



COL Capital Limited

(Incorporated in Bermuda with limited liability)

Stock Code: 383

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 31 December 2011 together with the comparative figures for the corresponding period in 2010 as follows:–

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

		Six months ended	
		31.12.2011	31.12.2010
	NOTES	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
Revenue (excluding securities trading)	3	26,731	117,701
Gross proceeds from sales of investments held for trading	3	155,571	1,157,040
Total		182,302	1,274,741
Rental income		1,603	1,337
Dividend income from listed investments		10,196	85,595
Interest income from loans receivable		14,932	30,769
Other gains and losses	4	(335,544)	245,036
Other income		15,271	13,167
Administrative expenses		(27,599)	(14,273)
Finance costs	5	(35,671)	(41,891)
Share of profits of associates		5,369	192,972
(Loss) profit before taxation		(351,443)	512,712
Taxation	6	(133)	(9,594)
(Loss) profit for the period	7	(351,576)	503,118

CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

		Six months ended	
		31.12.2011	31.12.2010
	<i>NOTES</i>	HK\$'000	HK\$'000
		(unaudited)	(unaudited)
(Loss) profit for the period attributable to:			
Owners of the Company		(345,255)	500,916
Non-controlling interests		(6,321)	2,202
		<u>(351,576)</u>	<u>503,118</u>
(Loss) earnings per share	9		
– Basic		<u>HK\$(0.63)</u>	<u>HK\$0.90</u>
– Diluted		<u>N/A</u>	<u>HK\$0.62</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Six months ended	
	31.12.2011	31.12.2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss) profit for the period	(351,576)	503,118
Net gain on available-for-sale investments:		
(Loss) gain on fair value changes	(225,997)	89,985
Reclassification adjustment upon disposal of available-for-sale investments	266	3,729
Reclassification adjustment upon impairment of available-for-sale investments	4,543	–
Share of changes in other comprehensives (expense) income of associates	(711)	44,366
	(221,899)	138,080
Exchange differences arising on translation:		
Exchange gain arising from translation of foreign operation	2,423	853
Share of changes in other comprehensive income of associates	(36,806)	108,277
	(34,383)	109,130
Surplus on revaluation of leasehold land and buildings	–	928
Other comprehensive (expense) income for the period	(256,282)	248,138
Total comprehensive (expense) income for the period	(607,858)	751,256
Total comprehensive (expense) income attributable to:		
Owners of the Company	(601,537)	749,054
Non-controlling interests	(6,321)	2,202
	(607,858)	751,256

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2011

	NOTES	31.12.2011 HK\$'000 (unaudited)	30.6.2011 HK\$'000 (audited)
Non-current assets			
Investment properties	10	142,266	142,266
Property, plant and equipment	10	5,119	4,994
Interests in associates	11	1,527,997	1,559,656
Available-for-sale investments		<u>396,650</u>	<u>668,264</u>
		2,072,032	2,375,180
Current assets			
Loan notes		–	56,692
Available-for-sale investments		52,372	3,247
Investments held for trading		1,098,910	1,295,369
Debtors, deposits and prepayments	12	146,119	229,263
Loans receivable		150,898	369,843
Taxation recoverable		4,157	4,157
Pledged bank deposits		3,163	12,959
Bank balances and cash		<u>154,839</u>	<u>94,895</u>
		1,610,458	2,066,425
Current liabilities			
Creditors and accrued charges	13	56,290	21,899
Customers' deposits and receipts in advance		2,959	68,052
Amount due to an associate		–	2,891
Other borrowings	14	1,389,614	1,470,792
Derivative financial instruments	15	17,673	20,191
Taxation payable		<u>79,646</u>	<u>80,049</u>
		1,546,182	1,663,874

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

AT 31 DECEMBER 2011

	NOTES	31.12.2011 HK\$'000 (unaudited)	30.6.2011 HK\$'000 (audited)
Net current assets		<u>64,276</u>	<u>402,551</u>
Total assets less current liabilities		<u>2,136,308</u>	<u>2,777,731</u>
Capital and reserves			
Share capital	16	5,476	5,563
Reserves		<u>2,081,820</u>	<u>2,716,835</u>
Equity attributable to owners of the Company		<u>2,087,296</u>	<u>2,722,398</u>
Non-controlling interests		<u>49,012</u>	<u>55,333</u>
Total equity		<u>2,136,308</u>	<u>2,777,731</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Attributable to the owners of the Company										Non-controlling interests	Total
	Share capital	Share premium	Convertible bonds equity reserve	Buildings revaluation reserve	Investments revaluation reserve	Capital redemption reserve	Translation reserve	Retained profits	Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 July 2010 (unaudited)	5,567	701,783	28,242	7,610	230,719	2,184	7,335	966,145	1,949,585	53,319	2,002,904	
Profit for the period	-	-	-	-	-	-	-	500,916	500,916	2,202	503,118	
Other comprehensive income for the period	-	-	-	928	138,080	-	109,130	-	248,138	-	248,138	
Total comprehensive income for the period	-	-	-	928	138,080	-	109,130	500,916	749,054	2,202	751,256	
Dividends paid	-	-	-	-	-	-	-	(22,268)	(22,268)	-	(22,268)	
At 31 December 2010 (unaudited)	5,567	701,783	28,242	8,538	368,799	2,184	116,465	1,444,793	2,676,371	55,521	2,731,892	

	Attributable to the owners of the Company										Non-controlling interests	Total
	Share capital	Share premium	Buildings revaluation reserve	Investments revaluation reserve	Capital redemption reserve	Translation reserve	Retained profits	Total				
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 July 2011 (audited)	5,563	701,183	9,510	327,647	2,188	174,861	1,501,446	2,722,398	55,333	2,777,731		
Loss for the period	-	-	-	-	-	-	(345,255)	(345,255)	(6,321)	(351,576)		
Other comprehensive expenses for the period	-	-	-	(221,899)	-	(34,383)	-	(256,282)	-	(256,282)		
Total comprehensive expenses for the period	-	-	-	(221,899)	-	(34,383)	(345,255)	(601,537)	(6,321)	(607,858)		
Repurchases of shares	(87)	(11,556)	-	-	87	-	(87)	(11,643)	-	(11,643)		
Dividend paid	-	-	-	-	-	-	(21,922)	(21,922)	-	(21,922)		
At 31 December 2011 (unaudited)	5,476	689,627	9,510	105,748	2,275	140,478	1,134,182	2,087,296	49,012	2,136,308		

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Six months ended	
	31.12.2011	31.12.2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
NET CASH FROM OPERATING ACTIVITIES	73,919	517,424
INVESTING ACTIVITIES		
Proceeds from disposal of loan notes	62,837	115,000
Proceeds from disposal of available-for-sale investments	12,297	44,769
Proceeds from partial disposal of associates	4,286	–
Acquisition of investments in associates	(5,523)	(399,256)
Purchases of available-for-sale investments	(15,805)	(41,890)
Repayment received from associates	–	16,506
Dividend received from associates	2,891	–
Withdrawal of pledged bank deposits	274,994	45,104
Placement of pledged bank deposits	(265,198)	(42,659)
Other investing activities	8,535	99
NET CASH FROM (USED IN) INVESTING ACTIVITIES	79,314	(262,327)
FINANCING ACTIVITIES		
New other borrowings raised	434,274	2,010,563
Repayments of other borrowings	(515,452)	(2,111,112)
Repurchases of shares	(11,643)	–
Other financing activities	(2,891)	–
Dividends paid	–	(22,268)
Repayments of convertible bonds	–	(118,000)
NET CASH USED IN FINANCING ACTIVITIES	(95,712)	(240,817)
NET INCREASE IN CASH AND CASH EQUIVALENTS	57,521	14,280
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	94,895	97,261
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	2,423	853
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	154,839	112,394

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

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 Company changed its financial year end date from 31 December to 30 June in the last financial period. Accordingly, the financial period under review covers the period from 1 July 2011 to 31 December 2011. The corresponding interim period, which cover the period from 1 July 2010 to 31 December 2010, for the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and related notes are presented as the comparative information.

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 same accounting policies and methods of computation used in the condensed consolidated financial statements for six months ended 31 December 2011 are the same as those followed in the preparation of the Group’s consolidated financial statements for the eighteen months ended 30 June 2011.

In the current interim period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations issued by the HKICPA, which are effective for the Group’s financial year beginning on 1 July 2011.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

HKAS 24 (Revised 2009)	Related party disclosures
HKAS 32 (Amendments)	Classification of rights issues
HKFRSs (Amendments)	Improvements to HKFRSs 2010
HKFRS 7 (Amendments)	Disclosures – Transfer of financial assets
HK(IFRIC) – INT 14 (Amendments)	Prepayments of a minimum funding requirement
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments

The application of the new or revised standards, amendments and interpretation in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements.

The Group has not early applied new or revised standards, amendments or interpretations that have been issued but are not yet effective. The following new or revised standards and interpretations have been issued after the date the consolidated financial statements for the eighteen months ended 30 June 2011 were authorized for issuance and are not yet effective:

Amendments to HKFRS 7	Disclosures – Offsetting financial assets and financial liabilities ¹
HKFRS 9 and HKFRS 7 (Amendments)	Mandatory effective date of HKFRS 9 and transition disclosures ²
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ³
HK(IFRIC) – INT 20	Stripping costs in the production phase of a surface mine ¹

¹ Effective for annual periods beginning on or after 1 January 2013.

² Effective for annual periods beginning on or after 1 January 2015.

³ Effective for annual periods beginning on or after 1 January 2014.

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

Amendments to HKAS 32 Offsetting financial assets and financial liabilities and amendments to HKFRS 7 Disclosures – Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”.

The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amended offsetting disclosures are required for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required. In the opinion of the Directors of the Company, the application of these amendments may not have material impact to the disclosures of financial information of the Group.

Other than disclosed in the consolidated financial statements for eighteen months ended 30 June 2011 and as above, the Directors of the Company anticipate that the application of the new or 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 executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance.

The Group is organised into three operating and reportable 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 six months ended 31 December 2011

	Securities trading and investments HK\$'000	Financial services HK\$'000	Property investment HK\$'000	Consolidated HK\$'000
Gross proceeds from sales of investments held for trading	<u>155,571</u>	<u>-</u>	<u>-</u>	<u>155,571</u>
Revenue	<u>10,196</u>	<u>14,932</u>	<u>1,603</u>	<u>26,731</u>
Segment (losses) profits	<u>(353,079)</u>	<u>10,378</u>	<u>(13,742)</u>	<u>(356,443)</u>
Other income				562
Gain on partial disposal of an associate				2,143
Central corporate expenses				(3,074)
Share of profits of associates				<u>5,369</u>
Loss before taxation				<u>(351,443)</u>

3. SEGMENT INFORMATION *(Continued)*

For the six months ended 31 December 2010

	Securities trading and investments HK\$'000	Financial services HK\$'000	Property investment HK\$'000	Consolidated HK\$'000
Gross proceeds from sales of investments held for trading	1,157,040	–	–	1,157,040
Revenue	85,595	30,769	1,337	117,701
Segment profits	265,126	33,119	28,305	326,550
Other income				3,537
Net foreign exchange gain				6,367
Central corporate expenses				(2,095)
Share of profits of associates				192,972
Effective interest expense on convertible bonds				(14,619)
Profit before taxation				512,712

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 bank interest income, net foreign exchange gain, gain on partial disposal of an associate, 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.

3. SEGMENT INFORMATION *(Continued)*

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

	31.12.2011	30.6.2011
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Securities trading and investments	1,697,708	2,241,512
Financial services	187,106	392,262
Property investment	147,564	146,942
	<hr/>	<hr/>
Total segment assets	2,032,378	2,780,716
Interests in associates	1,527,997	1,559,656
Corporate assets	122,115	101,233
	<hr/>	<hr/>
Consolidated assets	3,682,490	4,441,605

4. OTHER GAINS AND LOSSES

	Six months ended	
	31.12.2011	31.12.2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Change in fair value of investments held for trading	(341,183)	210,504
Change in fair value of derivative financial instruments	4,258	4,709
Net loss on disposal of available-for-sale investments	(266)	(3,729)
Impairment loss recognised on available-for-sale investments	(4,543)	–
Gain on partial disposal of an associate	2,143	–
Fair value changes on investment properties	–	27,120
Revaluation surplus on buildings	–	65
Net foreign exchange gain	4,047	6,367
	<hr/>	<hr/>
	(335,544)	245,036

5. FINANCE COSTS

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

	Six months ended	
	31.12.2011	31.12.2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest on:		
Other borrowings wholly repayable within five years	35,671	27,272
Effective interest expense on convertible bonds	–	14,619
	<u>35,671</u>	<u>41,891</u>

6. TAXATION

	Six months ended	
	31.12.2011	31.12.2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
The current tax comprises:		
Hong Kong Profits Tax	–	9,413
Enterprise income tax in the People's Republic of China ("PRC")	133	181
	<u>133</u>	<u>9,594</u>

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

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

7. (LOSS) PROFIT FOR THE PERIOD

	Six months ended	
	31.12.2011	31.12.2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss) profit for the period has been arrived at after charging (crediting):		
Staff costs including directors' emoluments	12,277	4,653
Depreciation of property, plant and equipment	213	99
Interest income from:		
– loan notes	(6,145)	–
– available-for-sale debt instruments	(8,167)	–
– bank deposits and others	(706)	(504)
	<u> </u>	<u> </u>

8. DIVIDENDS

	Six months ended	
	31.12.2011	31.12.2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Dividend recognised as distribution – final dividend for eighteen months ended 30 June 2011 of HK\$0.04 (2010: final dividend for year ended 31 December 2009 of HK\$0.04) per share	21,922	22,268
	<u> </u>	<u> </u>

The directors do not recommend the payment of an interim dividend.

9. (LOSS) EARNINGS PER SHARE

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

	Six months ended	
	31.12.2011	31.12.2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
(Loss) earnings for the purpose of basic (loss) earnings per share attributable to the owners of the Company	<u>(345,255)</u>	500,916
Effect of dilutive potential ordinary shares – interest on convertible bonds		<u>14,619</u>
(Loss) earnings for the purpose of diluted (loss) earnings per share		<u>515,535</u>
	Number of shares	Number of shares
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share	<u>550,248,253</u>	556,698,697
Effect of dilutive potential ordinary shares – convertible bonds		<u>276,188,406</u>
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share		<u>832,887,103</u>

No diluted loss per share has been presented as there was no potential ordinary share outstanding during the six months ended 31 December 2011.

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

During the period, there was no material addition in investment properties and property, plant and equipment for the six months ended 31 December 2011.

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

At 31 December 2011, the directors considered that the carrying amounts of the investment properties and buildings included in property, plant and equipment carried at revalued amounts did not differ significantly from that which would be determined using fair values at the reporting date.

11. INTERESTS IN ASSOCIATES

In the current period, the Group subscribed 30% equity interest in Essence International Holdings Limited ("Essence"), a private company incorporated in Hong Kong, for a total consideration of RMB4,500,000 (approximately HK\$5,523,000). Essence is mainly engaged in Japanese ramen restaurant in the PRC and Hong Kong.

During November 2011, the Group disposed of 3.0% equity interests in Mabuhay Holdings Corporation ("Mabuhay"), a company listed on The Philippines Stock Exchange, for a consideration of HK\$4,286,000 in the open market. The partial disposal of Mabuhay resulted a gain of HK\$2,143,000. As at 31 December 2011, the Group had 31.74% equity interests in Mabuhay.

On 24 May 2011, the Company entered into a sales and purchase agreement with an independent third party, pursuant to which the Company would dispose and the third party would acquire the 27.65% equity interest in APAC Resources Limited ("APAC") at a consideration of HK\$1,330,658,000. The disposal is terminated on 24 October 2011 because the approval from the Australian Government in respect of the Australian listed associates of APAC was unable to be obtained. APAC continues to be associate of the Group during the six months ended 31 December 2011.

12. DEBTORS, DEPOSITS AND PREPAYMENTS

	31.12.2011	30.6.2011
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Debtors from securities trading	–	30,276
Deposits received for the disposal of APAC (<i>note</i>)	–	66,533
Deposits and receivables from the financial institutions	100,324	67,605
Other debtors, deposits and prepayments	45,795	64,849
	<u>146,119</u>	<u>229,263</u>

Note: As at 30 June 2011, an amount of approximately HK\$66,533,000 was received by a law firm in escrow account from the independent third party as initial refundable deposits on disposal of APAC. The deposit was returned to the independent third party upon the termination of the disposal. Details of transaction are disclosed in note 11.

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

13. CREDITORS AND ACCRUED CHARGES

	31.12.2011	30.6.2011
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Creditors from securities trading	13,785	14,251
Other creditors and accrued charges	20,583	7,648
2011 final dividend payable	21,922	–
	<u>56,290</u>	<u>21,899</u>

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

14. OTHER BORROWINGS

	31.12.2011	30.6.2011
	HK\$'000	HK\$'000
	(unaudited)	(audited)
Securities margin loans	1,239,614	1,320,792
Unsecured term loan	<u>150,000</u>	<u>150,000</u>
	<u>1,389,614</u>	<u>1,470,792</u>
Carrying amount repayable:		
On demand or within one year	<u>1,389,614</u>	<u>1,470,792</u>

The securities margin loans are secured by the Group's marketable securities, repayable on demand and bear interest at prevailing market rates.

15. DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments comprise gross-settled option contracts linked with equity securities listed in Hong Kong and option contracts linked with exchange rate of foreign currencies with certain brokers for a period of a year.

In respect of the equity accumulator contracts, the Group has approximately HK\$137,291,000 (30 June 2011: HK\$211,460,000) maximum cash outflow in return for listed securities within one year.

16. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 December 2011 and 30 June 2011	<u>30,000,000,000</u>	<u>300,000</u>
Issued and fully paid:		
At 1 July 2011	556,286,697	5,563
Repurchase of shares (Note)	<u>(8,720,000)</u>	<u>(87)</u>
At 31 December 2011	<u>547,566,697</u>	<u>5,476</u>

Note: Out of 8,720,000 shares repurchased, 8,248,000 shares were cancelled in current period while the remaining 472,000 shares were cancelled subsequent to the period end date.

17. PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to securities houses to secure short term credit facilities granted to the Group:

	31.12.2011 HK\$'000 (unaudited)	30.6.2011 HK\$'000 (audited)
Investments held for trading	1,029,150	1,198,601
Available-for-sale investments	159,690	528,120
Pledged bank deposits	<u>3,163</u>	<u>12,959</u>
	<u>1,192,003</u>	<u>1,739,680</u>

18. RELATED PARTY TRANSACTIONS

The Group has entered into the following related party transactions during the period:

	Six months ended	
	31.12.2011	31.12.2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interest income from loans receivable from an associate	3,169	1,596
Corporate service income from an associate	–	442
	<u> </u>	<u> </u>

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

	Six months ended	
	31.12.2011	31.12.2010
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries and other short-term employee benefits	2,316	1,575
Retirement benefit costs	18	18
	<u> </u>	<u> </u>
	<u>2,334</u>	<u>1,593</u>

DIVIDEND

The Directors do not recommend the payment of interim dividend for the period ended 31 December 2011 (2010: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the six months ended 31 December 2011, the Group recorded a reduced total revenue of HK\$182,302,000 (2010: HK\$1,274,741,000) with a loss attributable to shareholders of HK\$345,255,000 (2010: profit of HK\$500,916,000). The loss was mainly due to the mark-to-market unrealized loss from the trading portfolio of the Group. Loss per share (basic) for the six months ended 31 December 2011 was HK\$0.63 compared to an earnings per share (basic) of HK\$0.90 for a similar period in 2010.

The Group's net asset value per share as at 31 December 2011 was HK\$3.81 (2010: HK\$4.81).

REVIEW OF OPERATIONS

For the six months ended 31 December 2011, the global financial markets continued to face unabated uncertainties. There were worrying signs that major western economies would be slipping into recession, causing the economies of some emerging markets to slow down or even head towards a hard-landing as weaker overseas demand choked off exports. There were mounting concerns that Europe's sovereign debt crisis would transform into a systematic risk in the absence of any coordinated and decisive policy response from the European governments, which would further damage an already fragile global financial system.

Under such a gloomy economic outlook and turbulent market environment, the Group exercised extreme caution in its operation and reduced its business activities in trading and investment in financial securities and recorded a lower turnover of HK\$165,767,000 (2010: HK\$1,242,635,000) and loss of HK\$353,079,000 (2010: profit of HK\$265,126,000), mainly due to the mark-to-market unrealized loss from its trading portfolio of HK\$341,183,000 (2010: gain of HK\$210,504,000). As at 31 December 2011, the Group maintained a portfolio of available-for-sale investments of HK\$449,022,000 (31 December 2010: HK\$458,019,000) and a trading portfolio of HK\$1,098,910,000 (31 December 2010: HK\$1,298,805,000).

During the period under review, the Group's money lending business recorded a turnover of mainly interest income of HK\$14,932,000 (2010: HK\$30,769,000) and a profit of HK\$10,378,000 (2010: HK\$33,119,000) under a generally difficult credit environment. As at 31 December 2011, the Group's loan portfolio was reduced to HK\$150,898,000 from HK\$340,663,000 in 2010.

The Group's investment properties located in Hong Kong and China recorded a rental income of HK\$1,603,000 (2010: HK\$1,337,000) and a loss of HK\$13,742,000 (2010: profit of HK\$28,305,000) mainly attributed to the increased overhead for its feasibility studies on potential property development projects coupled with the absence of gain from fair value changes on investment properties (2010: HK\$27,120,000). As at 31 December 2011, the Group's investment properties portfolio amounted to HK\$142,266,000 (31 December 2010: HK\$127,495,000).

PRINCIPAL ASSOCIATED COMPANIES

The share of profits of associates of the Group for the six months ended 31 December 2011 was reduced to HK\$5,369,000 (2010: HK\$192,972,000). As at 31 December 2011, the Group's investment in associates was HK\$1,527,997,000 (31 December 2010: HK\$1,449,370,000).

Mabuhay Holdings Corporation (“MHC”) – approximately 31.74% owned by the Group

During the six months ended 31 December 2011, the Group recorded a gain on a partial disposal of its interest in MHC of HK\$2,143,000 (2010: nil) decreasing its shareholding in MHC to approximately 31.74% from 34%. MHC is a company incorporated in the Philippines with its common shares listed on the Philippine Stock Exchange and is engaged in investment 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 with two real estate projects, inclusive of a socialize housing project and a condominium project, 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 2011 subsequent to the Group’s interim result 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

Extra Earn is an investment holding company and through its PRC subsidiaries is engaged in urban infrastructure development, property development, hospital ownership and operations, and other investments in the PRC.

Extra Earn’s hospital ownership and operation consists of the Nanjing Tongren Hospital (南京同仁醫院) with 1,200 beds opened in 2007, the Kunming Tongren Hospital (昆明同仁醫院) with 500 beds opened in 2010 and Yunnan Xinxinhua Hospital (雲南新新華醫院) with 200 beds opened in 2004, all of which are integrated hospitals offering a wide range of comprehensive clinical and healthcare services.

APAC Resources Limited (“APAC”) – approximately 27.75% owned by the Group

During the period under review, following the share repurchase by APAC, the Group’s shareholding in APAC increased to approximately 27.75% from 27.5%. APAC is a company incorporated in Bermuda with its shares listed on The Stock Exchange of Hong Kong Limited (stock code: 1104). APAC group (APAC and its subsidiaries) is an established natural resources investment and commodities business group which focuses on natural resources with business lines comprising primary strategic investment; resource investment; and commodity business. During the six months ended 31 December 2011, APAC recorded a revenue of HK\$680,524,000 (2010: HK\$848,699,000) and profit attributable to shareholders of HK\$12,298,000 (2010: HK\$1,104,447,000) mainly attributed to the drop in the share of profit from its principal listed associates in Australia, namely Mount Gibson Iron Limited (“MGX”) and Metals X Limited (“MLX”) and unrealised fair value mark down on securities held for trading and investment. MGX is an Australian iron ore mining company with annual production capacity of 10 million tonnes per year from its iron ore mines. MLX is an Australian-based emerging diversified resources group with a primary focus on tin via its 50% interest in the producing Renison mine in Tasmania and nickel via its world scale Wingellina nickel development project.

In May 2011, the Group entered into a sale and purchase agreement to dispose of the Group’s entire interest in the shares of APAC for a total consideration of HK\$1,330,657,693. This disposal was duly approved by the shareholders of the Company at the special general meeting held on 9 August 2011. However, as the condition precedent that the purchaser obtaining approval from the Australian authorities for the transaction was not satisfied, a notice of termination was served by the purchaser on the Group and the disposal was subsequently cancelled.

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

As at 31 December 2011, the Group's non-current assets of HK\$2,072,032,000 (31 December 2010: HK\$2,091,885,000) consisted of investment properties of HK\$142,266,000 (31 December 2010: HK\$127,495,000); property, plant and equipment of HK\$5,119,000 (31 December 2010: HK\$4,117,000); interests in associates of HK\$1,527,997,000 (31 December 2010: HK\$1,449,370,000) and available-for-sale investments of HK\$396,650,000 (31 December 2010: HK\$454,211,000). These non-current assets are principally financed by shareholders' fund. As at 31 December 2011, the Group had net current assets of HK\$64,276,000 (31 December 2010: HK\$748,253,000) and current ratio of 1.04 times (31 December 2010: 1.68 times), calculated on the basis of the Group's current assets over current liabilities.

There was no outstanding principal of the Company's 9% unsecured three-year convertible bonds as at 31 December 2011 (31 December 2010: HK\$118,000,000).

As at 31 December 2011, the total borrowings of the Group amounted to HK\$1,389,614,000 (31 December 2010: HK\$1,056,869,000) consisting of current liabilities of securities margin loans of HK\$1,239,614,000 (31 December 2010: HK\$798,623,000) and unsecured term loan of HK\$150,000,000 (31 December 2010: HK\$150,000,000). As at 31 December 2011, 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 57.7% (31 December 2010: 34.4%).

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 2011, the Group's investments held for trading of HK\$1,029,150,000 (31 December 2010: HK\$689,376,000), available-for-sale investments of HK\$159,690,000 (31 December 2010: HK\$326,882,000) and bank balances of HK\$3,163,000 (31 December 2010: HK\$4,445,000) were pledged to securities houses to secure short term credit facilities granted to the Group.

EMPLOYEES

The Group had 32 employees as at 31 December 2011 (31 December 2010: 17). 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 sluggish rebound of the US economy and the endless tribulations and ongoing struggles to provide concrete measures to solve the Eurozone sovereign debt crisis has already had a negative impact on emerging markets. Given that these fundamental problems will continue to prevail and adversely affect the global economy and financial markets, it is expected that the economic outlook for 2012 will remain gloomy and the market sentiments will be constrained. Following the disposal of part of its investment portfolio, the Group will continue to review and rationalize its investment portfolio and strategies, and its business scope with a view to improving its financial performance.

Although market conditions will be difficult, the Group believes 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.

INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

As at 31 December 2011, 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 positions 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")	–	–	390,325,707 (Note)	–	390,325,707	71.22%

Note: Vigor Online Offshore Limited, a wholly-owned subsidiary of China Spirit Limited ("China Spirit"), owns 390,325,707 ordinary shares of the Company. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interest in 390,325,707 ordinary shares of the Company.

Save as disclosed above, as at 31 December 2011, 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 31 December 2011, 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 positions 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)	390,325,707	71.22%
China Spirit Limited ("China Spirit")	Held by controlled corporation (Note)	390,325,707	71.22%
Vigor Online Offshore Limited ("Vigor")	Beneficial owner (Note)	390,325,707	71.22%

Note: Vigor, a wholly-owned subsidiary of China Spirit, owns 390,325,707 ordinary shares of the Company. Ms. Chong maintains 100% beneficial interests in China Spirit. Accordingly, Ms. Chong is deemed to have corporate interest in 390,325,707 ordinary shares of the Company.

Save as disclosed above, as at 31 December 2011, there were no other parties who had interests or short positions in the shares or underlying shares of the Company as recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 interim report (including unaudited interim condensed consolidated financial statements for the six months ended 31 December 2011). 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.

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 of Hong Kong Limited (the “Listing Rules”) throughout the six months ended 31 December 2011.

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 31 December 2011.

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information on Directors are as follows :

- A bonus for the year 2010/2011 in an amount of HK\$240,000 was paid to each of Dato' Wong Peng Chong ("Dato' Wong") and Mr. Kong Muk Yin ("Mr. Kong"), the Executive Directors of the Company, in February 2012;
- The monthly salary of Dato' Wong and Mr. Kong, were increased by approximately 20% and 33% respectively with retrospective effect from 1 January 2011, as compared with 2010 ;
- Mr. Lau Siu Ki, an Independent Non-Executive Director of the Company, has been appointed as chairman of Audit Committee of the Company and resigned as chairman of Remuneration Committee of the Company both effective on 8 December 2011; and
- Mr. Ma Wah Yan, an Independent Non-Executive Director of the Company, has been appointed as chairman of Remuneration Committee of the Company effective on 8 December 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period, the Company repurchased a total of 8,720,000 ordinary shares in the capital of the Company on the Stock Exchange in the range from HK\$0.90 to HK\$1.51 for a total consideration of HK\$11,642,920. The said shares were subsequently cancelled.

Out of 8,720,000 repurchased ordinary shares, 8,248,000 repurchased ordinary shares were cancelled during the period, and the remaining 472,000 repurchased ordinary shares were cancelled subsequent to the period end date. The issued share capital of the Company was accordingly reduced by the par value of the repurchased ordinary shares so cancelled. The above repurchases were effected by the Directors pursuant to the mandate from shareholders, with a view to benefit Shareholders as a whole in enhancing the net assets value and/or earnings per share of the Company.

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, 27 February 2012

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 Mr. Lau Siu Ki, Mr. Ma Wah Yan and Mr. Zhang Jian as Independent Non-Executive Directors.