



COL Capital Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 0383

Interim Report 2008

UNAUDITED RESULTS OF THE GROUP

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

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended	
	<i>Notes</i>	30.6.2008	30.6.2007
		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue (excluding securities trading)		13,939	15,561
Gross proceeds from sales of investments held for trading		169,423	1,100,144
Total		183,362	1,115,705
Rental income		2,056	2,294
Dividend income from listed investments		4,192	6,770
Interest income from loan receivables		7,691	6,497
Net (loss) gain on investments	4	(1,504,066)	572,584
Other income		5,375	15,494
Administrative expenses		(9,187)	(8,223)
Finance costs	5	(25,265)	(8,994)
Fair value changes on investment properties	17	–	14,707
Share of (losses) profits of associates		(6,243)	609
(Loss) profit before taxation		(1,525,447)	601,738
Taxation	6	(1,413)	(62,769)
(Loss) profit from continuing operations		(1,526,860)	538,969
Discontinued operation: Loss for the period from discontinued operation	7	–	(1,548)
(Loss) profit for the period	8	(1,526,860)	537,421

CONDENSED CONSOLIDATED INCOME STATEMENT (*Continued*)

		Six months ended	
		30.6.2008	30.6.2007
<i>Notes</i>		HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Attributable to:			
	Equity holders of the Company	(1,528,615)	528,424
	Minority interests	1,755	8,997
		<u>(1,526,860)</u>	<u>537,421</u>
	Dividends recognised as distribution	<u>11,047</u>	<u>11,084</u>
	(Loss) earnings per share	<i>10</i>	
	From continuing and discontinued operations		
	– Basic	<u>(HK\$5.54)</u>	<u>HK\$1.88</u>
	From continuing operations		
	– Basic	<u>(HK\$5.54)</u>	<u>HK\$1.89</u>

CONDENSED CONSOLIDATED BALANCE SHEET

	<i>Notes</i>	As at 30.6.2008 HK\$'000 (unaudited)	As at 31.12.2007 HK\$'000 (audited)
Non-current assets			
Investment properties	11	113,299	110,925
Property, plant and equipment	11	2,998	3,796
Prepaid lease payments		55	1,001
Interest in associates		371,407	368,297
Available-for-sale investments		588,245	849,923
		<u>1,076,004</u>	<u>1,333,942</u>
Current assets			
Available-for-sale investments		–	9,801
Loan notes		–	52,401
Investments held for trading		2,241,189	3,617,216
Debtors, deposits and prepayments	12	71,356	41,284
Loan receivables		164,877	174,015
Tax recoverable		4,050	4,050
Pledged bank deposits		8,845	10,718
Bank balances and cash		48,769	67,824
		<u>2,539,086</u>	<u>3,977,309</u>
Current liabilities			
Creditors and accrued charges	13	99,786	97,995
Customers' deposits and receipts in advance		34,934	14,192
Other borrowings	14	1,000,116	918,838
Derivative financial instruments		25,702	4,874
Taxation payable		170,974	171,033
		<u>1,331,512</u>	<u>1,206,932</u>
Net current assets		<u>1,207,574</u>	<u>2,770,377</u>
Total assets less current liabilities		<u>2,283,578</u>	<u>4,104,319</u>

CONDENSED CONSOLIDATED BALANCE SHEET *(Continued)*

		As at 30.6.2008	As at 31.12.2007
	<i>Notes</i>	HK\$'000	HK\$'000
		(unaudited)	(audited)
Capital and reserves			
Share capital	15	2,760	2,762
Reserves		2,275,191	4,097,685
Equity attributable to equity holders of the Company		2,277,951	4,100,447
Minority interests		5,627	3,872
Total equity		2,283,578	4,104,319

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Attributable to equity holders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	Buildings revaluation reserve HK\$'000	Investments revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	Minority interests HK\$'000	Total HK\$'000
At 1 January 2007 (audited)	2,829	625,061	1,274	432,100	2,111	969	1,334,703	2,399,047	16,847	2,415,894
Fair value changes on available-for-sale investments	-	-	-	32,111	-	-	-	32,111	-	32,111
Exchange difference arising from translation of foreign operations	-	-	-	-	-	1,462	-	1,462	-	1,462
Net income recognised directly in equity	-	-	-	32,111	-	1,462	-	33,573	-	33,573
Realised upon disposal of available-for-sale investments	-	-	-	596	-	-	-	596	-	596
Profit for the period	-	-	-	-	-	-	528,424	528,424	8,997	537,421
Total recognised income and expense for the period	-	-	-	32,707	-	1,462	528,424	562,593	8,997	571,590
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(16,798)	(16,798)
Reversed previously recognised changes in fair value of investments held for trading	-	-	-	-	-	-	68,266	68,266	-	68,266
Changes in equity of an associate on previously held interest	-	-	-	-	-	-	(74)	(74)	-	(74)
Repurchase of shares	(63)	(29,027)	-	-	63	-	(63)	(29,090)	-	(29,090)
Dividends paid	-	-	-	-	-	-	(11,084)	(11,084)	-	(11,084)
At 30 June 2007 (unaudited)	2,766	596,034	1,274	464,807	2,174	2,431	1,920,172	2,989,658	9,046	2,998,704
At 1 January 2008 (audited)	2,762	592,751	5,036	720,879	2,178	9,036	2,767,805	4,100,447	3,872	4,104,319
Fair value changes on available-for-sale investments	-	-	-	(292,814)	-	-	-	(292,814)	-	(292,814)
Share of changes in equity of associates	-	-	-	-	-	9,353	-	9,353	-	9,353
Exchange difference arising from translation of foreign operations	-	-	-	-	-	3,712	-	3,712	-	3,712
Net income and expenses recognised directly in equity	-	-	-	(292,814)	-	13,065	-	(279,749)	-	(279,749)
Realised upon disposal of available-for-sale investments	-	-	-	(2,104)	-	-	-	(2,104)	-	(2,104)
(Loss) profit for the period	-	-	-	-	-	-	(1,528,615)	(1,528,615)	1,755	(1,526,860)
Total recognised income and expense for the period	-	-	-	(294,918)	-	13,065	(1,528,615)	(1,810,468)	1,755	(1,808,713)
Repurchase of shares	(2)	(981)	-	-	2	-	-	(981)	-	(981)
Dividends paid	-	-	-	-	-	-	(11,047)	(11,047)	-	(11,047)
At 30 June 2008 (unaudited)	2,760	591,770	5,036	425,961	2,180	22,101	1,228,143	2,277,951	5,627	2,283,578

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2008

	Six months ended	
	30.6.2008	30.6.2007
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
NET CASH USED IN OPERATING ACTIVITIES	(139,416)	(265,928)
INVESTING ACTIVITIES		
Proceeds from disposal of available-for-sale investments	9,864	1,434
Dividends received	4,192	6,770
Purchases of available-for-sale investments	(31,199)	–
Proceeds from redemption of loan notes	52,401	–
Other investing activities	1,094	6,216
NET CASH FROM INVESTING ACTIVITIES	36,352	14,420
FINANCING ACTIVITIES		
New other borrowings raised	1,153,111	1,721,041
Repayments of other borrowings	(1,071,833)	(1,446,805)
Repurchase of shares	(981)	(29,090)
NET CASH FROM FINANCING ACTIVITIES	80,297	245,146
NET DECREASE IN CASH AND CASH EQUIVALENTS	(22,767)	(6,362)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	67,824	58,007
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	3,712	1,462
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	48,769	53,107

Notes:-

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

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

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

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

2. PRINCIPAL ACCOUNTING POLICIES (*Continued*)

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

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

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

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

¹ Effective for accounting periods beginning on or after 1 January 2009.

² Effective for accounting periods beginning on or after 1 July 2009.

³ Effective for accounting periods beginning on or after 1 July 2008.

⁴ Effective for accounting periods beginning on or after 1 October 2008.

2. PRINCIPAL ACCOUNTING POLICIES (*Continued*)

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

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

3. BUSINESS INFORMATION

Business segments

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

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

Segment information about these business is presented below:

For the six months ended 30 June 2008

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

3. BUSINESS INFORMATION (Continued)

Business segments (Continued)

For the six months ended 30 June 2007

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

4. NET (LOSS) GAIN ON INVESTMENTS

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

Notes:

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

5. FINANCE COSTS

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

6. TAXATION

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

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

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

7. DISCONTINUED OPERATION

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

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

8. (LOSS) PROFIT FOR THE PERIOD

	Continuing operations		Discontinued operation		Consolidated	
	Six months ended		Six months ended		Six months ended	
	30.6.2008	30.6.2007	30.6.2008	30.6.2007	30.6.2008	30.6.2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(Loss) profit for the period has been arrived at after charging (crediting):						
Staff costs including directors' emoluments	3,644	3,021	-	945	3,644	3,966
Reversal of inventories	-	-	-	(1,117)	-	(1,117)
Depreciation and amortisation	149	144	-	311	149	455
Interest income	(1,039)	(4,974)	-	(33)	(1,039)	(5,007)
Net foreign exchange gain	(3,901)	(6,954)	-	-	(3,901)	(6,954)

9. DIVIDENDS

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

10. (LOSS) EARNINGS PER SHARE

From continuing and discontinued operations

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

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

10. (LOSS) EARNINGS PER SHARE (*Continued*)

From continuing operations

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

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

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

From discontinued operation

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

11. MOVEMENTS IN INVESTMENT PROPERTIES, PROPERTY, PLANT AND EQUIPMENT

The Group's investment properties and buildings were fair valued by the directors.

The directors consider that the fair values of the investment properties and buildings included in property, plant and equipment at 30 June 2008 are not materially different from the professional valuation made at 31 December 2007 and, accordingly, no fair value changes have been recognised in the current period.

12. DEBTORS, DEPOSITS AND PREPAYMENTS

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

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

13. CREDITORS AND ACCRUED CHARGES

An aged analysis of trade creditors is as follows:

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

14. OTHER BORROWINGS

Other borrowings represent securities margin financing received from stock broking, futures and options broking houses. The entire borrowings are secured by the Group's marketable securities, repayable on demand and bear interest at prevailing market rates.

15. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 30 June 2008 and 31 December 2007	30,000,000,000	300,000
Issued and fully paid:		
At 1 January 2007	282,883,547	2,829
Repurchase of shares	(6,700,000)	(67)
At 31 December 2007	276,183,547	2,762
Repurchase of shares	(235,000)	(2)
At 30 June 2008	275,948,547	2,760

16. PLEDGE OF ASSETS

At the balance sheet date, the following assets of the Group were pledged to banks and securities houses to secure short term credit facilities granted to the Group:

	30.6.2008 HK\$'000	31.12.2007 HK\$'000
Investment properties	33,300	33,300
Investments held for trading	1,922,193	3,121,898
Available-for-sale investments	244,455	460,628
Pledged bank deposits	8,845	10,718
	2,208,793	3,626,544

17. DISPOSAL OF A SUBSIDIARY

During the period ended 30 June 2007, the net assets of the non-wholly owned subsidiary at the date of disposal were as follows:

	2007 HK\$'000
Net assets disposed of	118,155
Minority interest	<u>(16,798)</u>
	<u>101,357</u>
Total consideration satisfied by:	
Deposits received in advance	30,027
Deferred consideration included in debtors, deposits and prepayment	<u>71,330</u>
	<u>101,357</u>
Net cash outflow arising on disposal:	
Bank balances and cash disposed of	<u>1</u>

The net assets disposed of are mainly investment properties. The fair value gain of HK\$14,707,000 on these investment properties upon the disposal was recognised in the condensed consolidated income statement during the period ended 30 June 2007.

18. RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management of the Group during the period was as follows:

	Six months ended	
	30.6.2008	30.6.2007
	HK\$'000	HK\$'000
Salaries and other short-term employee benefits	2,262	2,400
Retirement benefit costs	30	30
	2,292	2,430

DIVIDENDS

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

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

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

REVIEW OF OPERATIONS

The first half of 2008 was an extremely difficult period for the global financial markets, faced with concerns over the continued correction in US home prices, further subprime mortgage related write-offs, credit crunch, high oil and food prices, and a slowdown of the US economy. During the period under review, the Group's business in trading and investment in financial securities recorded a decrease in turnover to HK\$173,615,000 (2007: HK\$1,106,914,000) and a loss of HK\$1,500,311,000 (2007: Profit of HK\$582,157,000) mainly due to the net loss on investments of HK\$1,504,066,000 (2007: Gain of HK\$572,584,000). As the performance of the Group's investment portfolio is measured by the mark-to-market accounting standard, a substantial unrealized loss from fair value changes on investments held for trading was incurred in the period. As at 30 June 2008, the Group maintained a long-term portfolio of available-for-sale investments of HK\$588,245,000 (2007: HK\$588,052,000) and a trading portfolio of HK\$2,241,189,000 (2007: HK\$2,467,464,000).

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

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

PRINCIPAL ASSOCIATED COMPANIES

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

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

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

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

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

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

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

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

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

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

CHARGE ON GROUP ASSETS

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

EMPLOYEES

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

PROSPECTS

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

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at 30 June 2008, the interests and short positions of the directors and chief executives of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Hong Kong (the "SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") were as follows:-

Long position in the shares of the Company

Name of Director	Number of ordinary shares of HK\$0.01 each				Total	Percentage of Issued ordinary shares
	Personal Interests	Family Interests	Corporate Interests	Other Interests		
Ms. Chong Sok Un ("Ms. Chong")	-	-	106,484,400	-	106,484,400	38.01%
			(Note)			

Note: As at 30 June, 2008, Vigor Online Offshore Limited, a wholly-owned subsidiary of China Spirit Limited ("China Spirit") held 106,484,400 ordinary shares of the Company. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interests in 106,484,400 ordinary shares of the Company.

Save as disclosed above, as at 30 June 2008, none of the directors, the chief executives of the Company nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares, underlying shares or debentures of the Company or any other body corporate.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 30 June, 2008, the following parties had interests or short positions in the shares and underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO:–

Long position in the shares of the Company

Name	Capacity	Number of ordinary shares held	Percentage of issued ordinary shares
Ms. Chong Sok Un ("Ms. Chong")	Held by controlled corporation (Note 1)	106,484,400	38.01%
China Spirit Limited ("China Spirit")	Held by controlled corporation (Note 1)	106,484,400	38.01%
Vigor Online Offshore Limited ("Vigor Online")	Beneficial owner	106,484,400	38.01%
Mr. John Zwaanstra ("Mr. John Zwaanstra") (Note 2)	Held by controlled corporation	33,390,000	12.09%

Name	Capacity	Number of ordinary shares held	Percentage of issued ordinary shares
Penta Investment Advisers Limited ("Penta Investment")	Investment Manager (Note 3)	33,390,000	12.09%
Mercurius GP LLC ("Mercurius")	Held by controlled corporation (Note 4)	16,654,000	6.03%
Mr. Todd Zwaanstra ("Mr. Todd Zwaanstra")	Trustee (Note 5)	16,654,000	6.03%
Penta Asia Fund, Ltd. ("Penta Asia")	Held by controlled corporation (Note 6)	16,654,000	6.03%

Notes:

1. Vigor Online is a wholly-owned subsidiary of China Spirit in which Ms. Chong maintains 100% beneficial interest. Accordingly, China Spirit and Ms. Chong are deemed to be interested in 106,484,400 ordinary shares under the SFO.
2. Mr. John Zwaanstra is deemed to be interested in 33,390,000 shares through his 100% interest in Penta Investment.
3. Penta Investment has an interest in 33,390,000 Shares as an investment manager.
4. Mercurius was the founder of the Mercurius Partners Trust ("Mercurius Trust"), being a discretionary trust and was therefore deemed to have interests in the shares and the underlying shares in which Mr. Todd Zwaanstra and Mercurius Trust were interested.

5. Mr. Todd Zwaanstra, as trustee of the Mercurius Trust, was deemed to have interest in the shares and underlying shares in which Penta Master Fund, Ltd. (“Penta Master”) was interested pursuant to his control of more than one-third of the voting power of Penta Asia.
6. Penta Asia is deemed to be interested in 16,654,000 shares through its 100% interest in Penta Master.

Save as disclosed above, as at 30th June, 2008, there were no other parties who had interests or short positions in the share or underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

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

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

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

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

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

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

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

Hong Kong, 18 September 2008

As at the date of this report, the Board comprises Ms. Chong Sok Un (Chairman), Dato' Wong Peng Chong and Mr. Kong Muk Yin as executive directors and Messrs. Lo Wai On, Lau Siu Ki and Zhang Jian as independent non-executive directors.