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**COL Capital Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

## **MAJOR TRANSACTION RELATING TO THE PROVISION OF LOAN**

The Board announced that on 31 August 2010 (after trading hours), the Lender, a wholly-owned indirect subsidiary of the Company, entered into the Loan Facility Letter with the Borrower, pursuant to which the Lender has agreed to lend to the Borrower a loan facility of principal amount of HK\$255 million for a term of 6 months. The Loan is to be secured by (i) the Smart Title Share Charge; (ii) the Power Progress Share Charge; (iii) the Nengrong Pledge Agreement; (iv) the Huanle Shidai Pledge Agreement; (v) the Business Hotel Pledge Agreement; (vi) the Recreation Centre Pledge Agreement; (vii) the Golf Club Pledge Agreement; (viii) the Debentures; and (ix) the Deed of Assignment and Subordination.

As the relevant Percentage Ratios for the making of the Loan under Rule 14.07 exceeds 25% but is below 100%, the granting of the Loan constitutes a major transaction for the Company and is subject to approval by Shareholders. The Company has obtained a written shareholder's approval for the Loan from Vigor Online which holds approximately 70.11% of the total issued share capital of the Company as at the date of the Loan Facility Letter. Accordingly, no general meeting for the Shareholders' approval of the Loan will be held. A circular containing details of the Loan will be despatched to the Shareholders as soon as practicable.

## THE LOAN FACILITY LETTER

**Date:** 31 August 2010

**Lender:** Join Capital Limited, a company incorporated in Hong Kong and a wholly-owned indirect subsidiary of the Company

**Borrower:** Mr. He Peng

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, the Borrower is an Independent Third Party not connected with the Company and connected persons of the Company.

### Principal terms of the Loan Facility Letter

**Principal Amount of the Loan:** HK\$255 million

**Term:** 6 months

**Purpose:** The Loan shall only be applied and used by the Borrower for his own use but shall not be used in any ways to facilitate the acquisition of securities listed on any stock exchange and/or the continued holding of those securities, whether or not those or other securities are pledged as security for the Loan and/or applied in such ways so as to render the provision of the Loan by the Lender to the Borrower to be within the definition of “securities margin financing” under the Securities and Futures Ordinance (Cap.571) of the Laws of Hong Kong.

**Interest:** 2% per month and payable monthly in arrear

**Security Documents:**

- (1) Share Charges
- (2) Pledge Agreements
- (3) Debentures
- (4) Deed of Assignment and Subordination

### ***The Share Charges***

The Share Charges comprise of:–

- (1) the Smart Title Share Charge to be executed by the Borrower in favour of the Lender by way of a first legal charge over the entire issued share capital of Smart Title; and
- (2) the Power Progress Share Charge to be executed by Smart Title in favour of the Lender by way of a first legal charge over the entire issued share capital of Power Progress.

### ***The Pledge Agreements***

The Pledge Agreements comprise of:

- (1) the Nengrong Pledge Agreement to be executed by Power Progress as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Nengrong, a company incorporated in the PRC and wholly and beneficially owned by Power Progress. Nengrong is principally engaged in investment holding in the PRC;
- (2) the Huanle Shidai Pledge Agreement to be executed by Nengrong as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Huanle Shidai, a company incorporated in the PRC and wholly and beneficially owned by Nengrong. Huanle Shidai is principally engaged in investment holding in the PRC;
- (3) the Business Hotel Pledge Agreement to be executed by Huanle Shidai as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Business Hotel, a company incorporated in the PRC and wholly and beneficially owned by Huanle Shidai. Business Hotel is principally engaged in the operating of the club namely, the Bayhood No.9 in Beijing in the PRC;

- (4) the Recreation Centre Pledge Agreement to be executed by Business Hotel as pledgor in favour of the Lender by way of a first legal charge the entire registered capital of Recreation Centre, a company incorporated in the PRC and wholly and beneficially owned by Business Hotel. Recreation Centre is principally engaged in investment holding in the PRC; and
- (5) the Golf Club Pledge Agreement to be executed by Recreation Centre as pledgor in favour of the Lender by way of a first legal charge over the 70% of the total registered capital of Golf Club, a company incorporated in the PRC and beneficially owned by Recreation Centre as to 70%. Golf Club is principally engaged in the provision of golf club facilities and related services in the PRC.

The Share Charges and the Pledge Agreements will include provisions that the Lender shall have the rights, among other things, to dispose of and/or transfer to itself the shares and interest in the registered capital of the companies charged/pledged in favour of it under the Share Charges and Pledge Agreements upon the occurrence of an event of default or upon the occurrence of any event which may lead to a default by the Borrower under the Loan Facility Letter.

### ***The Debentures***

The Debentures comprise of: –

- (1) the Smart Title Debenture to be created by the Borrower in favour of the Lender by way of a first fixed and floating charge over all the undertakings, properties and assets and rights of Smart Title; and
- (2) the Power Progress Debenture to be created by the Smart Title in favour of the Lender by way of a first fixed and floating charge over all the undertakings, properties and assets and rights of Power Progress.

The Debentures will include provisions that the Lender, as a chargee, shall have the rights, among other things, to dispose of and/or take possession of the undertakings, properties and assets and rights of Smart Title and Power Progress charged in favour of it under the Debentures upon the occurrence of an event of default or upon the occurrence of any event which may lead to a default by the Borrower.

### ***Deed of Assignment and Subordination***

A deed of assignment and subordination to be executed by the Borrower, Smart Title and Power Progress in favour of the Lender pursuant to which the Borrower as assignor assigns and agrees to assign to the Lender, as a continuing security for the discharge of the repayment obligation of the Borrower, all its rights in and to: (i) the moneys presently due or owing by Smart Title and Power Progress to the Borrower and any amount as may be lent or advanced by the Borrower to Smart Title and Power Progress thereafter from time to time (the “Subordinated Loan”); and (ii) all moneys (excluding the Subordinated Loan) which the Borrower is now or may become entitled to receive from Smart Title and Power Progress.

The Deed of Assignment and Subordination will include provisions that the Lender may declare all or any of the security created by the Deed of Assignment and Subordination immediately enforceable at any time upon the occurrence of an event of default or upon the occurrence of any event which may lead to a default by the Borrower under the Loan Facility Letter.

### **Repayment:**

The Borrower shall repay the Loan in full on the last day of the 6-month period following the date on which the Loan is drawn.

**Other terms:** The Borrower shall pay to the Lender a non-refundable front-end fee of HK\$5 million.

The Borrower shall enter into and shall procure the entering into such other mortgage, charge, pledge, debenture, corporate or personal guarantee or any other securities as a continuing securities as required or demanded by the Lender in its absolute and sole discretion from time to time.

The terms of the Loan Facility Letter and the provisions to be included in the Security Documents were arrived at after arm's length negotiations between the Lender and the Borrower. The Lender is a licensed money lender and its principal activity is provision of financial services. The provision of the Loan is a transaction carried out as part of the ordinary and usual course of business activities of the Lender. The entire amount of the Loan is funded by borrowings from financial institutions. The terms of the Loan including the interest rate and the front end fee were determined with reference to the commercial practice and the terms of doing business of those companies engaging in money lending business in Hong Kong. The Directors consider that the transactions contemplated by the Loan Facility Letter is on normal commercial terms and the terms of the Loan Facility Letter and the provisions to be included in the Security Documents are fair and reasonable and are in the interests of the Company and its shareholders as a whole having considered the current market norm in relation to similar transactions and having taken into account the lower costs of borrowing to be paid by the Company. As such, the Company will receive monetary benefits, representing the difference between the costs of borrowing and interest to be received, in providing the Loan.

If upon the exercise of the Lender's rights under the Security Documents constitutes a notifiable transaction for the Company, the Company will comply with such disclosure requirements as required by Chapter 14 of the Listing Rules.

### **Information on the Group**

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

## **Information on the Borrower**

The Borrower is a legal and beneficial owner of the entire issued share capital of Smart Title. The sole asset of Smart Title is its investment in Power Progress.

Power Progress is a legal and beneficial owner of the entire registered capital of Nengrong, a company principally engaged in investment holding in the PRC. Nengrong is a legal and beneficial owner of the entire registered capital of Huanle Shidai, a company principally engaged in investment holding in the PRC.

Huanle Shidai is a legal and beneficial owner of the entire registered capital of Business Hotel, a company principally engaged in the operating of the club namely the Bayhood No. 9 in Beijing, in the PRC. Business Hotel is a legal and beneficial owner of the entire registered capital of Recreation Centre, a company principally engaged in investment holding in the PRC.

Recreation Centre is a legal and beneficial owner of 70% interest in the total registered capital of Golf Club, a company principally engaged in the provision of golf club facilities and related services in the PRC.

## **Reasons for provision of the Loan**

The Lender is a licensed money lender and its principal activity is provision of financial services. The provision of the Loan is a transaction carried out as part of the ordinary and usual course of business activities of the Lender and will provide interest income to the Lender.

The Loan will be recorded as loan receivable under current asset of the Group.

## IMPLICATIONS UNDER THE LISTING RULES

As the relevant Percentage Ratios for the making of the Loan exceeds 25% but is below 100%, the granting of the Loan constitutes a major transaction of the Company pursuant to Chapter 14 of the Listing Rules. The granting of the Loan is subject to approval by Shareholders. The Company has obtained a written shareholder's approval for the Loan from Vigor Online which holds approximately 70.11% of the total issued share capital of the Company as at the date of the Loan Facility Letter. Accordingly, no general meeting for the Shareholders' approval of the Loan will be held. As no Shareholder has a material interest in the Loan which is different from other shareholders of the Company, no Shareholder is required to abstain from the voting in respect of the Loan. A circular containing details of the Loan will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

“Board”	the board of Directors
“Borrower”	Mr. He Peng, an Independent Third Party
“Business Hotel”	Beijing Beihu No.9 Business Hotel Co. Ltd. (北京北湖九號商務酒店有限公司), a company incorporated in the PRC and wholly and beneficially owned by Huanle Shidai
“Business Hotel Pledge Agreement”	a pledge agreement to be executed by Huanle Shidai as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Business Hotel
“Company”	COL Capital Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Debentures”	collectively the Smart Title Debenture and the Power Progress Debenture



“Deed of Assignment and Subordination”	a deed of assignment and subordination to be executed by the Borrower, Smart Title and Power Progress in favour of the Lender
“Directors”	the directors of the Company
“Golf Club”	Beijing Beihu International Golf Club Co. Ltd. (北京北湖國際高爾夫俱樂部有限公司), a company incorporated in the PRC and wholly and beneficially owned by Recreation Centre
“Golf Club Pledge Agreement”	a pledge agreement to be executed by Recreation Centre as pledgor in favour of the Lender by way of a first legal charge over 70% of the total registered capital of Golf Club
“Huanle Shidai”	Huanle Shidai Culture Development (Beijing) Co. Ltd. (歡樂時代文化發展(北京)有限公司), a company incorporated in the PRC and wholly and beneficially owned by Nengrong
“Huanle Shidai Pledge Agreement”	a pledge agreement to be executed by Nengrong as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Huanle Shidai
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	party who, together with his/her ultimate beneficial owner(s) is/are persons independent of the Company and its connected persons
“Lender”	Join Capital Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned indirect subsidiary of the Company
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Loan”	the loan facility of a principal amount of HK\$255 million granted by the Lender to the Borrower pursuant to the terms of the Loan Facility Letter
“Loan Facility Letter”	the loan facility letter dated 31 August 2010 and entered into between the Lender and the Borrower relating to the granting of the Loan
“Nengrong”	Nengrong Culture Development (Beijing) Co. Ltd. (能榮文化(北京)有限公司), a company incorporated in the PRC and wholly and beneficially owned by Power Progress
“Nengrong Pledge Agreement”	a pledge agreement to be executed by Power Progress as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Nengrong
“Percentage Ratio(s)”	percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“Pledge Agreements”	collectively the Nengrong Pledge Agreement, Huanle Shidai Pledge Agreement, the Business Hotel Pledge Agreement, Recreation Centre Pledge Agreement and Golf Club Pledge Agreement
“Power Progress”	Power Progress Limited, a company incorporated in Hong Kong and wholly and beneficially owned by Smart Title
“Power Progress Debenture”	a debenture to be created by Smart Title in favour of the Lender by way of a first fixed and floating charge over all the undertakings, properties and assets and rights of Power Progress
“Power Progress Share Charge”	a share charge to be executed by Smart Title in favour of the Lender by way of a first legal charge over the entire issued share capital of Power Progress

“PRC”	the People’s Republic of China
“Recreation Centre “	Beijing Beihu Recreation Centre Co. Ltd. (北京北湖球藝休閒中心有限公司), a company incorporated in the PRC and wholly and beneficially owned by Business Hotel
“Recreation Centre Pledge Agreement”	a pledge agreement to be executed by Business Hotel as pledgor in favour of the Lender by way of a first legal charge over the entire registered capital of Recreation Centre
“Security Documents”	collectively the Share Charges, the Pledge Agreements, the Debentures and the Deed of Assignment and Subordination
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Charges”	collectively the Smart Title Share Charge and the Power Progress Share Charge
“Smart Title “	Smart Title Limited, a company incorporated in the British Virgin Islands and wholly and beneficially owned by the Borrower
“Smart Title Debenture”	a debenture to be created by the Borrower in favour of the Lender by way of a first fixed and floating charge over all the undertakings, properties and assets and rights of Smart Title
“Smart Title Share Charge”	a share charge to be executed by the Borrower in favour of the Lender by way of a first legal charge over the entire issued share capital of Smart Title
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vigor Online”

Vigor Online Offshore Limited, a company incorporated in the British Virgin Islands and a controlling Shareholder holding 390,325,707 Shares representing approximately 70.11% of the entire issued share capital of the Company as at the date of this announcement

“%”

per cent

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

Hong Kong, 31 August 2010

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