COL Capital Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 383)

ANNOUNCEMENT OF SECOND INTERIM RESULTS FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2010

UNAUDITED RESULTS OF THE GROUP

The Board of Directors (the "Directors") of COL Capital Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (the "Group") for the twelve months ended 31 December 2010 together with the comparative figures for the corresponding period in 2009 as follows:–

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2010

		For the period from 1 January to 31 December Twelve months ended	
		31.12.2010	31.12.2009
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(audited)
Revenue (excluding securities trading)	*3*	**159,312**	68,544
Gross proceeds from sale of investments held for trading	*3*	**1,590,731**	1,046,458
Total		**1,750,043**	1,115,002

	NOTES	For the period from 1 January to 31 December Twelve months ended 31.12.2010 HK$'000 (unaudited)	31.12.2009 HK$'000 (audited)
Continuing operations:			
Rental income		**2,766**	3,358
Dividend income from listed investments		**89,230**	32,761
Interest income from loans receivable		**67,316**	32,425
Other gains and losses	*4*	**231,427**	930,544
Other income		**18,121**	6,741
Administrative and other expenses		**(26,426)**	(24,940)
Finance costs	*5*	**(72,532)**	(52,603)
Share of profits of associates		**186,883**	3,365
Profit before taxation		**496,785**	931,651
Taxation	*6*	**(9,716)**	(13,858)
Profit from continuing operations		**487,069**	917,793
Discontinued operation:			
Profit for the period from discontinued operation		**–**	123,241
Profit for the period	*7*	**487,069**	1,041,034
Profit for the period attributable to:			
Owners of the Company		**484,719**	1,025,401
Non-controlling interests		**2,350**	15,633
		487,069	1,041,034
Earnings per share	*8*		
From continuing and discontinued operations			
– Basic		**HK$0.87**	HK$1.97
– Diluted		**HK$0.61**	HK$1.24
From continuing operations			
– Basic		**HK$0.87**	HK$1.73
– Diluted		**HK$0.61**	HK$1.10

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2010

	For the period from 1 January to 31 December Twelve months ended	
	31.12.2010	31.12.2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Profit for the period	**487,069**	1,041,034
Net gain on available-for-sale investments:		
Gain on fair value changes	**72,226**	163,485
Reclassification adjustment upon disposal of available-for-sale investments	**4,093**	(119,344)
Share of changes in other comprehensive income of an associate	**44,366**	–
	120,685	44,141
Exchange differences arising on translation:		
Exchange gain arising from translation of foreign operation	**1,294**	452
Reclassification adjustment upon disposal of an associate	**–**	(9,406)
Share of changes in other comprehensive income of an associate	**108,277**	–
	109,571	(8,954)
Surplus on revaluation of leasehold land and buildings	**928**	410
Other comprehensive income for the period	**231,184**	35,597
Total comprehensive income for the period	**718,253**	1,076,631
Total comprehensive income attributable to:		
Owners of the Company	**715,903**	1,060,998
Non-controlling interests	**2,350**	15,633
	718,253	1,076,631

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2010

	NOTES	31.12.2010 HK$'000 (unaudited)	31.12.2009 HK$'000 (audited) (restated)
Non-current assets			
Investment properties		**127,495**	100,375
Property, plant and equipment		**4,117**	3,437
Interests in associates		**1,449,370**	5,368
Available-for-sale investments		**454,211**	385,742
Loan notes		**56,692**	–
		2,091,885	494,922
Current assets			
Available-for-sale investments		**3,808**	6,522
Investments held for trading		**1,298,805**	1,525,691
Debtors, deposits and prepayments	*10*	**77,296**	28,229
Amount due from an associate		**14,339**	30,845
Loans receivable		**340,663**	389,425
Taxation recoverable		**2,025**	2,025
Pledged bank deposits		**4,445**	9,151
Bank balances and cash		**112,394**	110,612
		1,853,775	2,102,500
Current liabilities			
Creditors and accrued charges	*11*	**15,462**	20,915
Customers' deposits and receipts in advance		**34,015**	36,737
Other borrowings		**948,623**	201,565
Derivative financial instruments		**17,957**	4,188
Taxation payable		**89,465**	80,014
		1,105,522	343,419
Net current assets		**748,253**	1,759,081
Total assets less current liabilities		**2,840,138**	2,254,003
Non-current liabilities			
Convertible bonds		**108,246**	218,096
		108,246	218,096
Net assets		**2,731,892**	2,035,907
Capital and reserves			
Share capital		**5,567**	5,567
Reserves		**2,670,804**	1,977,169
Equity attributable to owners of the Company		**2,676,371**	1,982,736
Non-controlling interests		**55,521**	53,171
Total equity		**2,731,892**	2,035,907

Notes:–

1. BASIS OF PREPARATION

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

During the current financial period, the reporting date of the Group was changed from 31 December to 30 June because the directors of the Company determined to align Company's reporting date with those of the Company's principal listed associate which is the Group's substantial investment. Accordingly, these condensed consolidated financial statements cover the twelve month period ended 31 December 2010.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND PRINCIPAL ACCOUNTING POLICIES

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

During the period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations ("new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial period beginning on 1 January 2010.

HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions
HKFRS 3 (as revised in 2008)	Business combinations
HKAS 27 (as revised in 2008)	Consolidated and separate financial statements
HKAS 39 (Amendments)	Eligible hedged items
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvements to HKFRSs issued in 2008
HK(IFRIC) – INT 17	Distributions of non-cash assets to owners
HK – INT 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

Except as described below, the same accounting policies have been followed in these condensed consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2009.

Consequential amendments to HKAS 28 (by HKFRS 3 & HKAS 27 (revised 2008)) acquisition of associate achieved in stages

When an acquisition of an associate is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

Acquisition of additional interests in associates

Goodwill is recognised at each acquisition date, being the excess of the consideration paid over the share of carrying amount of net assets attributable to the additional interests in associates acquired.

Provisional values of accounting for acquisition of associates

If the initial accounting for acquisition of association is incomplete by the end of the reporting period in which the acquisition occurs, the fair values of the items for which the accounting is incomplete are measured at provision amounts. During the measurement period, provisional amounts used at the acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised.

Consequential amendments to HKAS 7 (by HKAS 27)

The application of the consequential amendments to HKAS 7 affected the classification of the cash outflow for the Group's acquisition of additional interest in a subsidiary in the prior period as the amendments are applied retrospectively. The cash consideration paid in the prior period of HK$20,288,000 has been reclassified from cash flows from investing activities to cash flows from financing activities.

Amendments to HKAS 17 Leases

As part of "Improvements to HKFRSs" issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provisions set out in the amendments to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 January 2010 based on information that existed at the inception of the leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payment to property, plant, and equipment retrospectively. The application of the amendments to HKAS 17 has had no impact on the reported profit or loss for the current and prior periods.

Hong Kong Interpretation 5 Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

Hong Kong Interpretation 5 "Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause" ("HK-INT 5") clarifies that term loans that include a clause that gives the lender the unconditional right to call the loans at any time ('repayment on demand clause') should be classified by the borrower as current liabilities. The Group has applied HK-INT 5 for the first time in the current period. HK-INT 5 requires retrospective application.

In order to comply with the requirements set out in HK-INT 5, the Group has changed its accounting policy on classification of term loans with a repayment on demand clause. In the past, the classification of such term loans were determined based on the agreed scheduled repayment dates set out in the loan agreements. Under HK-INT 5, term loans with a repayment on demand clause are classified as current liabilities. The application of HK-INT 5 has had no impact on the reported profit or loss for the current and prior periods.

The effects of the above changes in accounting policies on the financial positions of the Group as at 1 January 2009 and 31 December 2009 is as follows:

	As at 1.1.2009 (originally stated)	**Adjustments**	**As at 1.1.2009 (restated)**	As at 31.12.2009 (originally stated)	Adjustments	As at 31.12.2009 (restated)
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Property, plant and equipment	**3,036**	**54**	**3,090**	3,385	52	3,437
Prepaid lease payment	**54**	**(54)**	**–**	52	(52)	–
Other borrowings – current	**(854,682)**	**–**	**(854,682)**	(51,565)	(150,000)	(201,565)
Other borrowings – non-current	**–**	**–**	**–**	(150,000)	150,000	–
Total effects on net assets	**(851,592)**	**–**	**(851,592)**	(198,128)	–	(198,128)

The Group has not early applied the following new and revised standards, amendments to standards and interpretations that have been issued but are not yet effective:

HKFRSs (Amendments)	Improvements to HKFRSs 2010[1]
HKFRS 1 (Amendments)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters[2]
HKFRS 1 (Amendments)	Severe hyperinflation and removal of fixed dates for first-time adopters[3]
HKFRS 7 (Amendments)	Disclosures – Transfers of financial assets[3]
HKFRS 9	Financial instruments[4]
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets[5]
HKAS 24 (Revised)	Related party disclosures[6]
HKAS 32 (Amendments)	Classification of rights issues[7]
HK(IFRIC) – INT 14 (Amendments)	Prepayments of a minimum funding requirement[6]
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments[2]

[1] *Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate.*
[2] *Effective for annual periods beginning on or after 1 July 2010.*
[3] *Effective for annual periods beginning on or after 1 July 2011.*
[4] *Effective for annual periods beginning on or after 1 January 2013.*
[5] *Effective for annual periods beginning on or after 1 January 2012.*
[6] *Effective for annual periods beginning on or after 1 January 2011.*
[7] *Effective for annual periods beginning on or after 1 February 2010.*

HKFRS 9 "Financial instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 will affect the classification and measurement of the Group's financial assets.

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

3. SEGMENT INFORMATION

Segment information is presented based on the internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, represented by the board of directors of the Company, for the purpose of allocating resources to segments and assessing their performance.

The Group is organised into three operating segments as follows:

Securities trading and investments – trading of securities in Hong Kong and overseas markets.

Financial services – provision of financial services.

Property investment – leasing of residential properties and office spaces.

For the twelve months ended 31 December 2010

	Securities trading and investments	**Financial services**	**Property investment**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	**89,230**	**67,316**	**2,766**	**159,312**
Gross proceeds from sales of investments held for trading	**1,590,731**	**–**	**–**	**1,590,731**
Segment profit	**241,284**	**65,123**	**29,086**	**335,493**
Other income				**4,007**
Net foreign exchange gain				**5,388**
Central corporate expenses				**(3,983)**
Share of profits of associates				**186,883**
Effective interest expense on convertible bonds				**(31,003)**
Profit before taxation				**496,785**

For the twelve months ended 31 December 2009

	Continuing operations			
	Securities trading and investments	Financial services	Property investment	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	32,761	32,425	3,358	68,544
Gross proceeds from sale of investments held for trading	1,046,458	–	–	1,046,458
Segment profit	890,896	33,216	21,132	945,244
Other income				5,762
Net foreign exchange gain				3,226
Central corporate expenses				(2,347)
Share of profits of associates				3,365
Effective interest expense on convertible bonds				(34,355)
Gain on disposal of associates				10,756
Profit before taxation				931,651

All of the segment revenue reported above is from external customers.

Segment profits or losses represents the profit or loss earned by each segment without allocation of certain other income, net foreign exchange gain, central corporate expenses, share of profits of associates and effective interest expense on convertible bonds. This is the measure reported to the Company's Executive Directors for the purpose of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets by operating segments:

	31.12.2010	31.12.2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Securities trading and investments	**1,920,369**	1,983,244
Financial services	**357,900**	405,228
Property investment	**131,181**	103,298
Total segment assets	**2,409,450**	2,491,770
Unallocated assets	**1,536,210**	105,652
Consolidated assets	**3,945,660**	2,597,422

4. OTHER GAINS AND LOSSES

	For the period from 1 January to 31 December	**Twelve months ended**
	31.12.2010	31.12.2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Other gains (losses) from continuing operations		
Change in fair value of investments held for trading	**207,767**	771,208
Change in fair value of derivative financial instruments	**(4,820)**	7,386
Net (loss) gain on disposal of available-for-sale investments	**(4,093)**	119,344
Gain on disposal of an associate	**–**	10,756
Fair value changes on investment properties	**27,120**	18,570
Revaluation surplus on buildings	**65**	54
Net foreign exchange gain	**5,388**	3,226
	231,427	930,544

5. FINANCE COSTS

The finance costs represent effective interest on convertible bonds and interest on other borrowings wholly repayable within five years.

	For the period from 1 January to 31 December Twelve months ended	
	31.12.2010	31.12.2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Interest on:		
Other borrowings and margin loan wholly repayable within five years	**41,529**	18,248
Effective interest expense on convertible bonds	**31,003**	34,355
	72,532	52,603

6. TAXATION

	For the period from 1 January to 31 December Twelve months ended	
	31.12.2010	31.12.2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Continuing operations		
Current tax:		
Hong Kong Profits Tax	**9,413**	–
Enterprise Income Tax in the People's Republic of China ("PRC")	**303**	261
	9,716	261
Underprovision in prior periods – Hong Kong Profits Tax	**–**	13,597
	9,716	13,858

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Enterprise income tax in the PRC is calculated at 25% on the estimated assessable profit for both periods.

7. PROFIT FOR THE PERIOD

	Twelve months ended					
	Continuing operation		Discontinued operation		Consolidated	
	31.12.2010	31.12.2009	**31.12.2010**	31.12.2009	**31.12.2010**	31.12.2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(audited)	**(unaudited)**	(audited)	**(unaudited)**	(audited)
Profit for the period has been arrived at after charging:						
Staff costs including directors' emoluments	**8,742**	7,600	**–**	19,450	**8,742**	27,050
Depreciation and amortisation	**262**	318	**–**	3,055	**262**	3,373
Interest income other than loans receivable	**(575)**	(979)	**–**	(4,168)	**(575)**	(5,147)

8. EARNINGS PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	For the period from 1 January to 31 December Twelve months ended	
	31.12.2010	31.12.2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Earnings for the purpose of basic earnings per share attributable to the owners of the Company	**484,719**	1,025,401
Effect of dilutive potential ordinary shares – interest on convertible bonds	**31,003**	34,355
Earnings for the purpose of diluted earnings per share	**515,722**	1,059,756

	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic earnings per share	**556,698,697**	521,545,873
Effect of dilutive potential ordinary shares – convertible bonds	**295,269,406**	330,301,369
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**851,968,103**	851,847,242

The calculation of diluted earnings per share for the twelve months ended 31 December 2009 does not assume the exercise of warrants because the exercise price of the Company's outstanding warrants was higher than the average market price of shares. The warrants lapsed on 28 July 2009.

From continuing operations

The calculation of the basic earnings per share from continuing operations attributable to the owners of the Company is based on the following data:

	For the period from 1 January to 31 December Twelve months ended	
	31.12.2010	31.12.2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Earnings for the period attributable to the owners of the Company	**484,719**	1,025,401
Less: Profit for the period from discontinued operation	**–**	(123,241)
Earnings for the purposes of basic earnings per share from continuing operations	**484,719**	902,160
Effect of dilutive potential ordinary shares – interest on convertible bonds	**31,003**	34,355
Earnings for the purpose of diluted earnings per share from continuing operations	**515,722**	936,515

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

From discontinued operation

For the period ended 31 December 2009, basic earnings per share for the discontinued operation is HK$0.24 per share and diluted earnings per share for the discontinued operation is HK$0.14 per share for the period ended 31 December 2009, based on the profit for the period from the discontinued operation of HK$123,241,000 and the denominators detailed above for both basic and diluted earnings per share.

9. DIVIDENDS

	2010	2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Dividends recognised as distribution during the period:		
2009 Final dividend paid – HK$0.04 per share	22,268	–
Interim dividend, proposed	–	–

10. DEBTORS, DEPOSITS AND PREPAYMENTS

	31.12.2010	31.12.2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Debtors from securities trading	8,957	4,487
Other debtors, deposits and prepayments	68,339	23,742
	77,296	28,229

The settlement terms of debtors from securities trading are 2-3 days after trade date.

11. CREDITORS AND ACCRUED CHARGES

	31.12.2010	31.12.2009
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Creditors from securities trading	8,389	12,573
Other creditors and accrued charges	7,073	8,342
	15,462	20,915

The settlement terms of creditors from securities trading are 2-3 days after trade date.

DIVIDEND

The Directors do not recommend the payment of second interim dividend for the period ended 31 December 2010 (2009: Nil).

CHANGE OF FINANCIAL YEAR END DATE

As announced on 11 February 2011, the financial year end date of the Company has been changed from 31 December to 30 June to align the Company with that of the Company's principal listed associate which is the Group's substantial investment. Accordingly, the next financial year end date of the Company will be 30 June 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the twelve months ended 31 December 2010, the Group recorded a higher total revenue of HK$1,750,043,000 (2009: HK$1,115,002,000) but a lower net profit attributable to shareholders of HK$484,719,000 (2009: HK$1,025,401,000). Consequently, earnings per share (Basic) of the Group for the twelve months ended 31 December 2010 decreased to HK$0.87 compared to HK$1.97 in 2009.

However, the Group's net asset value per share as at 31 December 2010 has increased to HK$4.81 (2009: HK$3.56).

REVIEW OF OPERATIONS

During the twelve months under review, concerns such as the possible loss of momentum of the global recovery, the sustainability of fiscal position of some western countries, the geo-political tensions and extreme weather conditions in several regions of the world, and the worsening problem of inflation confronting the PRC continued to weigh on market sentiments causing significant instability in the financial markets. Against this backdrop, although the Group's business in trading and investment in financial securities recorded a higher turnover to HK$1,679,961,000 (2009: HK$1,079,219,000), profit was lower at HK$241,284,000 (2009: HK$890,896,000), mainly due to the decrease in gain from change in fair value of investments held for trading of HK$207,767,000 (2009: HK$771,208,000) and a net loss on disposal of available-for-sale investments of HK$4,093,000 (2009: Gain of HK$119,344,000). As at 31 December 2010, the Group maintained a portfolio of available-for-sale investments of HK$458,019,000 (2009: HK$392,264,000), loan notes of HK$56,692,000 (2009: Nil) and a trading portfolio of HK$1,298,805,000 (2009: HK$1,525,691,000).

During the period under review, the Group's money lending business achieved a turnover of mainly interest income of HK$67,316,000 (2009: HK$32,425,000) and a profit of HK$65,123,000 (2009: HK$33,216,000) despite a low interest rate environment. As at 31 December 2010, the Group's loan portfolio amounted to HK$340,663,000 (2009: HK$389,425,000).

The Group's investment properties located in Hong Kong and China recorded a rental income of HK$2,766,000 (2009: HK$3,358,000) and a profit of HK$29,086,000 (2009: HK$21,132,000) mainly attributed to the gain from fair value changes on investment properties of HK$27,120,000 (2009: HK$18,570,000). As at 31 December 2010, the Group's investment properties portfolio amounted to HK$127,495,000 (2009: HK$100,375,000).

There was no profit for the period from discontinued operation (2009: HK$123,241,000).

PRINCIPAL ASSOCIATED COMPANIES

The share of profits of associates of the Group for the twelve months ended 31 December 2010 increased to HK$186,883,000 (2009: HK$3,365,000) following the Group's further acquisitions and subscription of shares in its associates. As at 31 December 2010, the Group's investments in associates increased substantially to HK$1,449,370,000 from HK$5,368,000 in 2009.

Mabuhay Holdings Corporation ("MHC") – approximately 34% owned by the Group

During the first half of 2010, the Group further acquired shares of MHC and increased its shareholding in MHC to approximately 34%, making MHC an associate of the Group. MHC is a company incorporated in the Philippines with its common shares listed on the Philippine Stock Exchange and is engaged in investments in securities, properties, and other investments in the Philippines. MHC's major asset is its approximately 40% interest in Interport Resources Corporation ("IRC"), whose common shares are also listed on the Philippine Stock Exchange. IRC is principally engaged in real estate development and is now concentrating its efforts and resources to developing two real estate projects, which are in the initial phase of development, in the Binangonan area of Rizal Province close to Metro-Manila in the Philippines. MHC will be announcing its results for the year ended 31 December 2010 subsequent to the Group's second interim announcement. The Group has incorporated the consolidated results of MHC based on its unaudited management accounts.

Extra Earn Holdings Limited ("Extra Earn") – 40% owned by the Group

In June 2010, the Group subscribed for 180,000 new shares of Extra Earn for a cash consideration of US$18,000,000 which resulted in Extra Earn becoming a 40% associate of the Group. The subscription was part of the allotment and issue of 300,000 new shares of Extra Earn for cash in aggregate of US$30,000,000 for Extra Earn's general investment, acquisition and working capital purposes. Extra Earn is an investment holding company and through its PRC subsidiaries engaged in urban infrastructure development, property development, hospital ownership and operations, and other investments in the PRC.

In respect of hospital ownership and operations, principally comprising the Nanjing Tongren Hospital which was opened in 2007 with 1,200 beds; and the Kunming Tongren Hospital which was opened in 2010 with 500 beds, both of which are integrated hospitals offering a wide range of comprehensive clinical and healthcare services.

APAC Resources Limited ("APAC") – approximately 27.5% owned by the Group

During the third quarter of 2010, the Group further acquired shares of APAC to increase its shareholding in APAC to approximately 27.5%, making APAC an associate of the Group. APAC is a company incorporated in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited (stock code: 1104). APAC and its subsidiaries are principally engaged in trading in base metals and commodities and also trading and investment in listed securities with a portfolio primarily focused on natural resources and related sectors and industries. During the twelve months ended 31 December 2010, APAC recorded substantial increase in revenue of HK$848,699,000 (2009: HK$301,420,000) and profit attributable to shareholders of HK$1,104,447,000 (2009: HK$372,603,000) mainly attributed to the increased contributions from its trading in iron ores, trading and investment in listed securities and share of profit from its principal listed associates in Australia, namely Mount Gibson Iron Limited ("MGX") and Metals X Limited ("MLX").

MGX is a multi-operation hematite iron ore producer exporting lump and fine iron ore products principally to China. Currently MGX operates two mines, Tallering Peak and Koolan Island and with the third mine being under development at Extension Hill in West Australia. For the twelve months ended 31 December 2010, MGX recorded a sale revenue of A$676.1 million (2009: A$437.5 million) and a net profit of A$233 million (2009: A$68.7 million) as a result of strong sale volumes from operations and strengthening iron ore prices.

MLX is Australia's largest tin producer with its operations mainly located in Tasmania and holds one of the world's largest nickel projects at Wingellina in Western Australia. Further, MLX also holds a number of strategic investments including interest in various Australian listed companies namely Jabiru Metals Limited, Westgold Resources Limited and Aragon Resources Limited.

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

As at 31 December 2010, the Group's non-current assets of HK$2,091,885,000 (2009: HK$494,922,000) consisted of investment properties of HK$127,495,000 (2009: HK$100,375,000); property, plant and equipment of HK$4,117,000 (2009: HK$3,437,000); interests in associates of HK$1,449,370,000 (2009: HK$5,368,000), available-for-sale investments of HK$454,211,000 (2009: HK$385,742,000) and loan notes of HK$56,692,000 (2009: Nil). These non-current assets are principally financed by shareholders' fund. As at 31 December 2010, the Group had net current assets of HK$748,253,000 (2009: HK$1,759,081,000) and current ratio of 1.68 times (2009: 6.12 times), calculated on the basis of the Group's current assets over current liabilities.

During the period under review, as a result of the partial redemption by the Group, the outstanding principal value of the Company's 9% unsecured three-year convertible bonds has been reduced to HK$118,000,000 as at 31 December 2010 (2009: HK$236,000,000).

As at 31 December 2010, the total borrowings of the Group amounted to HK$1,056,869,000 (2009: HK$419,661,000) including current liabilities of other borrowings of HK$948,623,000 (2009: HK$201,565,000) and non-current liabilities of convertible bonds of HK$108,246,000 (2009: HK$218,096,000). As at 31 December 2010, the Group's gearing ratio, calculated on the basis of the Group's net borrowings (after pledged bank deposits, and bank balances and cash) over total equity, was 34.4% compared to 14.7% on 31 December 2009,

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

CHARGE ON GROUP ASSETS

As at 31 December 2010, the Group's investments held for trading of HK$689,376,000 (2009: HK$962,510,000), available-for-sale investments of HK$326,882,000 (2009: HK$240,227,000) and bank balances of HK$4,445,000 (2009: HK$9,151,000) were pledged to banks and securities brokerage houses to secure short term credit facilities granted to the Group.

EMPLOYEES

The Group had 17 employees as at 31 December 2010 (2009: 16). The Group ensures that its employees are remunerated in line with market conditions and individual performance and the remuneration policies are reviewed on a regular basis.

PROSPECTS

As the global financial markets are expected to continue to be volatile in the first half of 2011, the Group will remain cautious in its investment approach and strategy. However it is believed that there will be attractive investment opportunities available as companies and businesses become grossly undervalued. The Group will continue to seek and identify such opportunities in China, Hong Kong and the Asia Pacific region to improve its financial performance and enhance value for shareholders.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

AUDIT COMMITTEE REVIEW

The Audit Committee has reviewed with the management of the Company (the "Management") the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a general review of the second interim report (including unaudited interim condensed consolidated financial statements for the twelve months ended 31 December 2010). In carrying out this review, the Audit Committee has relied on a review conducted by the Group's external auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA as well as reports obtained from the Management. The Audit Committee has not undertaken detailed independent audit checks.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the twelve months ended 31 December 2010. Subsequent to the period ended 31 December 2010, the Company has following deviation:–

Code provision B.1.1

The code provision B.1.1 states that a majority of the members of the remuneration committee should be independent non-executive directors.

The Company used to have a Remuneration Committee which comprised of two executive directors and three independent non-executive directors. After the resignation of Mr. Lo Wai On ("Mr. Lo") resigned as an Independent Non-Executive Director and a member of Remuneration Committee of the Company on 31 January 2011, there were only four members in the Remuneration Committee i.e. two executive directors and two independent non-executive directors.

As mentioned in the next section, the Company is still actively identifying a suitable candidate to fill the vacancy and will ensure compliance with the code provision B.1.1 as soon as possible.

Non-compliance of rules 3.10 (1) and 3.21 of the Listing Rules

On 31 January 2011, Mr. Lo also resigned as the chairman of Audit Committee. Subsequent to the resignation of Mr. Lo, the Company had not been able to comply with the requirements of rule 3.10(1) (minimum of three independent non-executive directors) and rule 3.21 (minimum of three audit committee members with majority of independent non-executive directors) of the Listing Rules (the said "Rules"). Currently, the Company has only two Independent Non-Executive Directors and two Audit Committee members, namely Mr. Lau Siu Ki and Mr. Zhang Jian.

As at the date of this announcement, the Company is still actively identifying a suitable candidate to fill the vacancy of Independent Non-Executive Director and member of Audit Committee but has not yet been successful.

The Company will continue to make every effort to look for an appropriate person to fill the vacancy of Independent Non-Executive Director and member of Audit Committee of the Company and will ensure compliance with the said Rules as soon as possible.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the Company's code of conduct regarding Director's securities transactions. Having made specific enquiry with all Directors, they have confirmed their compliance with the required standard as set out in the Model Code throughout the twelve months ended 31 December 2010.

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

Hong Kong, 25 February 2011

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