible Bonds into new Shares as determined by dividing the principal amount of the relevant Convertible Bonds outstanding at the time of conversion by the Conversion Price.

Assuming there is an immediate exercise in full of the conversion rights attaching to the Convertible Bonds at the Conversion Price by all holders of the Convertible Bonds, the Company will issue an aggregate of 400,000,000 Conversion Shares, representing approximately (a) 145.13% of the existing issued share capital of the Company of 275,622,494 Shares; (b) approximately 59.20% of the issued share capital of the Company of 675,622,494 Shares as enlarged by the Conversion Shares; (c) approximately 42.05% of the Company's issued share capital of 951,244,988 Shares as enlarged by the Conversion Shares and the Rights Issue (assuming no outstanding Warrants are exercised on or before the Record Date); and (d) approximately 37.68% of the Company's issued share capital of 1,061,684,512 Shares as enlarged by the Conversion Shares and the Rights Issue (assuming all outstanding Warrants are exercised on or before the Record Date). The Conversion Shares will be allotted and issued pursuant to the Specific Mandate to be granted to Directors by the Shareholders at the SGM.

The market value of the total Conversion Shares will be in aggregate of HK\$308,000,000 based on the closing price of HK\$0.770 per Share on the Last Trading Day.

Pursuant to the terms of the Convertible Bonds, no bondholder shall be permitted to convert Convertible Bonds held by it, and the Company shall not allot and issue any Shares to it if, as a result, it and its concert parties shall be interested in 29.9% or more of the voting rights of the Company from time to time.

Conversion period

Each of the holders of the Convertible Bonds shall have the right at any time after the date of issue of the relevant Convertible Bonds to convert all or part of the principal amount of the relevant Convertible Bonds outstanding at any time into new Shares at the Conversion Price.

Ranking

The Conversion Shares will rank *pari passu* in all respects among themselves and with all other Shares in issue on the date of such allotment and issue.

Redemption

The Company shall be entitled at any time before maturity to redeem the whole or part of the principal amount of the relevant Convertible Bonds. The Convertible Bonds are not redeemable at the request of the holders of Convertible Bonds whatsoever prior to the Maturity Date.

Status of the Convertible Bonds

The Convertible Bonds constitute general and unsecured obligations of the Company and shall rank equally among themselves and pari passu with all other present and future secured and subordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law.

No application will be made for listing of the Convertible Bonds. Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares falling to be issued upon exercise of the conversion rights attached to the Convertible Bonds.

Transferability

The Convertible Bonds are freely transferable (other than to connected persons of the Company) subject to compliance with the conditions of the Convertible Bonds and the Listing Rules, provided that the holders of the Convertible Bonds must inform the Company of each transfer or assignment made by them.

Voting

The holder of the Convertible Bonds shall not be entitled to attend or vote at any meeting of the Company by reason only it being the holder of the Convertible Bonds.

Effects on Shareholding Structure

The shareholding structure of the Company as at the Last Trading Date assuming the full conversion rights attached to the Convertible Bonds are exercised as follows:

	As at the date of this announcement		Immediately after conversion of the Convertible Bonds	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Vigor and its concert parties	106,484,400	38.63	106,484,400	15.76
Placees	–	–	400,000,000	59.20
Public	169,138,094	61.37	169,138,094	25.04
Total	<u>275,622,494</u>	<u>100.00</u>	<u>675,622,494</u>	<u>100.00</u>

Miscellaneous

It is a provision of the Bond that the Company shall comply with and procure the compliance with the Listing Rules and all conditions imposed by the Stock Exchange or by any other competent authority (in Hong Kong or elsewhere) for the issue of the Conversion Shares, for approval of the issue of the Bond or for the listing of and permission to deal in the Conversion Shares on the Stock Exchange and the continued compliance thereof and as such the Company shall not do or cause to be done anything to breach this term in the Bond.

Reasons for Placing

Use of proceeds

The maximum proceeds from the Placing will be approximately HK\$300,000,000, which are intended to be used for reduction of short-term borrowings (comprising secured and interest bearing securities margin financing) and to the extent not used will be for investment when opportunities arise and for general working capital of the Group. The Directors consider that the Placing provides an opportunity for the Group to raise long term borrowings and to reorganize its capital structure. Further details on the use of proceeds and the balance of short term borrowings will be disclosed in the circular to Shareholder relating to, inter alia, the Placing.

FUND RAISING

The Company did not have any capital raising activities during the 12 months' period immediately preceding the date of this announcement.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Conversion Shares. Save for the Warrants, there are no other warrants, options, derivatives and/or securities outstanding which carry conversion or subscription rights into Shares.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the proposed grant of Specific Mandate at the SGM as no Shareholder has an interest in the Placing different from the other Shareholders.

A circular containing, among other things, further details of the Placing and a notice convening the SGM will be dispatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules.

DILUTION EFFECT ON SHAREHOLDING

In view of the future dilution to existing Shareholders on the exercise of the conversion rights attached to the Convertible Bonds, the Company will keep the Shareholders informed of the level of dilution and details of conversion as follows:

- A. The Company will disclose by way of an announcement all relevant details of the conversion of the Convertible Bonds in the following manner:

The Company will make a monthly announcement ("Monthly Announcement") on the website of the Stock Exchange. Such announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a table form:

- (i) whether there is any conversion of the Convertible Bonds during the relevant month. If there is a conversion, details thereof including the conversion date, number of new Shares issued and conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;

- (ii) the amount of outstanding Convertible Bonds after the conversion, if any;
 - (iii) the total number of Shares issued pursuant to other transactions during the relevant month, including Shares issued pursuant to exercise of options under any share option scheme(s) of the Company; and
 - (iv) the total issued share capital of the Company as at the commencement and the last day of the relevant months.
- B. in addition to the Monthly Announcement, if the cumulative amount of the Conversion Shares issued pursuant to the conversion of the Convertible Bonds reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds (as the case may be) (and thereafter in multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange including details stated in A. above for the period commencing from the date of the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds up to the date on which the total number of Conversion Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Bonds; and
- C. if the Company forms the view that any issue of Conversion Shares will trigger the disclosure requirements under Rule 13.09 of the Listing Rules, then the Company is obliged to make such disclosures regardless of the issued of any announcements in relation to the Convertible Bonds as mentioned in A and B above.

INFORMATION ABOUT VIGOR, THE PLACING AGENT AND THE COMPANY

Vigor

Vigor is a company incorporated in the British Virgin Islands with limited liability and its principal business is investment holding.

The Placing Agent

The Placing Agent is a licensed corporation to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance regulated activities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company

The Company is a company incorporated in Bermuda with limited liability. Its shares are listed on the Main Board of the Stock Exchange.

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

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows:

Scenario 1

Assuming none of the outstanding Warrants are exercised on or before the Record Date:

	As at the date of this announcement		Immediately after completion of the Rights Issue on the assumption as set out in Note 1		Immediately after completion of the Rights Issue on the assumption as set out in Note 2	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Vigor	106,484,400	38.63	212,968,800	38.63	382,106,894	69.32
Public	169,138,094	61.37	338,276,188	61.37	169,138,094	30.68
Total	<u>275,622,494</u>	<u>100.00</u>	<u>551,244,988</u>	<u>100.00</u>	<u>551,244,988</u>	<u>100.00</u>

Notes:

1. Assuming all Shareholders take up their respective provisional allotments of the Rights Shares in full.
2. Assuming (i) none of the Shareholders (save for Vigor takes up the Rights Shares provisionally allotted to it) takes up any provisional allotments of the Rights Shares; (ii) the provisional allotments of the Right Shares of all Shareholders (save for Vigor) are taken up by Vigor pursuant to the Underwriting Agreement.

Scenario 2

Assuming all the outstanding Warrants are exercised on or before the Record Date:

	As at the date of this announcement		Immediately after completion of the Rights Issue on the assumption as set out in Note 1		Immediately after completion of the Rights Issue on the assumption as set out in Note 2		Immediately after completion of the Rights Issue on the assumption as set out in Note 2 and assuming full conversion of the Convertible Bonds	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Vigor	106,484,400	38.63	255,562,560	38.62	458,623,536	69.31	458,623,536	43.20
Placees	-	-	-	-	-	-	400,000,000	37.68
								<i>Note 3</i>
Public	169,138,094	61.37	406,121,952	61.38	203,060,976	30.69	203,060,976	19.12
								<i>Note 3</i>
Total	<u>275,622,494</u>	<u>100.00</u>	<u>661,684,512</u>	<u>100.00</u>	<u>661,684,512</u>	<u>100.00</u>	<u>1,061,684,512</u>	<u>100.00</u>

Notes:

- Assuming all Shareholders and holders of the Warrants take up their respective provisional allotments of the Rights Shares in full.
- Assuming (i) none of the Shareholders (save for Vigor takes up the Rights Shares provisionally allotted to it and any additional Rights Shares allotted to it as a result of exercise of the Warrants held by it) takes up any provisional allotments of the Rights Shares; and (ii) the provisional allotments of the Rights Shares of all Shareholders and holder of the Warrants (save for Vigor) are taken up by Vigor pursuant to the Underwriting Agreement.
- In the event that the conversion of the Convertible Bonds shall lead to the Company failing to maintain a 25% public float, Vigor has undertaken to place down its Shares or procure the place down of Shares prior to the allotment and issue of the Conversion Shares so as to maintain a 25% public float thereafter in compliance with Rule 13.32(1) of the Listing Rules. It is a provision of the Bond that the Company shall comply with and procure the compliance with the Listing Rules and all conditions imposed by the Stock Exchange or by any other competent authority (in Hong Kong or elsewhere) for the issue of the Conversion Shares, for approval of the issue of the Bond or for the listing of and permission to deal in the Conversion Shares on the Stock Exchange and the continued compliance thereof and as such the Company shall not do or cause to be done anything to breach this term in the Bond.

EXPECTED TIMETABLE

Despatch of circular regarding the SGM	Friday, 19th December, 2008
Last day of dealings in the Shares on a cum-rights basis	Wednesday, 24th December, 2008
Commencement of dealings in the Shares on an ex-rights basis	Monday, 29th December, 2008
Latest time for lodging transfer of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Wednesday, 31st December, 2008
Register of members closes	Friday, 2nd January, 2009 to Wednesday, 7th January, 2009 (both days inclusive)
Date of SGM	Wednesday, 7th January, 2009
Record Date	Wednesday, 7th January, 2009
Register of members re-opens	Thursday, 8th January, 2009
Posting Date	Thursday, 8th January, 2009
First day of dealings in nil-paid Rights Shares	Monday, 12th January, 2009
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Wednesday, 14th January, 2009
Last day of dealings in nil-paid Rights Shares	Monday, 19th January, 2009
Latest Time for Acceptance	4:00 p.m. on Thursday, 22nd January, 2009
Latest time for Termination	4:00 p.m. on Thursday, 29th January, 2009

Announcement of results of
the Rights Issue on newspapers Tuesday, 3rd February, 2009

Refund cheques in respect of wholly or
partially unsuccessful applications for
excess Rights Shares expected
to be posted on or before Wednesday, 4th February, 2009

Certificates for the Rights Shares expected
to be despatched on or before. Wednesday, 4th February, 2009

Dealing in fully-paid Rights Shares commence on. Friday, 6th February, 2009

Dates or deadlines specified in this announcement are indicative only and may be varied by agreement between the Company and Vigor. Any consequential changes to the expected timetable will be published or notified to Shareholders appropriately.

WARNING OF THE RISKS OF DEALING IN THE SHARES, WARRANTS AND THE NIL-PAID RIGHT SHARES

Existing Shares will be dealt with on an ex-rights basis from Monday, 29th December, 2008. The Rights Shares will be dealt with in their nil-paid form from Monday, 12th January, 2009 to Monday, 19th January, 2009 (both dates inclusive). If prior to 4:00 p.m. on Thursday, 29th January, 2009 (or such later date as the Underwriter may agree with the Company), Vigor terminates the Underwriting Agreement (see sub-section headed “Termination of the Underwriting Agreement” above) or the conditions of the Rights Issue cannot be fulfilled (or, if appropriate, waived), the Rights Issue will not proceed.

Any dealings in the Shares and the Warrants from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled (or, if appropriate, waived), and any dealings in the Rights Shares in their nil-paid form between Monday, 12th January, 2009 to Monday, 19th January, 2009, both days inclusive, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares, the Warrants or the Rights Shares in their nil-paid forms are recommended to consult their own professional advisers.

The Company will send the Prospectus Documents to all Qualifying Shareholders on Thursday, 8th January, 2009.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Directors consider that the Rights Issue provides an opportunity for the Group to raise long term fundings and to reorganize its capital structure.

The estimated net proceeds of the Rights Issue is approximately HK\$107,248,997.6 (assuming none of the outstanding Warrants is exercised on or before the Record Date), which is intended to be used for reduction of short term borrowings (comprising secured and interest bearing securities margin financing) and to the extent not used will be for investment when opportunities arise and for general working capital of the Group. Further details on the use of proceeds and the balance of short term borrowings will be disclosed in the circular to Shareholders relating to, inter alia, the Placing.

ADJUSTMENT TO THE WARRANTS

Under the terms of the instrument creating the Warrants, adjustments to the exercise price or number of the warrants granted may be required upon the completion of the Rights Issue and the Placing. If necessary, such adjustment(s) will be set out in the Company's announcement of results of acceptance of the Rights Issue and the Placing and the adjustment(s) will be reviewed and confirmed by the auditors of the Company.

APPLICATION FOR GRANTING OF WHITEWASH WAIVER

Assuming Vigor has taken up its maximum underwriting commitment of 169,138,094 Rights Shares assuming no exercise of the rights attached to the Warrants on or before the Record Date or 203,060,976 Rights Shares assuming full exercise of the rights attached to the Warrants on or before the Record Date pursuant to the Underwriting Agreement, Vigor and the parties acting in concert with it will increase their aggregate shareholding from approximately 38.63 per cent. of the existing issued share capital of the Company to 69.32 per cent. of the issued share capital of the Company of 551,244,988 Shares as enlarged by the issue of Rights Shares assuming no exercise of the rights attached to the Warrants on or before the Record Date and approximately 69.31 per cent. of the existing issued share capital of the Company of 661,684,512 Shares enlarged by the issue of Rights Shares assuming full exercise of the rights attached to the Warrants on or before the Record Date.

Under Rule 26 of the Takeovers Code, Vigor and the parties acting in concert with it will be required to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by Vigor or the parties acting in concert with it. An application will be made by Vigor and the parties acting in concert with it to the Executive for the Whitewash Waiver, which, if granted, would be subject to the approval of the Independent Shareholders on a vote taken by way of a poll. If the Whitewash Waiver is granted and approved by the Independent Shareholders by way of poll, the obligation of Vigor and the parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code will be waived. **Completion of the Rights Issue is conditional upon, amongst other things, the granting of the Whitewash Waiver by the Executive and such condition cannot be waived. Accordingly, if the Whitewash Waiver is not obtained, the Rights Issue will lapse and will not proceed. Investors are advised to exercise extreme caution in dealing in the Shares and Warrants as the Rights Issue may or may not proceed and will only be made upon fulfillment of the conditions therein. Further announcement will be made by the Company regarding the Rights Issue when appropriate.**

Save for the Placing Agreement and the underwriting arrangement of Vigor under the Underwriting Agreement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of Vigor or the Shares which might be material to the Rights Issue as required to be disclosed pursuant to Note 8 to Rule 22 of the Takeovers Code. There is no agreement or arrangement to which Vigor is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Rights Issue. There are no securities in the Company which Vigor or persons acting in concert with it has borrowed or lent.

PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE SHARES

The Company will issue the Rights Shares under the Rights Issue and Conversion Shares upon the conversion of the Convertible Bonds. The Rights Shares and Conversion Shares will rank pari passu with all the then existing issued Shares.

The Company will seek the grant of a Specific Mandate from the Shareholders to allot and issue the Rights Shares and the Conversion Shares.

CHANGE IN BOARD LOT SIZE

The Board announces that the board lot size of the Shares for trading on the Stock Exchange will be changed from 1,000 Shares to 4,000 Shares with effect from Wednesday, 4th February, 2009 in compliance with requirements under Listing Rules. The change in board lot size will not affect any of the Shareholders' rights. Currently, based on the theoretical ex-right price of HK\$0.585, the market value of one board lot of 1,000 Shares is HK\$585. Following the change in board lot size, the market value of one board lot of 4,000 Shares is HK\$2,340. A further announcement will be made on the odd lot trading arrangement as a result of the change in board lot size.

Expected Timetable

2009

Effective date of the change in board lot size

from 1,000 Shares to 4,000 Shares Wednesday, 4th February

First day for free exchange of existing share

certificates in board lot of 1,000 Shares

each for new share certificates

in board lot of 4,000 Shares each Wednesday, 4th February

Last day for free exchange of existing share

certificates in board lot of 1,000 Shares each

for new share certificates in board lot of

4,000 Shares each. 4:00 p.m. on Tuesday, 3rd March

Shareholders may submit their existing share certificates in board lot of 1,000 Shares each (pink) to the Company's share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange for new share certificates in board lot of 4,000 Shares each (light yellow) free of charge during business hours from 9:00 a.m. Wednesday, 4th February, 2009 to 4:00 p.m. Tuesday, 3rd March, 2009 (both dates inclusive). Such exchange of share certificates thereafter will be accepted only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate in board lot of 4,000 Shares each issued or each existing share certificate submitted, whichever number of share certificate involved is higher. It is expected that the new share certificates will be available for collection from the Company's share registrar by the Shareholders within 10 business days after delivery of the existing share certificates to the Company's share registrar for exchange purpose.

As from Wednesday, 4th February, 2009, any new share certificates will be issued in board lot of 4,000 Shares each (except for odd lots or where the Company's share registrar is otherwise instructed). All existing share certificates in board lot of 1,000 Shares each will continue to be evidence of title to such Shares and be valid for transfer, delivery and settlement purposes.

LISTING RULES AND TAKEOVERS CODE IMPLICATIONS

The Rights Issue is subject to the granting of the Whitewash Waiver by the Executive and the Whitewash Waiver is subject to the approval of the Independent Shareholders on a vote taken by way of poll at the SGM.

Vigor and the parties acting in concert with it and its associates and those who were interested in or involved in the Underwriting Agreement and/or the transactions contemplated thereunder will abstain from voting on the resolutions at the SGM for approving the Whitewash Waiver.

An independent board committee of the Company, comprising of Mr. Lo Wai On, Mr. Lau Siu Ki and Mr. Zhang Jian, has been constituted to consider the terms of the Whitewash Waiver and to make a recommendation to its shareholders. An independent financial adviser, subject to approval by the Independent board committee, will be appointed to advise the independent board committee of the Company on the fairness and reasonableness of the transactions contemplated in the Whitewash Waiver. Further announcement will be made following the appointment of the independent financial adviser.

Subject to the approval of the Whitewash Waiver by the Independent Shareholders and the Placing by Shareholders at the SGM, application will be made to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in nil-paid form, Rights Shares and Conversion Shares.

A circular containing details of, among other things, (i) the Rights Issue, (ii) the Whitewash Waiver, (iii) the Placing, (iv) a letter from the independent board committee, (v) a letter from the independent financial adviser and (vi) a notice to convene the SGM will be despatched to the Shareholders as soon as practicable.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in Shares and the Warrants on the Stock Exchange has been suspended from 9:30 a.m. on 24th November, 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares and the Warrants on the Stock Exchange with effect from 9:30 a.m. on 2nd December, 2008.

DEFINITIONS

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

“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	board of Directors;
“Business Day”	any day (other than Saturday), on which banks in Hong Kong are open for business;
“Company”	COL Capital Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on Main Board of the Stock Exchange;
“Companies Ordinance”	Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
“connected persons”	has the meaning ascribed thereto in the Listing Rules;
“Convertible Bond(s)”	HK\$300,000,000 in aggregate principal amount of the convertible bonds due 2012 at an issue price of HK\$0.75 per unit of the Convertible Bond at an interest rate of 9% per annum convertible into Shares;
“Conversion Period”	the period commencing from the Issue Date up to a date falling three years from the Issue Date and including the Maturity Date;
“Conversion Price”	HK\$0.75 per Share;

“Conversion Shares”	Shares to be allotted and issued upon conversion of the Convertible Bonds being 400,000,000 Shares;
“Director(s)”	director(s) of the Company;
“EAF(s)”	the forms of application for excess Rights Issue;
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any of his delegates;
“Excluded Shareholders”	Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date and whose addresses as shown on such register are outside Hong Kong where the Directors, based on legal opinions provided by legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Shareholders”	Shareholders other than those who are interested in or involved in the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder;
“Irrevocable Undertaking”	the irrevocable undertaking dated 23rd November, 2008 given by Vigor to, inter alia, take up all its entitlement under the Rights Issue, being 106,484,400 Rights Shares and any additional Rights Shares allotted and issued to it as a result of the exercise of the rights attached to Warrants held by it, being 21,296,880 Rights Shares, representing approximately 38.63 per cent and 7.73 per cent. of the existing issued share capital of the Company respectively;

“Issue Date”	the date on which the Convertible Bonds are issued;
“Issue Price”	the issue price of HK\$0.75 per unit of the Convertible Bonds;
“Last Trading Date”	21st November, 2008, being the last full trading day for the Shares before the date of this announcement;
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 22nd January, 2009 (or such other date as may be agreed by the Company and the Underwriter in writing and specified in the Prospectus Documents as the latest time for acceptance of and payment for, the Right Shares and application for excess Right Shares);
“Latest Time for Termination”	4:00 p.m. on the second business day immediately following the Latest Time for Acceptance, being the latest time to terminate the Underwriting Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maturity Date”	the date falling three years from the Issue Date;
“PAL(s)”	the provisional allotment letters;
“Placees”	any institutional, corporate or independent individual investors procured by the Placing Agent to subscribe for the Convertible Bonds pursuant to the Placing Agent’s obligations under the Placing Agreement;
“Placing”	placing of HK\$300,000,000 Convertible Bonds due 2012 pursuant to the terms of the Placing Agreement;

“Placing Agent”	Sun Hung Kai International Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance respectively) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Placing Agreement”	the agreement dated 23rd November, 2008 and entered into between the Company and the Placing Agent in relation to the Placing;
“Posting Date”	Thursday, 8th January, 2009 or such other date as Vigor may agree in writing with the Company for the despatch of the Prospectus Documents;
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue;
“Prospectus Documents”	the Prospectus, the PALs and the EAFs;
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Excluded Shareholders;
“Record Date”	Wednesday, 7th January, 2009, the record date to determine entitlements to the Rights Issue;
“Rights Issue”	the issue of not less than 275,622,494 Rights Shares and not more than 330,842,256 Rights Shares at the Subscription Price on the basis of one Rights Share for every existing Share held on the Record Date;
“Rights Shares”	new Share(s) to be allotted and issued in respect of the Rights Issue;
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Placing, the Whitewash Waiver and the grant of the Specific Mandate;

“Shares”	ordinary share(s) of HK\$0.01 each in the issued and unissued share capital of the Company;
“Shareholder(s)”	holder(s) of the Shares;
“Specific Mandate”	the mandate to be granted to the Directors at the SGM to allot and issue the Rights Shares and the Conversion Shares upon the conversion of the Convertible Bonds;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.40 per Rights Shares;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Underwriting Agreement”	the underwriting agreement dated 23rd November, 2008 entered into between the Company and the Underwriter in relation to the Rights Issue;
“Underwritten Shares”	all the Rights Shares other than those agreed to be taken by Vigor, being not less than 169,138,094 Rights Shares and not more than 203,060,976 Rights Shares;
“Underwriter” or “Vigor”	Vigor Online Offshore Limited, a company incorporated in the British Virgin Islands with limited liability, and the controlling shareholder of the Company. Its ultimate beneficial owner being Ms. Chong Sok Un;
“Warrants”	outstanding warrants that are exercisable during the relevant subscription period in accordance with the terms of the instrument constituting the warrants approved by Shareholders on 26th June, 2008;

“Whitewash Waiver”	the waiver from the obligation of Vigor and parties acting in concert with it to make a mandatory general offer for all the issued Shares not already owned or agreed to be acquired by Vigor or parties acting in concert with it under Rule 26 of the Takeovers Code, as a result of the transactions contemplated in the Underwriting Agreement and the Irrevocable Undertaking, pursuant to Note 1 on dispensations from Rule 26 of the Takeover Code;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“%”	per cent.

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

Hong Kong, 1st December, 2008

As at the date of this announcement, Ms. Chong Sok Un is the Chairman, Dato’ Wong Peng Chong and Mr. Kong Muk Yin are the Executive Directors, Mr. Lo Wai On, Mr. Lau Siu Ki and Mr. Zhang Jian are the Independent Non-Executive Directors.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement relating to it and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement concerning itself have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The directors of Vigor accept full responsibility for the accuracy of the information contained in this announcement other than those relating to the Company and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement other than those concerning the Company have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.