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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in COL Capital Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

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**COL Capital Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

**(I) DISCLOSEABLE TRANSACTION AND  
CONNECTED TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
EQUITY INTERESTS IN JIATAI CONSTRUCTION  
INVOLVING ISSUE OF CONSIDERATION SHARES  
UNDER JIATAI SPECIFIC MANDATES;  
(II) DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
INTERESTS IN AVEO CHINA  
INVOLVING ISSUE OF CONSIDERATION SHARES  
UNDER AVEO SPECIFIC MANDATE;  
(III) PROPOSAL FOR  
CHANGE OF COMPANY NAME;  
AND  
(IV) NOTICE OF SPECIAL GENERAL MEETING**

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A notice convening the special general meeting of the Company to be held at Plaza 1 & 2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 15 December 2015 at 11:00 a.m. is set out on pages 45 to 48 of this circular. A form of proxy for use at the special general meeting of the Company is also enclosed.

Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy and return it in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the special general meeting or any adjournment thereof if you so wish.

18 November 2015

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## DEFINITIONS

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*In this circular, the following expressions shall, unless the context requires otherwise, have the following meanings:*

“associates”	has the meaning ascribed to it in the Listing Rules;
“Aveo Acquisition”	the acquisition of 40% of the issued share capital in Aveo China by Purchaser II from Vendor IV pursuant to the terms and conditions of the Aveo Agreement;
“Aveo Agreement”	the agreement dated 13 October 2015 entered into between Purchaser II and Vendor IV in relation to Aveo Acquisition;
“Aveo China”	Aveo China (Holdings) Limited, a limited liability company incorporated in the BVI and owned as to, among others, 30% and 40% by Star Paging and Vendor IV, respectively;
“Aveo China Group”	Aveo China and its subsidiaries;
“Aveo Consideration Shares”	300,000,000 new Shares to be allotted and issued by the Company credited as fully paid as consideration for the Aveo Acquisition;
“Aveo Offer Letter”	the offer letter dated 23 September 2015 issued to Vendor IV by Star Paging in relation to Aveo Acquisition;
“Aveo Specific Mandate”	the mandate to be sought from Shareholders for the allotment and issuance of the Aveo Consideration Shares;
“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Company”	COL Capital Limited (stock code: 383), a company incorporated in Bermuda and the Shares of which are listed on the Main Board of the Stock Exchange;
“Change of Company Name”	the change of English name of the Company from “COL Capital Limited” to “China Medical & HealthCare Group Limited” and the Chinese name of the Company from “中國網絡資本有限公司” for identification purposes only to “中國醫療網絡有限公司”, which was adopted for identification purposes only;

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## DEFINITIONS

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“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Consideration Share(s)”	Jiatai Consideration Shares I, Jiatai Consideration Shares II, Jiatai Consideration Shares III and Aveo Consideration Shares, each a “Consideration Share”;
“Director(s)”	director(s) of the Company;
“E(L)BITDA”	earnings (loss) before interest, tax, depreciation and amortization;
“Extra Earn”	Extra Earn Holdings Limited, a company incorporated in the BVI with limited liability and the former sole shareholder of Jiatai Construction;
“Group”	the Company and its subsidiaries;
“Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party independent of and not connected with the Company and any of its connected persons or their respective associates;
“IXL Ventures”	IXL Ventures L. P. acting by its general partner IXL Partners, an exempted limited partnership established under laws of Cayman Islands. As at the Latest Practicable Date, Dr. Jonathan Weiyan Seah, an non executive Director, maintains 100% beneficial interests in IXL Ventures L.P.;
“Jiatai Acquisition I”	the acquisition of 28.07% equity interests in Jiatai Construction by Purchaser I from Vendor I pursuant to the terms and conditions of Jiatai Agreement I;
“Jiatai Acquisition II”	the acquisition of the entire issued share capital in Super Red (which indirectly holds 9.00% equity interests in Jiatai Construction) by Purchaser I from Vendor II pursuant to the terms and conditions of Jiatai Agreement II;
“Jiatai Acquisition III”	the acquisition of 2.41% equity interests in Jiatai Construction by Purchaser I from Vendor III pursuant to the terms and conditions of Jiatai Agreement III;

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## DEFINITIONS

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“Jiatai Acquisitions”	Jiatai Acquisition I, Jiatai Acquisition II and Jiatai Acquisition III, and each a “Jiatai Acquisition”;
“Jiatai Agreement I”	the agreement dated 13 October 2015 entered into between Vendor I and Purchaser I in relation to Jiatai Acquisition I;
“Jiatai Agreement II”	the agreement dated 13 October 2015 entered into between Vendor II and Purchaser I in relation to Jiatai Acquisition II;
“Jiatai Agreement III”	the agreement dated 13 October 2015 entered into between Vendor III and Purchaser I in relation to Jiatai Acquisition III;
“Jiatai Agreements”	Jiatai Agreement I, Jiatai Agreement II and Jiatai Agreement III, and each a “Jiatai Agreement”;
“Jiatai Construction”	Lianyungang Jiatai Construction Co. Ltd.* (連雲港嘉泰建設工程有限公司), a limited liability company established under the laws of the PRC and owned as to approximately 60.52% by the Company;
“Jiatai Consideration Shares”	Jiatai Consideration Shares I, Jiatai Consideration Shares II and Jiatai Consideration Shares III;
“Jiatai Consideration Shares I”	1,149,739,208 new Shares to be allotted and issued by the Company credited as fully paid as consideration for Jiatai Acquisition I;
“Jiatai Consideration Shares II”	411,412,500 new Shares to be allotted and issued by the Company credited as fully paid as consideration for Jiatai Acquisition II;
“Jiatai Consideration Shares III”	110,167,125 new Shares to be allotted and issued by the Company credited as fully paid as consideration for the Jiatai Acquisition III;
“Jiatai Group”	Jiatai Construction and its subsidiaries;
“Jiatai Offer Letters”	Jiatai Offer Letter I, Jiatai Offer Letter II and Jiatai Offer Letter III, and each a “Jiatai Offer Letter”;
“Jiatai Offer Letter I”	the offer letter dated 15 September 2015 issued to Vendor I by the Company in relation to Jiatai Acquisition I;

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## DEFINITIONS

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“Jiatai Offer Letter II”	the offer letter dated 15 September 2015 issued to 泰球(上海)投資管理有限公司(Taiqiu (Shanghai) Investment Management Company Limited*, the direct shareholder holding 9% equity interests in Jiatai Construction, which in turn is indirect wholly-owned by Super Red) by the Company in relation to Jiatai Acquisition II;
“Jiatai Offer Letter III”	the offer letter dated 15 September 2015 issued to Vendor III by the Company in relation to Jiatai Acquisition III;
“Jiatai Specific Mandates”	Specific Mandate I, Specific Mandate II and Specific Mandate III;
“Latest Practicable Date”	16 November 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contain herein;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Management Shareholders of Aveo China”	management shareholders of Aveo China, being Zhang Huagang, Deng Yaodong, Xu Lingyun, Li Zhi, Han Zhiyong and Xue Lian;
“PRC”	the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;
“Purchaser I”	Join Capital Limited (邦盈有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company;
“Purchaser II”	Track Record Global Limited, a limited liability company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company;
“SGM”	the special general meeting of the Company convened to be held at 11:00 a.m. on Tuesday, 15 December 2015 (or any adjournment thereof) for the Shareholders to consider, and if thought fit, among other things, to approve the granting of the Specific Mandates and the Change of Company Name the notice of which is set out as pages 45 to 48 of this circular;

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of HK\$0.0005 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the issued Share(s);
“Specific Mandates”	Jiatai Specific Mandates and Aveo Specific Mandate, each a “Specific Mandate”;
“Specific Mandate I”	the mandate to be sought from Shareholders for the allotment and issuance of Jiatai Consideration Shares I;
“Specific Mandate II”	the mandate to be sought from Shareholders for the allotment and issuance of Jiatai Consideration Shares II;
“Specific Mandate III”	the mandate to be sought from Shareholders for the allotment and issuance of Jiatai Consideration Shares III;
“Star Paging”	Star Paging (BVI) Limited, a limited liability company in the BVI and a direct wholly-owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Super Red”	Super Red Investments Limited, a company incorporated in the BVI and indirectly holds 9.00% equity interests in Jiatai Construction;
“Super Red Group”	Super Red and its subsidiaries;
“Tongren Healthcare”	Tongren Healthcare Industry Group Company Limited* (同仁醫療產業集團有限公司), a limited company established under the laws of the PRC and effectively owned as to 86.69% by Jiatai Construction;
“Vendor I”	Greatime Management Corp., a company incorporated in the BVI with limited liability, a connected person at the subsidiary level of the Company;
“Vendor II”	Fareast Global Limited, a company established in the BVI with limited liability;
“Vendor III”	Asia Development Capital Co., Ltd. (formerly known as Asia Alliance Holdings Co., Ltd.), a Japanese stock company, the shares of which are listed on the Tokyo Stock Exchange;

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## DEFINITIONS

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“Vendor IV”	Jian Xiang Limited, a limited liability company incorporated in the BVI and owned as to 50%, 25%, 12.5%, 3%, 2.875% and 2.5% beneficially by Zhang Huagang, Deng Yaodong, Xu Lingyun, Li Zhi, Han Zhiyong and Xue Lian (all being management of Aveo China Group), and 4.125% by Chong Sok Un, respectively;
“Vigor Online”	Vigor Online Offshore Limited, a company incorporated in the BVI with limited liability and a controlling Shareholder holding 7,822,514,140 Shares (representing approximately 74.44% of the entire issued share capital of the Company). As at the Latest Practicable Date, Ms. Chong Sok Un, an executive Director, maintains a 100% beneficial interest in Vigor Online Offshore Limited. As at the Latest Practicable Date, Vigor Online Offshore Limited granted call options to several grantees over an aggregate of 4,000,000,000 Shares in the Company, representing approximately 38.06% of the total number of issued Shares of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Mu”	Chinese unit of area;
“RMB”	Renminbi, the lawful currency of the PRC;
“sqm”	square meter;
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

*For the purpose of illustration only and unless otherwise stated, conversion of USD into HK\$ in this circular is based on the exchange rate of USD1.00 to HK\$7.8. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*

*\* The English translation of the names of entities established in PRC referred to in this circular is for as reference only. The official names of those companies are in Chinese.*



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## LETTER FROM THE BOARD

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**COL Capital Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

*Executive Directors:*

Ms. Chong Sok Un (*Chairman*)

Dato' Wong Peng Chong

Mr. Kong Muk Yin

*Registered Office:*

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

*Non-Executive Directors:*

Dr. Lim Cheok Peng

Dr. Jonathan Weiyan Seah

*Head Office and Principal Place  
of Business in Hong Kong:*

47th Floor

China Online Centre

333 Lockhart Road

Wan Chai

Hong Kong

*Independent Non-Executive Directors:*

Mr. Lau Siu Ki

Mr. Ma Wah Yan

Mr. Zhang Jian

18 November 2015

*To the Shareholders,*

Dear Sir/Madam,

**(I) DISCLOSEABLE TRANSACTION AND  
CONNECTED TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
EQUITY INTERESTS IN JIATAI CONSTRUCTION  
INVOLVING ISSUE OF CONSIDERATION SHARES  
UNDER JIATAI SPECIFIC MANDATES;  
(II) DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ACQUISITION OF  
INTERESTS IN AVEO CHINA  
INVOLVING ISSUE OF CONSIDERATION SHARES  
UNDER AVEO SPECIFIC MANDATE;  
(III) PROPOSAL FOR  
CHANGE OF COMPANY NAME;  
AND  
(IV) NOTICE OF SPECIAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### INTRODUCTION

Reference is made to the Company's announcements dated 15 September 2015 and 17 September 2015 relating to the issuance and acceptance of the Jiatai Offer Letters for the possible Jiatai Acquisitions, and the Company's announcements dated 23 September 2015 and 24 September 2015 relating to the issuance and acceptance of the Aveo Offer Letter for the possible Aveo Acquisition.

Reference is also made to the Company's announcement dated 13 October 2015, pursuant to which it was announced that the Group (through Purchaser I, an indirect wholly-owned subsidiary of the Company) has entered into Jiatai Agreements with Vendor I, Vendor II and Vendor III, respectively, pursuant to which the Group has conditionally agreed to acquire, and Vendor I, Vendor II and Vendor III have conditionally agreed to sell, an aggregate of 39.48% equity interests in Jiatai Construction. Further, on the same day, Purchaser II, an indirect wholly-owned subsidiary of the Company, entered into Aveo Agreement, pursuant to which it has conditionally agreed to acquire, and Vendor IV has conditionally agreed to sell, 40% of the issued share capital in Aveo China.

Each of the respective Jiatai Agreements and Aveo Agreement are not inter-conditional upon each other.

### JIATAI AGREEMENT I

The major terms of Jiatai Agreement I are as follows:

**Date:**

13 October 2015 (after trading hours)

**Parties:**

- (i) Purchaser I
- (ii) Vendor I

As at the Latest Practicable Date, Jiatai Construction is held as to 60.52%, 28.07%, 9.00% and 2.41% by the Company, Vendor I, Vendor II and Vendor III, respectively. As Vendor I is a substantial shareholder of the Company's non wholly-owned subsidiary, Jiatai Construction, Vendor I is a connected person at the subsidiary level of the Company. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Vendor I and its ultimate beneficial owner are third parties independent of the Company, its controlling shareholder, directors and their respective associates, and have no other relationship with the Company.

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## LETTER FROM THE BOARD

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### **Assets to be acquired**

28.07% equity interests in Jiatai Construction

### **Consideration**

The consideration for Jiatai Acquisition I shall be RMB421,050,000 (equivalent to HK\$513,259,950) which, after setting-off of the amounts (principal and interests) as at the date of Jiatai Agreement I due from Vendor I and its associate to Jiatai Group on completion of Jiatai Agreement I, shall be satisfied by the allotment and issuance of Jiatai Consideration Shares I at the issue price of HK\$0.40 per Jiatai Consideration Share I credited as fully paid. As at the date of Jiatai Agreement I, such amounts due from Vendor I and its associate to Jiatai Group is RMB43,777,085 (equivalent to HK\$53,364,267). Vendor I has undertaken to pay Jiatai Group the interest accrued from the date of Jiatai Agreement I to the completion date of the said agreement in respect of the amounts due from the Vendor I and its associates to Jiatai Group on the completion date thereof.

The original acquisition cost of 28.07% equity interests in Jiatai Construction of Vendor I was approximately USD32.8 million in aggregate (equivalent to approximately HK\$255.7 million, being 28.07% of the registered capital of Jiatai Construction) which was effectively contributed by Vendor I through a series of funding exercises by Extra Earn, being the former sole shareholder of Jiatai Construction. Such contribution was for capital injection into Jiatai Construction since the establishment of Jiatai Construction in 2006 initially in the amount of approximately US\$7.7 million and afterward in 2007, 2009, 2010 and 2012 in the amounts of approximately US\$3.9 million, US\$9.5 million, US\$11.6 million and US\$0.1 million respectively. At the relevant time, investment in Jiatai Construction was the sole asset of Extra Earn (brief shareholding history of the Company in Extra Earn and Jiatai Construction is set out in paragraph herein headed “Information on Jiatai Construction”).

The consideration for Jiatai Acquisition I has been determined between Purchaser I and Vendor I after arm’s length negotiation with reference to, among others, (i) the recent operating performance and asset value of Jiatai Group, (ii) Jiatai Group’s ownership of three operating and well-established integrated hospitals (i.e. two Class III integrated hospitals namely the Nanjing Tongren Hospital (南京同仁醫院) and the Kunming Tongren Hospital (昆明同仁醫院) and one Class II integrated hospital namely the Yunnan Xinxinhua Hospital (雲南新新華醫院)) and two pieces of land for medical and health purposes situated at Nanjing and Kunming, PRC respectively, (iii) the experienced management and medical specialists team of Jiatai Group, (iv) the future prospect of Jiatai Group and (v) the settlement of the consideration by means of the Jiatai Consideration Shares I which will not involve any cash outlay for the Company.

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## LETTER FROM THE BOARD

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

### **Conditions precedents**

Completion of Jiatai Acquisition I is subject to the following conditions precedent being fulfilled and/or waived by Purchaser I:

- (i) the warranties and undertaking given by Vendor I in Jiatai Agreement I remaining true and accurate;
- (ii) Vendor I having fulfilled/complied with all responsibility, undertaking and performance under Jiatai Agreement I on or before completion of Jiatai Agreement I;
- (iii) (where applicable) the passing by the Shareholders (or where applicable, by the independent Shareholders) of an ordinary resolution at the SGM approving the allotment and issue of Jiatai Consideration Shares I pursuant to Specific Mandate I;
- (iv) all necessary or appropriate approval(s) required for the entering into and execution of Jiatai Agreement I having been made and obtained, including but not limited to the approval(s) and consent(s) by any third party in Hong Kong, the PRC, Bermuda or any other places (including but not limited to any relevant governmental or regulatory authorities), and all the required filings and registrations having been completed with the relevant governmental or regulatory authorities, agencies or bodies; and the compliance of all applicable legal or other obligations;
- (v) there being no material adverse change with respect to the financial condition, business, operation or assets, operating results or business prospects of Jiatai Group having occurred from the date of Jiatai Agreement I to the completion of Jiatai Agreement I;

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## LETTER FROM THE BOARD

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- (vi) the listing of and permission to deal in Jiatai Consideration Shares I having been granted by Listing Committee of the Stock Exchange and such listing and permission not subsequently being revoked prior to completion of Jiatai Agreement I; and
- (vii) the completion of registration and filing procedures in relation to the transfer of equity interests of Jiatai Construction, change of director(s) and legal representative (where applicable) pursuant to Jiatai Agreement I.

Purchaser I and Vendor I shall use their respective reasonable endeavours to procure the fulfilment of the above conditions. All of the above conditions can be waived by Purchaser I in writing in its sole discretion, except for conditions numbered (iii), (iv), (vi) and (vii), which cannot be waived. If the above conditions are not fulfilled (or as the case may be, waived by Purchaser I) within six months from the date of Jiatai Agreement I or such later date as Purchaser I may agree, Purchaser I may extend the aforesaid long stop date or take appropriate course of action (including the termination of Jiatai Agreement I) in its sole discretion. In the event that Purchaser I elects to terminate Jiatai Agreement I, save and except for the general provisions relating to, among others, confidentiality, governing law and process agent, Jiatai Agreement I shall cease and terminate and save and except antecedent breach thereof, neither Purchaser I and Vendor I shall have any obligations towards each other.

### **Completion**

Subject to fulfilment and/or waiver of all the conditions precedent, completion of Jiatai Acquisition I shall take place on the tenth business day following the day on which the last of the conditions is fulfilled and the consideration shall be paid to Vendor I at the same time.

### **Lock-up undertaking**

Vendor I irrevocably undertakes and guarantees to the Company and Purchaser I that it shall not directly or indirectly, conditionally or unconditionally, sell, transfer, dispose of or otherwise deal with any right or interest in any Jiatai Consideration Shares I together with any shares derived from such Jiatai Consideration Shares I upon any consolidation or subdivision of share capital by the Company or any issue of bonus shares by the Company from time to time (including the grant of any option over or in respect of any such shares) for a period of 24 months after the completion of Jiatai Agreement I.

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## LETTER FROM THE BOARD

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### JIATAI AGREEMENT II

The major terms of Jiatai Agreement II are as follows:

**Date:**

13 October 2015 (after trading hours)

**Parties:**

- (i) Purchaser I
- (ii) Vendor II

As at the Latest Practicable Date, the Group holds approximately 2.59% shareholding interests in the listed holding company of Vendor II. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Vendor II and its ultimate beneficial owners are third parties independent of the Company, its controlling shareholder, directors and their respective associates, and have no other relationship with the Company.

**Assets to be acquired**

The entire issued share capital in Super Red, a company incorporated in the BVI and indirectly holds 9.00% equity interests in Jiatai Construction. The 9.00% equity interests in Jiatai Construction will be Super Red Group's sole asset with no other assets and liabilities on completion of Jiatai Agreement II.

**Consideration**

The consideration for Jiatai Acquisition II shall be RMB135,000,000 (equivalent to HK\$164,565,000), which shall be satisfied by the allotment and issuance of Jiatai Consideration Shares II at the issue price of HK\$0.40 per Jiatai Consideration Share II credited as fully paid.

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## LETTER FROM THE BOARD

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The consideration for Jiatai Acquisition II has been determined between Purchaser I and Vendor II after arm's length negotiation with reference to, among others, (i) the recent operating performance and asset value of Jiatai Group, (ii) Jiatai Group's ownership of three operating and well established integrated hospitals (i.e. two Class III integrated hospitals namely the Nanjing Tongren Hospital (南京同仁醫院) and the Kunming Tongren Hospital (昆明同仁醫院) and one Class II integrated hospital namely the Yunnan Xinxinhua Hospital (雲南新新華醫院)) and 2 pieces of land for medical and health purposes situated at Nanjing and Kunming, PRC respectively, (iii) the experienced management and medical specialists team of Jiatai Group, (iv) the future prospect of Jiatai Group and (v) the settlement of consideration by means of the Jiatai Consideration Shares II which will not involve any cash outlay for the Company.

On 16 May 2013 the Group disposed of a 9% equity interest in Jiatai Construction to Vendor II's fellow subsidiary at a consideration of RMB100,000,000<sup>(1)</sup>. At the relevant time, the Group considered that such disposal was an opportunistic exit which would bring in good capital gain and cash flow from partial realization of the Group's investment in Jiatai Group and yet still allow the Group to maintain a high level of controlling interest in Jiatai Construction. As such, having considered the financial benefit derived from such disposal proceed since 16 May 2013 and the factors taken into account by the parties in arriving at the consideration after arm's length negotiation as mentioned above and the factors set out in the paragraph headed "Reasons for and Benefits of Jiatai Acquisitions", the Directors are of the view that the consideration under Jiatai Agreement II is fair and reasonable and in the interests of the Company and its Shareholders as a whole, even though there was a difference between the disposal proceeds under such disposal and the consideration for Jiatai Acquisition II.

### Conditions precedents

Completion of Jiatai Acquisition II is subject to the following conditions precedent being fulfilled and/or waived by Purchaser I:

- (i) the warranties and undertaking given by Vendor II in Jiatai Agreement II remaining true and accurate;
- (ii) Vendor II having fulfilled/complied with all responsibility, undertaking and performance under Jiatai Agreement II on or before completion of Jiatai Agreement II;
- (iii) (where applicable) the passing by the Shareholders (or where applicable, by the independent Shareholders) of an ordinary resolution at the SGM approving the allotment and issue of the Jiatai Consideration Shares II pursuant to Specific Mandate II;

<sup>(1)</sup> Reference is made to the Company's announcement dated 16 May 2013 for the discloseable transaction relating to the disposal of contributed capital of a subsidiary

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## LETTER FROM THE BOARD

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- (iv) all necessary or appropriate approval(s) required for the entering into and execution of Jiatai Agreement II having been made and obtained, including but not limited to the approval(s) and consent(s) by any third party in Hong Kong, the PRC, Bermuda or any other places (including but not limited to any relevant governmental or regulatory authorities), and all the required filings and registration having been completed with the relevant governmental or regulatory authorities, agencies or bodies; and the compliance of all applicable legal or other obligations;
- (v) there being no material adverse change with respect to the financial condition, business, operation or assets, operating results or business prospects of Super Red Group having occurred from the date of Jiatai Agreement II to the completion of Jiatai Agreement II;
- (vi) the listing of and permission to deal in Jiatai Consideration Shares II having been granted by Listing Committee of the Stock Exchange and such listing and permission not subsequently being revoked prior to completion of Jiatai Agreement II; and
- (vii) the completion of the due diligence exercise on Super Red Group to the satisfaction of Purchaser I in its sole discretion (with the rendering of all necessary assistance by Vendor II).

Purchaser I and Vendor II shall use their respective reasonable endeavours to procure the fulfilment of the above conditions. All of the above conditions can be waived by Purchaser I in writing in its sole discretion, except for conditions numbered (iii), (iv) and (vi), which cannot be waived. If the above conditions are not fulfilled (or as the case may be, waived by Purchaser I) within six months from the date of Jiatai Agreement II or such later date as Purchaser I may agree, Purchaser I may extend the aforesaid long stop date or take appropriate course of action (including the termination of Jiatai Agreement II) in its sole discretion. In the event that Purchaser I elects to terminate Jiatai Agreement II, save and except for the general provisions relating to, among others, confidentiality, governing law and process agent, Jiatai Agreement II shall cease and terminate and save and except antecedent breach thereof, neither Purchaser I and Vendor II shall have any obligations towards each other.

### **Completion**

Subject to fulfilment and/or waiver of all the conditions precedent, completion of Jiatai Acquisition II shall take place on the tenth business day following the day on which the last of the conditions is fulfilled and the consideration shall be paid to Vendor II at the same time.



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## LETTER FROM THE BOARD

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### **Lock-up undertaking**

Vendor II irrevocably undertakes and guarantees to the Company and Purchaser I that it shall not directly or indirectly, conditionally or unconditionally, sell, transfer, dispose of or otherwise deal with any right or interest in any Jiatai Consideration Shares II together with any shares derived from such Jiatai Consideration Shares II upon any consolidation or subdivision of share capital by the Company or any issue of bonus shares by the Company from time to time (including the grant of any option over or in respect of any such shares) for a period of 24 months after the completion of Jiatai Agreement II.

### **JIATAI AGREEMENT III**

The major terms of Jiatai Agreement III are as follows:

#### **Date:**

13 October 2015 (after trading hours)

#### **Parties:**

- (i) Purchaser I
- (ii) Vendor III

Dato' Wong Peng Chong, an executive Director, is also an executive director of Vendor III. As at the Latest Practicable Date, the Group holds approximately 2.89% shareholding interests in Vendor III. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Vendor III and its ultimate beneficial owners are third parties independent of the Company, its controlling shareholder, directors and their respective associates, and have no other relationship with the Company.

#### **Assets to be acquired**

2.41% equity interests in Jiatai Construction

#### **Consideration**

The consideration for Jiatai Acquisition III shall be RMB36,150,000 (equivalent to HK\$44,066,850), which shall be satisfied by the allotment and issuance of Jiatai Consideration Shares III at the issue price of HK\$0.40 per Jiatai Consideration Share III credited as fully paid.

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## LETTER FROM THE BOARD

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The consideration for Jiatai Acquisition III has been determined between Purchaser I and Vendor III after arm's length negotiation with reference to, among others, (i) the recent operating performance and asset value of Jiatai Group, (ii) Jiatai Group's ownership of three operating and well established integrated hospitals (i.e. two Class III integrated hospitals namely the Nanjing Tongren Hospital (南京同仁醫院) and the Kunming Tongren Hospital (昆明同仁醫院) and one Class II integrated hospital namely the Yunnan Xinxinhua Hospital (雲南新新華醫院)) and two pieces of land for medical and health purposes situated at Nanjing and Kunming, PRC respectively, (iii) the experienced management and medical specialists team of Jiatai Group, (iv) the future prospect of Jiatai Group and (v) the settlement of consideration by means of the Jiatai Consideration Shares III which will not involve any cash outlay for the Company.

Having considered the factors taken into account by the parties in arriving at the consideration as mentioned above, the Directors are of the view that the consideration under Jiatai Agreement III is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **Conditions precedents**

Completion of Jiatai Acquisition III is subject to the following conditions precedent being fulfilled and/or waived by Purchaser I:

- (i) the warranties and undertaking given by Vendor III in Jiatai Agreement III remaining true and accurate;
- (ii) Vendor III having fulfilled/complied with all responsibility, undertaking and performance under Jiatai Agreement III on or before completion of Jiatai Agreement III;
- (iii) (where applicable) the passing by the Shareholders (or where applicable, by the independent Shareholders) of an ordinary resolution at the SGM approving the allotment and issue of Jiatai Consideration Shares III pursuant to Specific Mandate III;
- (iv) all necessary or appropriate approval(s) required for the entering into and execution of Jiatai Agreement III having been made and obtained, including but not limited to the approval(s) and consent(s) by any third party in Hong Kong, the PRC, Bermuda or any other places (including but not limited to any relevant governmental or regulatory authorities), and all the required filings and registration having been completed with the relevant governmental or regulatory authorities, agencies or bodies; and the compliance of all applicable legal or other obligations;

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## LETTER FROM THE BOARD

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- (v) there being no material adverse change with respect to the financial condition, business, operation or assets, operating results or business prospects of Jiatai Group having occurred from the date of Jiatai Agreement III to the completion of Jiatai Agreement III;
- (vi) the listing of and permission to deal in the Jiatai Consideration Shares III having been granted by Listing Committee of the Stock Exchange and such listing and permission not subsequently being revoked prior to completion of Jiatai Agreement III; and
- (vii) the completion of registration and filing procedures in relation to the transfer of equity interests of Jiatai Construction pursuant to Jiatai Agreement III.

Purchaser I and Vendor III shall use their respective reasonable endeavours to procure the fulfilment of the above conditions. All of the above conditions can be waived by Purchaser I in writing in its sole discretion, except for conditions numbered (iii), (iv), (vi) and (vii), which cannot be waived. If the above conditions are not fulfilled (or as the case may be, waived by Purchaser I) within six months from the date of Jiatai Agreement III or such later date as Purchaser I may agree, Purchaser I may extend the aforesaid long stop date or take appropriate course of action (including the termination of Jiatai Agreement III) in its sole discretion. In the event that Purchaser I elects to terminate Jiatai Agreement III, save and except for the general provisions relating to, among others, confidentiality, governing law and process agent, Jiatai Agreement III shall cease and terminate and save and except antecedent breach thereof, neither Purchaser I and Vendor III shall have any obligations towards each other.

### **Completion**

Subject to fulfilment and/or waiver of all the conditions precedent, completion of Jiatai Acquisition III shall take place on the tenth business day following the day on which the last of the conditions is fulfilled and the consideration shall be paid to Vendor III at the same time.

### **Lock-up undertaking**

Vendor III irrevocably undertakes and guarantees to the Company and Purchaser I that it shall not directly or indirectly, conditionally or unconditionally, sell, transfer, dispose of or otherwise deal with any right or interest in any Jiatai Consideration Shares III together with any shares derived from such Jiatai Consideration Shares III upon any consolidation or subdivision of share capital by the Company or any issue of bonus shares by the Company from time to time (including the grant of any option over or in respect of any such shares) for a period of 24 months after the completion of Jiatai Agreement III.

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## LETTER FROM THE BOARD

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### INFORMATION ON JIATAI CONSTRUCTION

#### Shareholding History of the Company in Extra Earn and Jiatai Construction

Extra Earn was established in 2006 and held as to 40% by Vendor I and as to 60% by a former shareholder of Extra Earn at the relevant time. Extra Earn was the former sole shareholder of Jiatai Construction since Jiatai Construction's incorporation in 2006. At the relevant time, investment in Jiatai Construction was the sole asset of Extra Earn.

On 25 June 2010, the Group subscribed for new shares in Extra Earn at a total amount of US\$18 million which, in turn, was applied towards the subscription of new registered capital of Jiatai Construction following which Extra Earn became a then 40% associated company of the Group<sup>(1)</sup>.

Following the issue of new shares for working capital purpose by Extra Earn to Vendor III in June 2012, the Group's shareholding in Extra Earn was diluted to 38.67%.

On 19 September 2012, the Group acquired a 19.34% interest in Extra Earn from a former shareholder of Extra Earn<sup>(2)</sup> following which the Group's shareholding in Extra Earn increased to 58.01%. Simultaneous with the completion of such acquisition, Extra Earn disposed of the entire registered capital of Jiatai Construction as to 58.01% to the Company, 38.67% to Vendor I and 3.32% to Vendor III, off-setting such amounts receivable with the amounts payable for share repurchases of issued shares of Extra Earn as to 38.67% from Vendor I and 3.32% from Vendor III for cancellation. As such, Extra Earn became wholly-owned by the Group and that at the relevant time Jiatai Construction was directly held as to 58.01%, 38.67% and 3.32% by the Company, Vendor I and Vendor III respectively.

On 6 December 2012, the Company subscribed for a further 11.51% equity interest (on an enlarged basis) in Jiatai Construction by way of direct capital injection<sup>(3)</sup>. Following the completion of such subscription, at the relevant time Jiatai Construction was held as to 69.52%, 28.07% and 2.41% by the Company, Vendor I and Vendor III respectively.

On 16 May 2013, the Company disposed of a 9% equity interest in Jiatai Construction<sup>(4)</sup> and following the completion of such disposal, as at the Latest Practicable Date, Jiatai Construction is held as to 60.52%, 28.07%, 9.00% and 2.41% by the Company, Vendor I, Vendor II and Vendor III respectively.

<sup>(1)</sup> Reference is made to the Company's announcement dated 25 June 2010 for the discloseable transaction relating to the subscription of shares in Extra Earn Holdings Limited

<sup>(2)</sup> References are made to the Company's announcement and circular dated 19 September 2012 and 10 May 2013 respectively for the major transaction relating to the acquisition of shares of Extra Earn Holdings Limited

<sup>(3)</sup> References are made to the Company's announcement and circular dated 6 December 2012 and 10 May 2013 respectively for the major transaction relating to the subscription of equity interest in Jiatai Construction

<sup>(4)</sup> References is made to the Company's announcement dated 16 May 2013 for the discloseable transaction relating to the disposal of contributed capital of a subsidiary

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## LETTER FROM THE BOARD

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### Information of Jiatai Group

Jiatai Construction was established in Lianyungang, the PRC in 2006 and initially engaged in the development and construction of urban infrastructure, property development and investment in the PRC. In 2010 and 2012, through the acquisitions of an aggregate of 86.69% indirect equity interests in Tongren Healthcare, the Jiatai Group became engaged in the investment in and management and operation of healthcare and hospital businesses, trading of medical equipment and related supplies, and property development in the PRC. The overall business model of Jiatai Group is the operations of (i) integrated hospitals offering a wide range of comprehensive hospital and healthcare services including out-patient and in-patient services, medical diagnosis, surgical and non-surgical treatments and other medical and healthcare services, etc., (ii) medical equipment and related supplies supply chain procurement and management for its own and other hospitals and healthcare institutions, (iii) clinical specialties network inclusive of body and healthcare check, women's health and obstetrics, orthopedics, ophthalmology, otorhinolaryngology, etc., with supportive referral connection with the Group's integrated hospitals, and (iv) elderly care and retirement community with supportive referral connection with Group's integrated hospitals and clinical specialties network.

Currently Jiatai Group owns three well-established operating integrated hospitals consisting of the Nanjing Tongren Hospital (南京同仁醫院) (Class III Integrated Hospital<sup>(1)</sup>), the Kunming Tongren Hospital (昆明同仁醫院) (Class III Integrated Hospital<sup>(1)</sup>) and Yunnan Xinxinhua Hospital (雲南新新華醫院) (Class II Integrated Hospital<sup>(2)</sup>), offering a wide range of comprehensive hospital and healthcare services.

Nanjing Tongren Hospital was opened in 2007 and located in Jiangning Development Zone, Nanjing, Jiangsu Province, the PRC with a site area of 240 Mu and gross floor area of 121,000 sqm, consisting of a 4-storey main building and two 12-storey buildings, with a planned operating capacity of 1,200 beds, 4,000 out-patient visits per day, 250 emergency room visits per day and 150 operation room usages per day. Currently, there are 598 beds opened, 30 clinical departments, 7 medical technical centres and a body-check centre (being the largest in Nanjing City) operated in Nanjing Tongren Hospital with 936 medical and technical staff and employees. For 10-months period ended 31 October 2015, there were 515,345 out-patient visits (representing 1,695 visits per day), 36,342 body-check visits and 17,595 in-patient visits.

Kunming Tongren Hospital was opened in 2010 and located in Kunming City, Yunnan Province, PRC with a site area of 100 Mu and gross floor area of 70,000 sqm, consisting of an out-patient building, a medical technical building and an in-patient building, with a planned operating capacity of 500 beds, 20 clinical departments, 6 medical technical centres and a body-check centre (being the most comprehensive in Yunnan) for the first phase. Currently, there are 429 beds opened, 17 clinical departments, 6 medical technical centres and a body-check centre operated in Kunming Tongren Hospital with 752 medical and technical staff and employees. For the 10-months period ended 31 October 2015, there were 128,557 out-patient visits (representing 423 visits per day), 34,788 body-check visits and 7,020 in-patient visits.

<sup>(1)</sup> Class III integrated hospital – the largest and best regional hospitals in China designated as Class III hospitals by the National Health and Family Planning Commission of the PRC (中華人民共和國國家衛生和計劃生育委員會, “NHFPC”) hospital classification system, typically having more than 500 beds, providing high-quality professional healthcare services covering a wide geographic area and undertaking higher academic and scientific research initiatives.

<sup>(2)</sup> Class II integrated hospital – the regional hospitals designated as Class II hospitals by the NHFPC hospital classification system, typically having 100 to 500 beds, providing multiple communities with integrated healthcare services and undertaking certain academic and scientific research missions.

## LETTER FROM THE BOARD

Yunnan Xinxinhua Hospital was acquired by Tongren Healthcare in 2004 and is located in Kunming City, Yunnan Province, PRC. Currently, there are 240 beds, 25 clinical departments and 5 medical technical centres operated in Yunnan Xinxinhua Hospital with 345 medical and technical staff and employees. For 10-months period ended 31 October 2015, there were 55,215 out-patient visits (representing 182 visits per day), 4,276 body-check visits and 3,719 in-patient visits.

The following is a summary of financial information of the three hospitals of Jiatai Group for the years ended 31 December 2004 to 2014 as extracted from their audited financial statements prepared in accordance with PRC accounting standards:

	Year ended 31 Dec 2004 RMB'M	Year ended 31 Dec 2005 RMB'M	Year ended 31 Dec 2006 RMB'M	Year ended 31 Dec 2007 RMB'M	Year ended 31 Dec 2008 RMB'M	Year ended 31 Dec 2009 RMB'M	Year ended 31 Dec 2010 RMB'M	Year ended 31 Dec 2011 RMB'M	Year ended 31 Dec 2012 RMB'M	Year ended 31 Dec 2013 RMB'M	Year ended 31 Dec 2014 RMB'M
Nanjing Tongren Hospital											
Revenue				4.89	56.52	105.60	168.90	226.67	286.90	331.75	333.97
Profit (Loss) after tax				(19.76)	7.48	0.58	1.11	(0.84)	0.36	0.24	0.48
Add: Interest				1.07	4.66	6.85	15.59	21.37	22.71	23.28	23.14
Tax				–	–	–	–	–	0.12	0.01	–
Depreciation & amortization				2.46	5.51	8.21	9.34	11.09	11.78	12.72	13.74
E(L)BITDA				<u>(16.23)</u>	<u>17.65</u>	<u>15.64</u>	<u>26.04</u>	<u>31.62</u>	<u>34.97</u>	<u>36.25</u>	<u>37.36</u>
Kunming Tongren Hospital											
Revenue							4.53	72.04	113.97	137.43	157.96
Profit (Loss) after tax							(26.66)	(24.14)	(20.87)	(11.84)	(24.33)
Add: Interest							1.87	3.39	15.04	4.79	15.88
Tax							–	–	–	–	–
Depreciation & amortization							1.86	8.02	9.80	10.60	10.76
E(L)BITDA							<u>(22.93)</u>	<u>(12.73)</u>	<u>3.97</u>	<u>3.55</u>	<u>2.31</u>
Yunnan Xinxinhua Hospital											
Revenue	12.82	26.15	32.34	38.36	41.48	20.22	42.56	59.50	79.15	74.65	79.83
Profit (Loss) after tax	0.98	2.60	1.01	1.69	1.03	(1.98)	(5.23)	(0.48)	(0.47)	(0.59)	(0.87)
Add: Interest	–	–	–	0.41	0.08	0.74	0.79	0.56	0.06	–	–
Tax	–	–	–	–	–	–	–	–	–	–	–
Depreciation & amortization	1.25	2.37	3.06	3.13	3.40	4.99	3.48	2.66	2.74	2.38	1.13
E(L)BITDA	<u>2.23</u>	<u>4.97</u>	<u>4.07</u>	<u>5.23</u>	<u>4.51</u>	<u>3.75</u>	<u>(0.96)</u>	<u>2.74</u>	<u>2.33</u>	<u>1.79</u>	<u>0.26</u>

*Note: M as million*

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## LETTER FROM THE BOARD

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In addition, the Jiatai Group owns two pieces of vacant land for medical and health purposes each located near the Nanjing Tongren Hospital (“**Nanjing Land**”) and the Kunming Tongren Hospital (“**Kunming Land**”) respectively and also engages in property development operation in Nanjing, PRC, and owns certain residential and commercial lands in Lianyungang, PRC. The Nanjing Land consists of a site area of 103.46 Mu and planned gross floor area of 110,000 sqm and is currently occupied by three buildings with site area of 31 Mu and gross floor area of 18,756 sqm and used as rehabilitation centre and staff quarters. There is approximately 72.46 Mu remaining vacant. The Kunming Land consists of a site area of 155 Mu and is currently occupied by one building with site area of 17 Mu and gross floor area of 4,699 sqm and used as office building. There is approximately 138 Mu remained vacant with planned gross floor area of 150,000 sqm. Currently, no development plan for both Nanjing Land and Kunming Land is formulated yet.

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

Upon completion of Jiatai Acquisitions, Jiatai Construction will become a wholly-owned subsidiary of the Group.

The following is the audited consolidated financial information of the Jiatai Group as extracted from its audited consolidated financial statements for the two years ended 31 December 2013 and 31 December 2014 which were prepared in accordance with PRC accounting standards:

	<b>For the year ended 31 December 2013 RMB'000</b>	<b>For the year ended 31 December 2014 RMB'000</b>
Revenue <sup>(1)</sup>	908,019	618,014
EBITDA	73,668	10,888
(Loss) before taxation	(1,827)	(71,612)
(Loss) after taxation	(24,176)	(81,126)
Net assets	742,635	652,036

Losses for the year ended 31 December 2013 and 31 December 2014 of Jiatai Group were mainly due to the continued trend of increase of labour cost, especially medical and technical staff, in the PRC as well as high interest expenses as a result of high gearing of the Jiatai Group, and depreciation and amortization charges of the hospital operations. A greater loss was recorded for the year ended 31 December 2014 mainly due to the decrease in development profit of Kangya Garden Phase II being recorded and the construction of Kangya Garden Phase III being still in progress resulting in no contribution to the results of Jiatai Group in 2014.

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

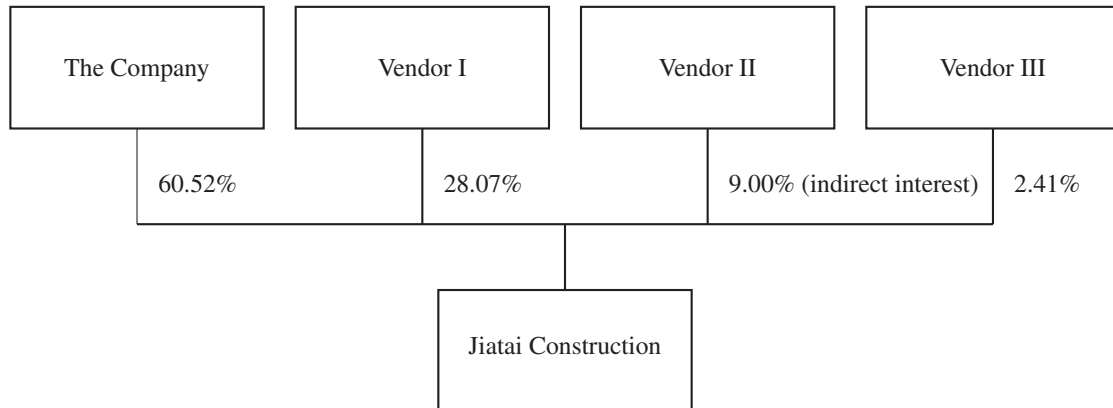
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## LETTER FROM THE BOARD

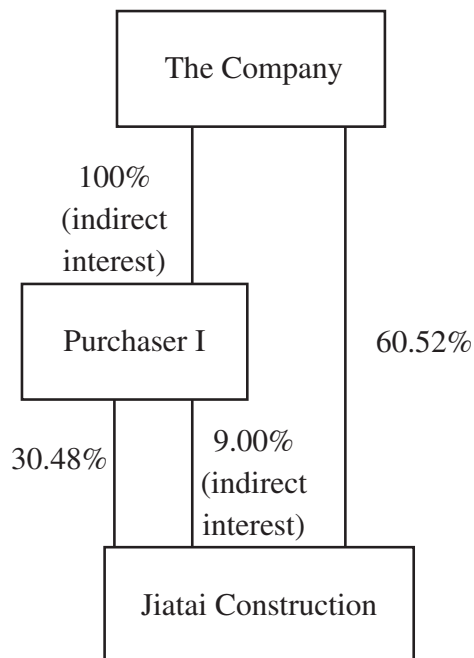
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The following charts show the shareholding structure of Jiatai Construction (i) immediately before completion of Jiatai Acquisitions, and (ii) immediately after completion of Jiatai Acquisitions:

(i) Immediately before completion of Jiatai Acquisitions



(ii) Immediately after completion of Jiatai Acquisitions





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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF JIATAI ACQUISITIONS

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

As announced on 6 August 2014, the Group proposed to dispose of its entire interest in Jiatai Construction which was subsequently terminated due to certain of the conditions precedent of such disposal not being fulfilled or waived by the relevant parties by the long stop date<sup>(1)</sup>.

On 26 June 2015, the Group received an offer to acquire from the Group its entire interest in Jiatai Construction which offer was subsequently withdrawn due to the purchaser’s inability to obtain financing given the volatility of the financial market in the PRC<sup>(2)</sup>.

At the relevant time, the Group considered that the above proposed disposal and offer was good exit possibilities which would bring in substantial estimated capital gain and good cash flow from complete realization of the Group’s investment in Jiatai Group.

<sup>(1)</sup> References are made to the announcements of the Company date 22 May 2014, 6 August 2014 and 5 March 2015 respectively for the inside information-receipt of offer letter very substantial disposal and connected transaction and inside information termination of very substantial disposal and connected transaction relating to the Group’s entire interest in Jiatai Construction.

<sup>(2)</sup> References are made to the announcements of the Company dated 26 June 2015 and 29 June 2015 respectively for inside information-receipt of offer letter and inside information-withdrawal of offer relating to the Group’s entire interest in Jiatai Construction.

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## LETTER FROM THE BOARD

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However, as a value investor, the Group will, from time to time, review and adjust its investment strategies, investment portfolio and operations in the PRC taking into account the prevailing economic and demographic environment as well as regulatory environment.

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

Given the above reasons for and the benefits of Jiatai Acquisitions and the factors considered when determining the considerations for Jiatai Acquisitions as set out in the sub-paragraphs headed “Consideration” of paragraphs under “Jiatai Agreement I”, “Jiatai Agreement II” and “Jiatai Agreement III”, the Group considered that Jiatai Acquisitions will represent a good opportunity for the Group to buy-out the minority interests making Jiatai Construction wholly-owned by the Group. This will allow the Group to gain absolute control and to run and operate Jiatai Group in accordance with its plans in order to maximise the potentials of the business of the Jiatai Group and to enjoy the entire economic benefits from the Jiatai Group. Further, the Group will be able to enjoy flexibilities in the financial policies and options including but not limited to the flexibility to reduce the high gearing level of Jiatai Group without the need to seek capital contribution agreement from minority shareholders in the future since according to the articles of association of Jiatai Construction, important decisions such as the increase in registered capital of Jiatai Construction would require more than two third of the votes of the board of directors of Jiatai Construction. After the completion of Jiatai Acquisition, Jiatai Construction will become a wholly-owned subsidiary of the Group and its financial results and assets and liabilities will be fully consolidated into the consolidated financial statements of the Group and the Group’s indirect equity interests in Tongren Healthcare will be increased from 52.46% to 86.69%.

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## LETTER FROM THE BOARD

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On 26 October 2015 Dr. Lim Cheok Peng and Dr. Jonathan Weiyan Seah were appointed as non-executive directors of the Company both of whom possess substantial international experiences in healthcare sector<sup>(1)</sup>. Following the Jiatai Acquisitions, with the assistance from Dr. Lim Cheok Peng and Dr. Jonathan Weiyan Seah, the Group will consolidate its control on the operations, strengthening the management and development of Jiatai Group as well as its financial aspects.

Reference is made to the Company's shareholding structure as at the Latest Practicable Date and immediately after the completion of Jiatai Acquisitions as set out in the paragraph headed "Shareholding Structure", whereby shareholding of other public Shareholders will decrease mildly by 3.45% from approximately 25.07% to approximately 21.62% immediately after the completion of Jiatai Acquisitions. Although, the shareholding interest of the existing other public Shareholders will be diluted after the issue of Jiatai Consideration Shares, the dilution effect on the shareholding of the existing public Shareholders is limited and to be acceptable by the Board. Having considered all the above factors, the Group considered that the Jiatai Acquisitions are in the interests of the Company and its shareholders.

Given (i) the above reasons for and the benefits of Jiatai Acquisitions, (ii) the factors in determining the considerations for Jiatai Acquisitions as set out in the sub-paragraphs headed "Consideration" in the paragraphs headed "Jiatai Agreement I", "Jiatai Agreement II" and "Jiatai Agreement III", (iii) factors considered in determining the issue price of Jiatai Consideration Shares set out in paragraph headed "The Consideration Shares and Issue Price" and (iv) the lock-up undertaking arrangement that restricts the Jiatai Consideration Shares being sold in the market for a two-year period, the Group considered that whilst Jiatai Group has been loss making in 2013 and 2014, (a) the recent operating performance of its hospital operations has been substantially improved, (b) though the Group is acquiring the minority interests in Jiatai Construction at these considerations, the considerations under Jiatai Acquisitions were determined by the parties thereto after arm's length negotiations with the issue price of Jiatai Consideration Shares representing no discount to the market closing price of HK\$0.4 per Share on the date of the Company's announcement of issue of the Jiatai Offer Letters and representing a significant premium of approximately 150% to the audited net asset value per Share of the Group of HK\$0.16 as at 30 June 2015, and (c) full control would be obtained by the Group following the Jiatai Acquisitions over management and operation, and all important decisions of Jiatai Construction including but not limited to the flexibility to reduce the high gearing level of Jiatai Group, the Board considers that the terms and conditions of Jiatai Agreement I, Jiatai Agreement II and Jiatai Agreement III are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

<sup>(1)</sup> Reference is made to the announcement of the Company dated 26 October 2015 relating to the appointment of non-executive directors.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, (i) the Company has not entered, nor proposed to enter, into any agreement, arrangement, understanding or undertaking, whether formal or informal, express or implied, and negotiation (whether concluded or not) and intention to dispose of Jiatai Construction or its business; and (ii) the Company does not have any current plans to dispose of Jiatai Construction or its businesses.

### **AVEO AGREEMENT**

The Board is pleased to announce that on 13 October 2015 (after trading hours), Purchaser II entered into Aveo Agreement with Vendor IV in respect of Aveo Acquisition.

The major terms of the Aveo Agreement are as follows:

**Date:**

13 October 2015 (after trading hours)

**Parties:**

- (i) Purchaser II
- (ii) Vendor IV

As at the Latest Practicable Date, (i) Ms. Chong Sok Un, being an executive Director, owns 4.125% of the issued share capital in Vendor IV and (ii) certain Management Shareholders of Aveo China, namely Mr. Zhang Huagang, Mr. Deng Yaodong and Mr. Xu Lingyun, are also directors of certain companies of Aveo China Group. Save for the aforesaid, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Vendor IV and its ultimate beneficial owners are third parties independent of the Company, its controlling shareholder, directors and their respective associates, and have no other relationship with the Company.

**Assets to be acquired**

40% of the issued share capital in Aveo China (being 1,600 shares).

**Consideration**

The consideration for Aveo Acquisition shall be HK\$120 million (i.e. HK\$75,000 per share of Aveo China), which shall be satisfied by the allotment and issuance of Aveo Consideration Shares at the issue price of HK\$0.40 per Aveo Consideration Share credited as fully paid.

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## LETTER FROM THE BOARD

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The consideration for Aveo Acquisition has been determined between Purchaser II and Vendor IV after arm's length negotiation with reference to, among others, (i) the recent operating performance and asset value of Aveo China Group, (ii) Aveo China's development project, Tide Health Campus (天地健康城), an elderly care and retirement community platform in the PRC, (iii) the experienced management and professional team of Aveo China Group, (iv) the future prospect of Aveo China Group (v) the significant synergies with existing integrated hospitals, operations and other assets of Jiatai Group, (vi) the settlement of the consideration by means of the Aveo Consideration Shares which will not involve any cash outlay for the Company and (vii) the waiver by Management Shareholders of Aveo China on rights to any performance bonus pursuant to Aveo China Group's existing policy (being that the Management Shareholders and other employees are entitled to a project bonus based on 10% of final net profit from the Tide Health Campus project ("**10% Profit Sharing Scheme**")) on completion of Aveo Acquisition which will reduce the relevant expenses and enhance the earnings and net assets of Aveo China Group.

Having considered the factors taken into account by the parties in arriving at the consideration as mentioned above and the factors set out in the paragraph headed "Reasons for and Benefits of Aveo Acquisition", even though there was no dividend or profit contribution from Aveo China Group since its establishment given that the construction and the development of Tide Health Campus project is still under progress and no profit/loss would be recognised before the issue of occupation permits by relevant authorities, the Directors are of the view that the consideration under Aveo Agreement is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **Conditions precedents**

Completion of Aveo Acquisition is subject to the following conditions precedent being fulfilled and/or waived by Purchaser II:

- (i) the warranties and undertaking given by Vendor IV in Aveo Agreement remaining true and accurate;
- (ii) Vendor IV having fulfilled/complied with all responsibility, undertaking and performance under Aveo Agreement on or before completion of Aveo Agreement;
- (iii) (where applicable) the passing by the Shareholders (or where applicable, by the independent Shareholders) of an ordinary resolution at the SGM approving the allotment and issue of Aveo Consideration Shares pursuant to Aveo Specific Mandate;

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## LETTER FROM THE BOARD

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- (iv) all necessary or appropriate approval(s) required for the entering into and execution of Aveo Agreement having been made and obtained, including but not limited to the approval(s) and consent(s) by any third party in Hong Kong, the PRC, Bermuda or any other places (including but not limited to any relevant governmental or regulatory authorities), and all the required filings and registrations having been completed with the relevant governmental or regulatory authorities, agencies or bodies; and the compliance of all applicable legal or other obligations;
- (v) there being no material adverse change with respect to the financial condition, business, operation or assets, operating results or business prospects of the Aveo China Group having occurred from the date of Aveo Agreement to the completion of Aveo Agreement;
- (vi) the listing of and permission to deal in Aveo Consideration Shares having been granted by Listing Committee of the Stock Exchange and such listing and permission not subsequently being revoked prior to completion of Aveo Agreement; and
- (vii) the completion of the due diligence exercise on Aveo China Group to the satisfaction of Purchaser II in its sole discretion (with the rendering of all necessary assistance by Vendor IV).

Purchaser II and Vendor IV shall use their respective reasonable endeavours to procure the fulfilment of the above conditions. All of the above conditions can be waived by Purchaser II in writing in its sole discretion, except for conditions numbered (iii), (iv) and (vi), which cannot be waived. If the above conditions are not fulfilled (or as the case may be, waived by Purchaser II) within six months from the date of the Aveo Agreement or such later date as Purchaser II may agree, Purchaser II may extend the aforesaid long stop date or take appropriate course of action (including the termination of Aveo Agreement) in its sole discretion. In the event that Purchaser II elects to terminate Aveo Agreement, save and except for the general provisions relating to, among others, confidentiality, governing law and process agent, Aveo Agreement shall cease and terminate and save and except antecedent breach thereof, neither Purchaser II and Vendor IV shall have any obligations towards each other.

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## LETTER FROM THE BOARD

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### **Completion**

Subject to fulfilment of all the conditions precedent, completion of Aveo Acquisition shall take place on the tenth business day following the day on which the last of the conditions is fulfilled and the consideration shall be paid to Vendor IV at the same time.

The Aveo Agreement also stipulates that each of the Management Shareholders of Aveo China would have to undertake that they would unconditionally and irrevocably waive the rights to any performance bonus, quarterly bonus, annual bonus, profit entitlement or bonus pursuant to Aveo China Group's existing policy of the 10% Profit Sharing Scheme upon completion of the Aveo Acquisition.

### **Lock-up undertaking**

Vendor IV irrevocably undertakes and guarantees to the Company and Purchaser II that it shall not directly or indirectly, conditionally or unconditionally, sell, transfer, dispose of or otherwise deal with any right or interest in any Aveo Consideration Shares together with any shares derived from such Aveo Consideration Shares upon any consolidation or subdivision of share capital by the Company or any issue of bonus shares by the Company from time to time (including the grant of any option over or in respect of any such shares) for a period of 24 months after the completion of Aveo Agreement.

### **Information of the Aveo China Group**

The Group currently owns a 30% interest in Aveo China of which 4 shares were transferred from a former shareholder of Aveo China at nominal cost in 2011, and 1,196 shares were new shares in Aveo China subscribed by the Group in 2012 and 2013.

Aveo China Group is principally engaged in property development and project management businesses in the PRC with focus on elderly care and retirement community.

Currently, Aveo China Group has a development, namely Tide Health Campus (天地健康城), located in Zhu Jia Jiao County, Shanghai in the PRC to develop into a showcase project comprising a health industry headquarter and base, offering a range of elderly care and health services, and retirement related services packages to the elderlies. Tide Health Campus (天地健康城) consists of an elderly nursing home, service apartments, independent living units and a commercial area comprising shopping mall, retail shops and club hall facilities. Construction of the elderly nursing home, the independent living units and the commercial areas are expected to be completed around late 2015 to first quarter of 2016 of which certain units had been pre-sold and any contribution to the result of Aveo China Group is expected only be recorded following the completion of the development and issuance of occupation permits by relevant authorities. The construction of the service apartments is in progress.

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## LETTER FROM THE BOARD

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Under current development plan, the Tide Health Campus project consists of:

	Elderly		Independent					
	Nursing	Service	Living	Retail	Shopping	Club		
	Home	Apartments	Units	Shops	Mall	Hall	Garage	Total
Overall Floorage (sq.m.)	12,967	26,209	99,655	3,515	6,958	5,619	32,082	187,005
Number of Bed/Unit	200 to 300	270 to 280	868	16	–	–		
Commencement of Pre-sale program	N/A	To be commenced in end of 2015	Commenced	N/A	N/A	N/A	N/A	
Number of Pre-sold units	N/A	–	490	N/A	N/A	N/A	N/A	
Development Status	Interior decoration in progress	Interior decoration to be commenced upon finalization of decoration plan	Interior decoration in progress	Interior decoration in progress	Interior decoration in progress	Interior decoration in progress	N/A	
Recognition of Sale	N/A	N/A	Late 2015 to 1st Quarter of 2016	N/A	N/A	N/A		

As at the Latest Practicable Date, the total amount of contracted sales of independent living units and deposit received was approximately RMB651 million and RMB595 million respectively. The management of Aveo China Group estimates that subject to the audit on the total construction cost upon completion, the capital expenditure required to complete the development is about RMB440 million.

Under the 10% Profit Sharing Scheme, the project bonus will be distributed to Management Shareholders of Aveo China and other employees in the form of quarterly bonus and annual bonus by allocating 1.2% of the sale revenue of the Tide Health Campus project on the limit that such total quarterly bonus and year-end bonus to be paid should not exceed 10% of the final net profit from the Tide Health Campus project and shall be paid under the criteria of monthly salary, appraised performance and contribution, and work attendance of the respective Management Shareholders of Aveo China and other employees.

Upon completion of Aveo Acquisition, Aveo China will be owned as to 70% by the Group and its result and assets and liabilities will be accounted for in the consolidated financial statements of the Group.



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## LETTER FROM THE BOARD

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The following is the audited consolidated financial information of Aveo China for the two financial years ended 31 December 2013 and 2014 as extracted from its audited consolidated financial statements for the two years ended 31 December 2013 and 31 December 2014 which were prepared in accordance with Hong Kong accounting standards:

	<b>For the year ended 31 December 2013 HK\$'000</b>	<b>For the year ended 31 December 2014 HK\$'000</b>
Loss before taxation	31,401	46,526
Loss after taxation	31,401	46,526
Net assets	145,319	85,366

Since the Tide Health Campus project is still under construction, only selling and administrative expenses with no revenue contribution being recorded for the year ended 31 December 2013 and 2014. The major asset of Aveo China Group is the Tide Health Campus development project with all the liabilities related to such project. The decrease in net asset value of Aveo China Group as at 31 December 2014 as compared to that of 2013 was mainly due to the higher general selling and administrative expenses as the management of Aveo China Group stepped up the advertising campaign for the Tide Health Campus project, and negative exchange reserve as a result of exchange translation loss being recorded. In view of the factors as set out in paragraph headed “Reasons for and the Benefits of Aveo Acquisition” and sub-paragraph headed “Consideration” under paragraph headed “Aveo Agreement”, the Board considered the future prospects of Aveo China Group optimistic and the respective businesses of Aveo China Group and Jiatai Group are complementary to each other in form of mutual medical and professional back up and integration of first line medical care services with back line elderly care nursing services or vice versa integration of front-end retirement care services with back-end medical care services etc., hence adding value to each of the Aveo China Group and the Jiatai Group. Despite no dividend or other benefits had been received by the Company since it acquired the 30% interest in Aveo China which is still in development stage, the Directors are of the view that the Aveo Acquisition is fair and reasonable.

On 11 February 2015, Ms. Chong Sok Un (an executive Director) and Aveo China entered into a call option agreement, whereby Aveo China granted a call option in favour of Ms. Chong Sok Un at the total consideration of HK\$1.00 to acquire new shares in Aveo China at a consideration of HK\$75,000 per share of Aveo China, to the effect that Ms. Chong shall own 10% of the total number of issued shares in Aveo China at the time of exercise of the said option (approximately 9.09% of the total number of issued shares in Aveo China on an enlarged basis after the exercise of the said option) (“**Call Option**”). The Call Option is exercisable in whole or in part by Ms. Chong Sok Un from the date of the said agreement to the second anniversary of the date thereof. As at the Latest Practicable Date, the total number of issued shares of Aveo China is 4,000 shares.

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## LETTER FROM THE BOARD

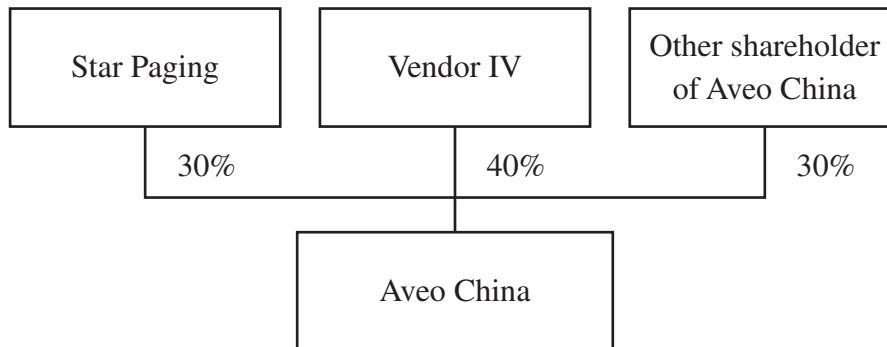
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The call option agreement was negotiated separately and independently between the board of directors of Aveo China and Ms. Chong Sok Un in February 2015. The Call Option was granted by the board of directors of Aveo China in consideration of Ms. Chong Sok Un receiving no salary payment and not participating in 10% Profit Sharing Scheme of Aveo China Group and in recognition of her contributions to Aveo China Group through her extensive connections in the business circle in the PRC. Ms. Chong Sok Un confirmed that as at the Latest Practicable Date, she has no current intention in exercising the Call Options.

The Company commenced the negotiation to acquire the 40% interests in Aveo China from Vendor IV on 23 September 2015 being the date of the Aveo Offer Letter.

The following charts show the shareholding structure of Aveo China (i) immediately before completion of Aveo Acquisition, (ii) immediately upon full exercise of the Call Option but before completion of Aveo Acquisition, (iii) immediately after completion of Aveo Acquisition but before full exercise of the Call Option and (iv) immediately after completion of Aveo Acquisition and after full exercise of the Call Option:

- (i) Immediately before completion of Aveo Acquisition

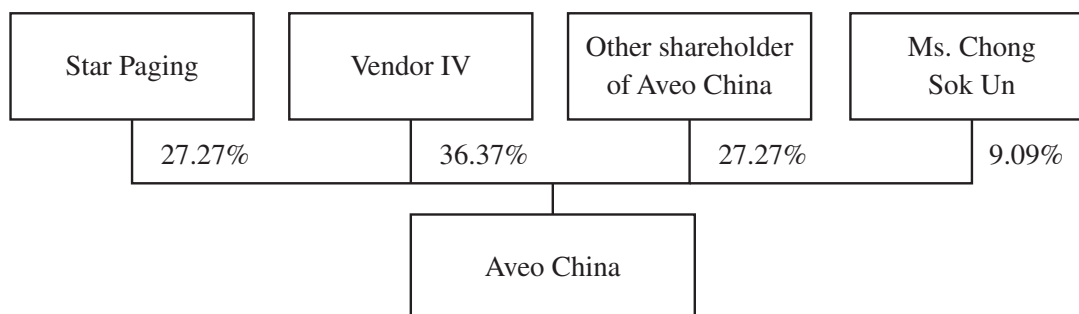


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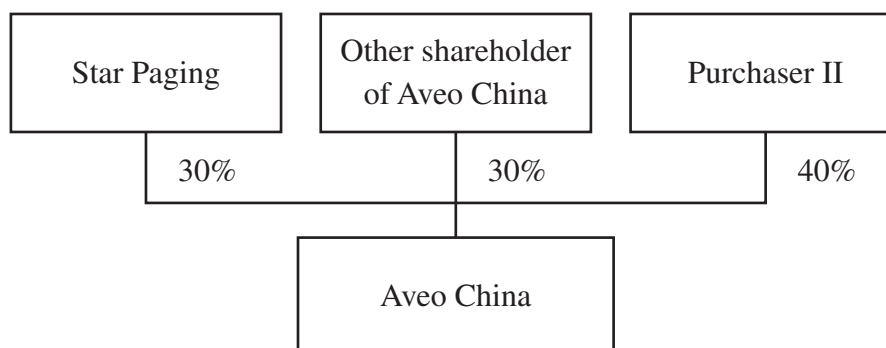
## LETTER FROM THE BOARD

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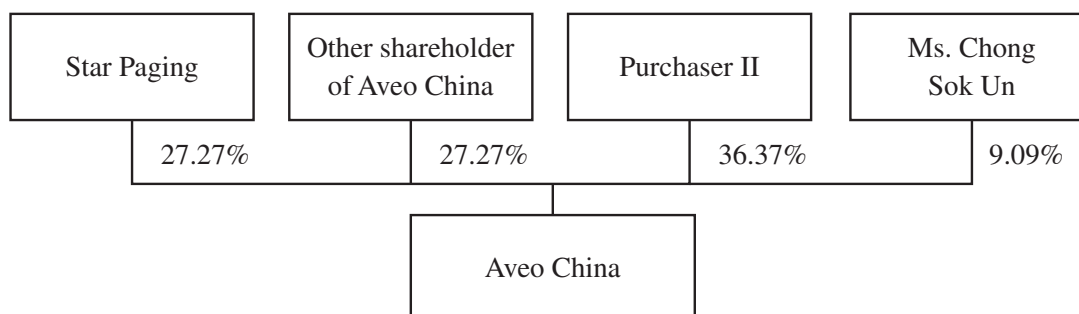
- (ii) Immediately upon full exercise of the Call Option but before completion of Aveo Acquisition



- (iii) Immediately after completion of Aveo Acquisition but before full exercise of the Call Option



- (iv) Immediately after completion of Aveo Acquisition and after full exercise of the Call Option



*Note:*

*Prior to the completion of Aveo Acquisition, the other shareholder of Aveo China is an Independent Third Party. However, after the completion of Aveo Acquisition, the other shareholder of Aveo China will become a substantial shareholder of the Company's non wholly-owned subsidiary, Aveo China, it will be a connected person at the subsidiary level of the Company.*

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF AVEO ACQUISITION

The Group considers that the outlook for the private elderly care sector in the PRC is bright due to its favourable demographic (such as aging population) and macro factors (such as growing middle class), supportive government policies (such as the “Opinions on Establishing a Unified Basic Pension Insurance System for Rural and Non-working Urban Residents (Guo Fa [2014] No. 8) (關於建立統一的城鄉居民基本養老保險制度的意見) (國發[2014] 8號)” promulgated on 21 February 2014; the “Several Opinions on Promoting the Development of Health Service Industry (Guo Fa [2013] No. 40) (關於促進健康服務業發展的若干意見) (國發[2013] 40號)” published on 28 September 2013; the “Several Opinions on Accelerating the Development of the Pension Service Industry (Guo Fa [2013] No. 35) (關於加快發展養老服務業的若干意見) (國發[2013] 35號)” issued on 6 September 2013, the “Notice on Issuing China’s Twelfth Five-year Plan for the Development of Elderly Care Industry (Guo Fa [2011] No.28) (關於印發中國老齡事業發展“十二五”規劃的通知) (國發[2011] 28號)” promulgated on 17 September 2011; and the “Notice on Issuing the Plan for the Development of the Social Pension Service Industry (2011-2015) (Guo Ban Fa [2011] No.60) (關於印發社會養老服務體系建設規劃(2011-2015年)) (國辦發[2011] 60號)” published on 16 December 2011) and low penetration of private healthcare institutions. Further, there is an increase in the public awareness of health and safety in the PRC. As such, private sector investments in medical institutions, a key part of the ongoing healthcare reform in China, will continue to provide Aveo China Group with significant growth opportunities.

Given the above reasons for and the benefits of Aveo Acquisition and the factors considered when determining the consideration for Aveo Acquisition as set out in the sub-paragraph headed “Consideration” of paragraph headed “Aveo Agreement”, the Board considers that Aveo Acquisition will enable the Group to increase its interests and obtain control in Aveo China and to consolidate its financial results and assets and liabilities into the consolidated financial statements of the Group.

Reference is made to the shareholding structure of the Aveo China immediately after the completion of Aveo Acquisition but before full exercise of Call Option, and immediately after the completion of Aveo Acquisition and after full exercise of Call Option as set out in the paragraph headed “Information of the Aveo China Group”, shareholding of the Group in Aveo China will be decreased by 6.36% from approximately 70% to approximately 63.64% immediately after the completion of Aveo Acquisition and after full exercise of Call Option. Although the shareholding interest of the Group in Aveo China will be diluted after the full exercise of Call Option, the exercise price of the Call Option (being HK\$75,000 per share) is the same as the acquisition price per share (being HK\$75,000 per share) under Aveo Acquisition and the previous acquisition of the 30% interest in Aveo China by the existing other shareholder of Aveo China from a former shareholder in April 2015, the Group considered that such dilution effect on the Group’s shareholding in Aveo China after full exercise of the Call Option to be acceptable and that the Aveo Acquisition is in the interest of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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Reference is also made to the shareholding structure of the Company as at the Latest Practicable Date and immediately after the completion of Aveo Acquisition as set out in the paragraph headed “Shareholding Structure”, whereby shareholding of other public Shareholders will decrease slightly by 0.7% from approximately 25.07% to approximately 24.37% immediately after the completion of Aveo Acquisition. Whilst the shareholding interest of the existing other public Shareholders will be diluted after the allotment and issue of Aveo Consideration Shares, the Group considered that such dilution effect is limited and to be acceptable and the Board is of the view that the Aveo Acquisition is fair and reasonable.

Given (i) the above reasons for and the benefits of Aveo Acquisition, (ii) the factors in determining the consideration for Aveo Acquisition as set out in the sub-paragraph headed “Consideration” of paragraph headed “Aveo Agreement”, (iii) factors considered in determining the issue price of Aveo Consideration Shares as set out in paragraph headed “The Consideration Shares and Issue Price” and (iv) the lock-up undertaking arrangement that restricts the Aveo Consideration Shares being sold in the market for a two-year period, the Group considered that although the Group is acquiring a minority interest in Aveo China at such consideration, the consideration of Aveo Acquisition was determined by the parties thereto after arm’s length negotiation with an aim to secure control over Aveo China Group and that the Board considers that the terms and conditions of Aveo Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Board did not have any current plans to have capital injection and/or increase in the number of issued shares in Aveo China before 10 February 2017, though, as usual practice, the Group will review from time to time any capital requirement of all its investments for expanding their respective businesses.

### THE CONSIDERATION SHARES AND ISSUE PRICE

The Consideration Shares will be issued under the respective Specific Mandates to be approved by the Shareholders at the SGM for the issuance of Jiatai Consideration Shares I, Jiatai Consideration Shares II, Jiatai Consideration Shares III and Aveo Consideration Shares. Jiatai Consideration Shares I represents approximately 10.94% of the issued share capital of the Company as at the Latest Practicable Date and approximately 9.86% of the issued share capital of the Company as enlarged by Jiatai Consideration Shares I. Jiatai Consideration Shares II represents approximately 3.91% of the issued share capital of the Company as at the Latest Practicable Date and approximately 3.77% of the issued share capital of the Company as enlarged by Jiatai Consideration Shares II. Jiatai Consideration Shares III represents approximately 1.05% of the issued share capital of the Company as at the Latest Practicable Date and approximately 1.04% of the issued share capital of the Company as enlarged by Jiatai Consideration Shares III. Aveo Consideration Shares represents approximately 2.85% of the issued share capital of the Company as at the Latest Practicable Date and approximately 2.78% of the issued share capital of the Company as enlarged by the allotment and issue of Aveo Consideration Shares.

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## LETTER FROM THE BOARD

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The Consideration Shares will, upon issue and credited as fully paid, rank *pari passu* in all respect with all the existing Shares then in issue. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

### Issue Price

The issue price of the Consideration Shares at HK\$0.40 per Share represents:

#### *Jiatai Acquisitions*

- (a) a discount of approximately 17.53% to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on 13 October 2015, the date of Jiatai Agreements;
- (b) a discount of approximately 17.18% over the average closing price of approximately HK\$0.483 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the date of Jiatai Agreements;
- (c) a discount of approximately 16.67% over the average closing price of approximately HK\$0.48 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the date of Jiatai Agreements;
- (d) no discount or premium over the closing price of HK\$0.4 per Share as quoted on the Stock Exchange on 15 September 2015, the date of Jiatai Offer Letters;
- (e) a premium of approximately 3.36% to the average closing price of approximately HK\$0.387 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Jiatai Offer Letters;
- (f) a premium of approximately 4.58% to the average closing price of approximately HK\$0.3825 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Jiatai Offer Letters;
- (g) a discount of approximately 12.09% over the closing price of HK\$0.455 per Share on the Latest Practicable Date; and
- (h) a premium of 150% to the audited net asset value per Share of the Group of HK\$0.16 as at 30 June 2015.

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## LETTER FROM THE BOARD

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### *Aveo Acquisition*

- (i) a discount of approximately 17.53% to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on 13 October 2015, the date of Aveo Agreement;
- (j) a discount of approximately 17.18% over the average closing price of approximately HK\$0.483 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the date of Aveo Agreement;
- (k) a discount of approximately 16.67% over the average closing price of approximately HK\$0.48 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the date of Aveo Agreement;
- (l) a discount of approximately 13.04% over the closing price of HK\$0.46 per Share as quoted on the Stock Exchange on 23 September 2015, the date of Aveo Offer Letter;
- (m) a discount of approximately 13.04% to the average closing price of approximately HK\$0.46 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Aveo Offer Letter;
- (n) a discount of approximately 6.43% to the average closing price of approximately HK\$0.4275 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Aveo Offer Letter;
- (o) a discount of approximately 12.09% over the closing price of HK\$0.455 per Share on the Latest Practicable Date; and
- (p) a premium of 150% to the audited net asset value per Share of the Group of HK\$0.16 as at 30 June 2015.

The issue price has been determined among the Company, Vendor I, Vendor II, Vendor III and Vendor IV after arm's length negotiation with reference to, the then prevailing market price of the Shares and the financial performance of the Group.

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## LETTER FROM THE BOARD

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### *Jiatai Acquisitions*

Although the issue price of HK\$0.4 represents a discount of approximately 17.53% to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on 13 October 2015, the date of the Jiatai Agreements, it represents (i) no discount to the closing price of HK\$0.4 per Share as quoted on the Stock Exchange on 15 September 2015, the date on which the Company announced the issue of the Jiatai Offer Letters, (ii) a premium of approximately 4.58% to the average closing price of approximately HK\$0.3825 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Jiatai Offer Letters and (iii) a significant premium of approximately 150% to the audited net asset value per Share of the Group of HK\$0.16 as at 30 June 2015. Therefore, having considered the factors taken into account by the parties in arriving at the issue price as mentioned above and reasons set out in paragraph head “Reasons for and Benefit of Jiatai Acquisitions”, the Directors are of the view that the issue price is fair and reasonable and the issue of the Jiatai Consideration Shares at the issue price is in the interests of the Company and Shareholders as a whole.

### *Aveo Acquisition*

Although the issue price of HK\$0.4 represents a discount of approximately 17.53% to the closing price of HK\$0.485 per Share as quoted on the Stock Exchange on 13 October 2015, the date of the Aveo Agreement, it represents (i) a discount of approximately 13.04% over the closing price of HK\$0.46 per Share as quoted on the Stock Exchange on 23 September 2015, the date on which the Company announced the issue of the Aveo Offer Letter, (ii) a discount of approximately 6.43% to the average closing price of approximately HK\$0.4275 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Aveo Offer Letter and (iii) a significant premium of approximately 150% to the audited net asset value per Share of the Group of HK\$0.16 as at 30 June 2015. Therefore, having considered the factors taken into account by the parties in arriving at the issue price as mentioned above and reasons set out in paragraph head “Reasons for and Benefits of Aveo Acquisition”, the Directors are of the view that the issue price is fair and reasonable and the issue of the Aveo Consideration Shares at the issue price is in the interests of the Company and Shareholders as a whole.



## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE

(A) Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately following completion of Jiatai Acquisitions; and (iii) immediately following completion of Aveo Acquisition (assuming no exercise of Vigor Online Call Options and there is no other change in the shareholding structure of the Company from the Latest Practicable Date up to the date of completion of Jiatai Acquisitions and Aveo Acquisition):

Name of Shareholder	Number of Shares as at the Latest Practicable Date <i>Shares (%)</i>	Number of Shares immediately following completion of Jiatai Acquisitions <i>Shares (%)</i>	Number of Shares immediately following completion of Aveo Acquisition <i>Shares (%)</i>	Number of Shares immediately following completion of Jiatai Acquisitions and of Aveo Acquisition <i>Shares (%)</i>
Vendor I	–	1,149,739,208 (9.44%)	–	1,149,739,208 (9.21%)
Vendor II	–	411,412,500 (3.38%)	–	411,412,500 (3.30%)
Vendor III	–	110,167,125 (0.91%)	–	110,167,125 (0.88%)
Vendor IV	–	–	300,000,000 (2.78%)	300,000,000 (2.40%)
Other public Shareholders	2,634,269,800 (25.07%)	2,634,269,800 (21.62%)	2,634,269,800 (24.37%)	2,634,269,800 (21.11%)
Grantee-Lin Wan Qaing (Note 2)	51,970,000 (0.49%)	51,970,000 (0.43%)	51,970,000 (0.48%)	51,970,000 (0.42%)
Sub-total of public Shareholders	2,686,239,800 (25.56%)	4,357,558,633 (35.78%)	2,986,239,800 (27.63%)	4,657,558,633 (37.32%)
Vigor Online (Note 1)	7,822,514,140 (74.44%)	7,822,514,140 (64.22%)	7,822,514,140 (72.37%)	7,822,514,140 (62.68%)
Total	10,508,753,940 (100%)	12,180,072,773 (100%)	10,808,753,940 (100%)	12,480,072,773 (100%)

*Note:*

- (1) As at the Latest Practicable Date, Vigor Online granted call options (“Vigor Online Call Option(s)”) to several grantees (“Grantee(s)”) over an aggregate of 4,000,000,000 Shares in the Company held by it, representing approximately 38.06% of the total number of issued Shares of the Company.
- (2) As at the Latest Practicable Date, Lin Wan Qaing holds Vigor Online Call Option over an aggregate of 840,000,000 Shares in the Company, representing approximately 7.99% of total number of issued Shares of the Company.

## LETTER FROM THE BOARD

(B) Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately following completion of Jiatai Acquisitions; and (iii) immediately following completion of Aveo Acquisition (assuming the full exercise of Vigor Online Call Options but no other change in the shareholding structure of the Company from the Latest Practicable Date up to the date of completion of Jiatai Acquisitions and Aveo Acquisition):

Name of Shareholder	Assuming full exercise of Vigor Online Call Options				
	Number of Shares as at the Latest Practicable Date <i>Shares</i> (%)	Number of Shares as at the Latest Practicable Date <i>Shares</i> (%)	Number of Shares immediately following completion of Jiatai Acquisitions <i>Shares</i> (%)	Number of Shares immediately following completion of Aveo Acquisition <i>Shares</i> (%)	Number of Shares immediately following completion of Jiatai Acquisitions and of Aveo Acquisition <i>Shares</i> (%)
Vendor I	–	–	1,149,739,208 (9.44%)	–	1,149,739,208 (9.21%)
Vendor II	–	–	411,412,500 (3.38%)	–	411,412,500 (3.30%)
Vendor III	–	–	110,167,125 (0.91%)	–	110,167,125 (0.88%)
Vendor IV	–	–	–	300,000,000 (2.78%)	300,000,000 (2.40%)
Other public Shareholders	2,634,269,800 (25.07%)	2,634,269,800 (25.07%)	2,634,269,800 (21.63%)	2,634,269,800 (24.37%)	2,634,269,800 (21.11%)
Grantee – Others	–	1,160,000,000 (11.03%)	1,160,000,000 (9.52%)	1,160,000,000 (10.73%)	1,160,000,000 (9.30%)
Grantee – Lin Wan Qaing	51,970,000 (0.49%)	891,970,000 (8.49%)	891,970,000 (7.32%)	891,970,000 (8.25%)	891,970,000 (7.15%)
Sub-total of public Shareholders	2,686,239,800 (25.56%)	4,686,239,800 (44.59%)	6,357,558,633 (52.20%)	4,986,239,800 (46.13%)	6,657,558,633 (53.35%)
Grantee – IXL Ventures	–	2,000,000,000 (19.03%)	2,000,000,000 (16.42%)	2,000,000,000 (18.50%)	2,000,000,000 (16.03%)
Vigor Online ( <i>Note</i> )	7,822,514,140 (74.44%)	3,822,514,140 (36.38%)	3,822,514,140 (31.38%)	3,822,514,140 (35.37%)	3,822,514,140 (30.62%)
Total	10,508,753,940 (100%)	10,508,753,940 (100%)	12,180,072,773 (100%)	10,808,753,940 (100%)	12,480,072,773 (100%)

*Note:*

*As at the Latest Practicable Date, Vigor Online granted call options (“Vigor Online Call Options”) to several grantees (“Grantee(s)”) over an aggregate of 4,000,000,000 Shares in the Company held by it, representing approximately 38.06% of the total number of issued Shares of the Company.*

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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (calculated under Rule 14.07 of the Listing Rules) in respect of Jiatai Acquisitions on an aggregated basis is more than 5% but all are less than 25%, Jiatai Acquisitions constitute a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As Jiatai Agreement I is entered into between the Group and a connected person at the non wholly-owned subsidiary level on normal commercial terms, it is only subject to reporting and announcement requirements and, therefore, is exempted from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of Chapter 14A of the Listing Rules. The Board has approved Jiatai Agreement I and the independent non-executive Directors have confirmed that the terms of Jiatai Agreement I are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. As no Director has any material interest in Jiatai Agreement I and the transactions contemplated thereunder, no Director had abstained from voting in the resolution(s) of the Board to approve Jiatai Agreement I and the transactions contemplated thereunder.

As one or more of the applicable percentage ratios (calculated under Rule 14.07 of the Listing Rules) in respect of Aveo Acquisition is more than 5% but all are less than 25%, Aveo Acquisition constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to the Listing Rules, the consent of Shareholders in general meeting is required for the approving of the Specific Mandates. To the best knowledge of the Company, as at the Latest Practicable Date, no Shareholder has a material interest in Jiatai Acquisitions and Aveo Acquisition and if a general meeting were required to be held, all Shareholders can vote on the resolution for approving the grant of the Specific Mandates.

### GENERAL INFORMATION

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 development, investment in and management and operation of healthcare and hospital businesses, trading of medical equipment and related supplies and strategic investment.

Each of Vendor I, Vendor II, Vendor III and Vendor IV is an investment holding company.

**As completion of Jiatai Acquisition I, Jiatai Acquisition II, Jiatai Acquisition III and Aveo Acquisition are conditional on the satisfaction (or, if applicable, waiver) of certain conditions, Jiatai Acquisition I, Jiatai Acquisition II, Jiatai Acquisition III and/or Aveo Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

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## LETTER FROM THE BOARD

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### THE CHANGE OF COMPANY NAME

The Board of the Company proposes to change the English name of the Company from “COL Capital Limited” to “China Medical & HealthCare Group Limited” and to adopt a new Chinese name “中國醫療網絡有限公司” for identification purposes only in place of the existing Chinese name “中國網絡資本有限公司”, which was adopted for identification purposes only.

### REASONS FOR THE CHANGE OF COMPANY NAME

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

In order to better reflect and benefit the Company’s future development following the above acquisitions, the Board considers that the Change of Company Name is in the interests of the Company and its Shareholders as a whole.

### CONDITIONS OF THE CHANGE OF COMPANY NAME

The Change of Company Name is subject to the following conditions:

1. the passing of a special resolution by the shareholders of the Company to approve the Change of Company Name at the SGM; and
2. the approval by the Registrar of Companies in Bermuda.

Subject to the satisfaction of the conditions set out above, the Change of Company Name will take effect on the date of issuance of the Certificate of Incorporation on Change of Name to be issued by the Registrar of Companies in Bermuda (in respect of the English name) and upon the passing of the special resolution by the shareholders of the Company at the SGM (in respect of the Chinese name). The Company will carry out all necessary registration and/or filing procedures with the Registrar of Companies in Bermuda and the Companies Registry in Hong Kong.

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## LETTER FROM THE BOARD

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### EFFECTS OF THE CHANGE OF COMPANY NAME

The Change of Company Name will not affect any of the rights of the Shareholders or the Company's daily business operation and its financial position. All existing share certificates of the Company in issue bearing the existing name of the Company will, after the Change of Company Name becoming effective, continue to be evidence of title to the shares of the Company and will be valid for trading, settlement, registration and delivery for the same number of shares of the Company in the new name of the Company. As soon as the Change of Company Name has become effective, any new issue of share certificates will be issued in the new name of the Company. There will not be any arrangement for free exchange of the existing share certificates of the Company for new share certificates bearing the new name of the Company.

### SGM

The notice convening the SGM, at which ordinary resolutions and a special resolution will be proposed to consider, and if thought fit, to approve the Specific Mandates and the Change of Company Name, is set out on pages 45 to 48 of this circular.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the granting of Specific Mandates and the Change of Company Name which is different from that of the other Shareholders. As such, no Shareholder is required to abstain from voting on the resolutions to be proposed at the SGM.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete the accompanying form of proxy and return it in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjournment thereof if you so wish.

The resolutions proposed to be approved at the SGM will be taken by poll and an announcement will be made by the Company after the SGM on the poll results of the SGM.

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## LETTER FROM THE BOARD

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### RESPONSIBILITY STATEMENTS

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually, and jointly and severally, accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts not contained in this circular, the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Board considers that each of the granting of the Specific Mandates and the Change of Company Name is in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that all Shareholders should vote in favour of the ordinary resolutions and the special resolution set out in the notice of SGM.

Should there be any inconsistencies between the English text and the Chinese text of this circular, the English text of this circular will prevail over the Chinese text.

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

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## NOTICE OF SGM

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**COL Capital Limited**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 383)**

### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting of COL Capital Limited (the “**Company**”) will be held at Plaza 1 & 2, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Tuesday, 15 December 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions which will be proposed as:-

### ORDINARY RESOLUTIONS

1. “**THAT**

- (a) subject to and conditional upon The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the listing of, and permission to deal in, 1,149,739,208 new shares of the Company (“**Jiatai Consideration Shares I**”) as consideration under the equity transfer agreement (“**Jiatai Agreement I**”) dated 13 October 2015 and entered into between Join Capital Limited (“**Purchaser I**”, an indirectly wholly-owned subsidiary of the Company) as purchaser and Greatime Management Corp. as vendor in relation to the acquisition of 28.07% equity interests in Lianyungang Jiatai Construction Co. Ltd.\* (連雲港嘉泰建設工程有限公司, “**Jiatai Construction**”), the directors of the Company (“**Directors**”) be and are hereby authorised to allot and issue Jiatai Consideration Shares I at the issue price of HK\$0.4 each per share of the Company (“**Share**”) upon completion of Jiatai Agreement I by way of specific mandate in accordance with the terms of Jiatai Agreement I and that Jiatai Consideration Shares I shall, when allotted and issued, be credited as fully paid and rank *pari passu* in all respects with all other shares of the Company in issue on the date of such allotment and issue; and
- (b) “**THAT** any two directors of the Company or any director and the company secretary of the Company where the related document(s) shall be under seal be and is/are hereby authorised to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and other things as may be considered necessary or desirable for the purpose of the implementation of the above resolution.”

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## NOTICE OF SGM

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2. “**THAT**

- (a) subject to and conditional upon the Stock Exchange granting the listing of, and permission to deal in, 411,412,500 new Shares (“**Jiatai Consideration Shares II**”) as consideration under the equity transfer agreement (“**Jiatai Agreement II**”) dated 13 October 2015 and entered into between Purchaser I and Fareast Global Limited as vendor in relation to the acquisition of entire issued share capital in Super Red Investments Limited (which indirectly holds 9.00% equity interests in Jiatai Construction), the Directors be and are hereby authorised to allot and issue Jiatai Consideration Shares II at the issue price of HK\$0.4 each per Share upon completion of Jiatai Agreement II by way of specific mandate in accordance with the terms of Jiatai Agreement II and that Jiatai Consideration Shares II shall, when allotted and issued, be credited as fully paid and rank *pari passu* in all respects with all other shares of the Company in issue on the date of such allotment and issue; and
- (b) “**THAT** any two directors of the Company or any director and the company secretary of the Company where the related document(s) shall be under seal be and is/are hereby authorised to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and other things as may be considered necessary or desirable for the purpose of the implementation of the above resolution.”

3. “**THAT**

- (a) subject to and conditional upon the Stock Exchange granting the listing of, and permission to deal in, 110,167,125 new Shares (“**Jiatai Consideration Shares III**”) as consideration under the equity transfer agreement (“**Jiatai Agreement III**”) dated 13 October 2015 and entered into between Purchaser I and Asia Development Capital Co., Ltd. as vendor in relation to the acquisition of 2.41% equity interests in Jiatai Construction, the Directors be and are hereby authorised to allot and issue Jiatai Consideration Shares III at the issue price of HK\$0.4 each per Share upon completion of Jiatai Agreement III by way of specific mandate in accordance with the terms of Jiatai Agreement III, and that Jiatai Consideration Shares III shall, when allotted and issued, be credited as fully paid and rank *pari passu* in all respects with all other shares of the Company in issue on the date of such allotment and issue; and
- (b) “**THAT** any two directors of the Company or any director and the company secretary of the Company where the related document(s) shall be under seal be and is/are hereby authorised to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and other things as may be considered necessary or desirable for the purpose of the implementation of the above resolution.”



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## NOTICE OF SGM

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4. **“THAT**

- (a) subject to and conditional upon the Stock Exchange granting the listing of, and permission to deal in, 300,000,000 new Shares (“**Aveo Consideration Shares**”) as consideration under the sale and purchase agreement (“**Aveo Agreement**”) dated 13 October 2015 and entered into between Track Record Global Limited (Purchaser II, an indirectly wholly-owned subsidiary of the Company) as purchaser and Jian Xiang Limited as vendor in relation to the acquisition of 40% of the issued share capital in Aveo China (Holdings) Limited, the Directors be and are hereby authorised to allot and issue Aveo Consideration Shares at the issue price of HK\$0.4 each per Share upon completion of Aveo Agreement by way of specific mandate in accordance with the terms of Aveo Agreement, and that Aveo Consideration Shares shall, when allotted and issued, be credited as fully paid and rank *pari passu* in all respects with all other shares of the Company in issue on the date of such allotment and issue; and
- (b) **“THAT** any two directors of the Company or any director and the company secretary of the Company where the related document(s) shall be under seal be and is/are hereby authorised to sign, seal, execute, perfect and deliver all such documents and do all such deeds, acts, matters and other things as may be considered necessary or desirable for the purpose of the implementation of the above resolution.”

### SPECIAL RESOLUTION

**“THAT** (a) subject to and conditional upon the issuance of a certificate of incorporation on change of name (“**Certificate**”), the English name of the Company be changed from “COL Capital Limited” to “China Medical & HealthCare Group Limited” and (b) subject to the passing of this resolution, to approve the adoption of a new Chinese name, namely “中國醫療網絡有限公司” (for identification purposes only) in place of the existing Chinese name “中國網絡資本有限公司”, which was adopted for identification purposes only, with effect from the date of entry of registration as set out in the Certificate and upon the passing of this resolution, and that the Directors be and are hereby authorised to do all such acts and things and execute such further documents and take all steps which, in their opinion may be necessary, desirable or expedient to implement and give effect to the aforesaid change of the Company’s name and to attend to any necessary registration and/or filing for and on behalf of the Company.”

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

Hong Kong, 18 November 2015

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## NOTICE OF SGM

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*Notes:*

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and vote on his/her/its behalf. A proxy need not be a member of the Company but must be present in person at the SGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the SGM is enclosed with the circular of the Company dated 18 November 2015. Whether or not you intend to attend the SGM in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he/she/it so wish.
3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. In the case of joint holders of shares, any one of such joint holders may vote at the SGM, either in person or by proxy, in respect of such share as if he/she/it was solely entitled thereto, but if more than one of such joint holders are present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.