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# CROSBY

## CROSBY CAPITAL LIMITED

(高誠資本有限公司)\*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8088)**

### **PROPOSED VOLUNTARY LIQUIDATION OF (1) CROSBY WEALTH MANAGEMENT (ASIA) LIMITED AND (2) CROSBY WEALTH MANAGEMENT (HONG KONG) LIMITED**

This announcement is made by Crosby Capital Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 and 17.27(1)(c) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

#### **PROPOSED VOLUNTARY LIQUIDATION OF CWM ASIA AND CWM HK**

The board of directors of the Company wishes to inform its shareholders and potential investors that after trading hours on 11 March 2013, each of the board of directors of Crosby Wealth Management (Asia) Limited (“**CWM Asia**”) and Crosby Wealth Management (Hong Kong) Limited (“**CWM HK**”) (together, the “**CWM Group**”) resolved to recommend the voluntary liquidation of CWM Asia and CWM HK, respectively, to their shareholders. CWM Asia is indirectly owned as to 55.86% by the Company and CWM HK is a wholly-owned operating subsidiary of CWM Asia. Therefore, both CWM Asia and CWM HK are subsidiaries of the Company. The proposed voluntary liquidation of CWM Asia and CWM HK shall be subject to the approval of the shareholders of CWM Asia controlling at least 75% of the voting rights of CWM Asia.

\* *for identification purposes only*

## **INFORMATION ON THE CWM GROUP**

CWM Asia is the holding company of CWM HK, which is principally engaged in providing wealth management advisory services to high net-worth clients. The CWM Group had total consolidated revenues of US\$0.3 million and US\$1.3 million for the six months ended 30 June 2012 and the twelve months ended 31 December 2011, respectively, accounting for 22.4% and 23.2% of the Group's total consolidated revenues for the same period, respectively. The CWM Group had total division losses of US\$0.5 million and US\$2.1 million for the six months ended 30 June 2012 and the twelve months ended 31 December 2011, respectively, compared with total net profits of US\$0.4 million and net losses of US\$7.3 million from continuing operations of the Group for the same period, respectively. As of 30 June 2012, the CWM Group had total consolidated assets of US\$0.9 million compared with the Group's total consolidated assets of US\$22.7 million on the same date. As the consolidated revenues of the CWM Group for the year ended 31 December 2011 represented more than 5% of the total consolidated revenues of the Group for the same period, CWM Asia and CWM HK are considered as major subsidiaries of the Company for the purpose of Rule 17.27(1)(c) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited.

## **REASONS FOR THE VOLUNTARY LIQUIDATION OF THE CWM GROUP**

The performance of the CWM Group had been negatively affected by several factors since the onset of the global financial crisis in the 2008, including substantial decline in assets under management leading to reduction in fee revenues and rise in expenses in relation to insurance premiums and defense of lawsuits against CWM HK in the aftermath of the global financial crisis. Despite various attempts to lower its operating costs and to solicit capital injections from all its shareholders, the CWM Group has continued to suffer from losses and further erosion of its capital base, leading to insufficient regulatory capital to continue its operation. Based on their assessments of the future business prospects of the CWM Group and the lack of further funding support from its shareholders, the boards of CWM Asia and CWM HK are of the view that it will be in the interests of the shareholders of the CWM Group to discontinue its business and put both of CWM Asia and CWM HK into voluntary liquidation.

Save for the loss in revenues contributed by the CWM Group, the Board considers that the voluntary liquidation of the CWM Group will not have any material adverse impact on the operation of the Group as the CWM Group has been loss-making prior to being proposed for voluntary liquidation. The other businesses of the Group, being fund management and direct investment, operate independently of the CWM Group and will not be affected by the liquidation of the CWM Group.

By Order of the Board  
**CROSBY CAPITAL LIMITED**  
**Johnny Chan Kok Chung**  
*Executive Director*

Hong Kong, 11 March 2013

*As at the date hereof, the Board comprised :*

*Executive Directors: Johnny Chan Kok Chung, Jeffrey Lau Chun Hung,  
Ulric Leung Yuk Lun and Douglas Craham Morin*

*Non-Executive Director: Robert John Richard Owen*

*Independent Non-Executive Directors: David John Robinson Herratt, Joseph Tong Tze Kay and  
Daniel Yen Tzu Chen*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at [www.crosbycapitallimited.com](http://www.crosbycapitallimited.com).*