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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)**

**PLACING OF NEW SHARES,  
ISSUE OF BONUS WARRANTS,  
GRANTING OF OVER-ALLOTMENT OPTION  
UNDER SPECIFIC MANDATE  
AND  
DELAY IN DESPATCH OF CIRCULAR**

**Placing Agent**



**GREAT ROC**  
CAPITAL SECURITIES LIMITED  
鴻鵬資本證券有限公司

**PLACING OF NEW SHARES, ISSUE OF BONUS WARRANTS, GRANTING OF OVER-ALLOTMENT OPTION UNDER SPECIFIC MANDATE AND DELAY IN DESPATCH OF CIRCULAR**

On 20 December 2013 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed on a best effort basis during the Placing Period to procure Placees to subscribe for up to 38,460,000 Placing Shares with the entitlement to the Bonus Warrants at nil consideration on the basis of one Bonus Warrant for every two Placing Shares placed upon Completion.

\* For identification purposes only

Pursuant to the Placing Agreement, the Company has granted an Over-allotment Option to the Placing Agent to require the Company to issue and allot up to a further 25,640,000 Over-allotment Shares together with entitlement to Bonus Warrants at nil consideration on the basis of one Bonus Warrant to every two Over-allotment Shares issued to the subscribers of the Over-allotment Shares upon Completion, to such subscriber or subscribers as the Placing Agent shall direct at the Placing Price.

The maximum gross proceeds from the Placing and the full exercise of the Over-allotment Option will be approximately HK\$30,000,000 and HK\$20,000,000, respectively. The net proceeds from the Placing and the full exercise of the Over-allotment Option will amount to approximately HK\$29,500,000 and HK\$19,800,000, respectively, which is intended to be used for general working capital of the Group and for any potential investment opportunities in the future. The net price raised per Placing Share and Over-allotment Share will be approximately HK\$0.767 per Share and HK\$0.772 per Share, respectively.

Assuming the full exercise of the Subscription Rights, it is expected that additional net proceeds of up to approximately HK\$25,500,000 can be raised, which will also be used for general working capital of the Group and for any potential investment opportunities in the future.

### **General**

The Placing is conditional upon (i) the passing of an ordinary resolution by the Shareholders to approve the Placing and the Specific Mandate at the EGM; (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares, the Over-allotment Shares and the Subscription Shares upon exercise of the Subscription Rights by the Warrantholders on GEM of the Stock Exchange; and (iii) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date.

The EGM will be convened and held to consider and, if thought fit, approve, among other matters, (i) the Placing; and (ii) the grant of the Specific Mandate for the allotment and issue of the Placing Shares, the Over-allotment Shares and the Subscription Shares upon exercise of the Subscription Rights by the Warrantholders.

To the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the Placing Agreement as at the date of this announcement. Accordingly, none of the Shareholders will be required to abstain from voting at the EGM in respect of the relevant resolution relating to the Placing and the Specific Mandate.

Reference is made to the announcement of the Company dated 10 December 2013 in relation to, among other things, the Sale and Purchase Agreement (the “**Announcement**”). The circular referred to in the Announcement that will be despatched to the Shareholders shall further contain, among other things, (i) further details of the Placing Agreement and the transactions contemplated thereunder including the issue of Bonus Warrants, Over-allotment Option and grant of the Specific Mandate; and (ii) a notice convening the EGM.

As additional time is required to prepare and to finalise the contents of the circular, taking into account the intervening Christmas and New Year public holidays, the Company expects that the date of despatch of the abovementioned circular will be postponed to a date falling on or before 20 January 2014.

**Shareholders and potential investors should note that Completion is subject to the satisfaction of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed and the Over-allotment Option may or may not be exercised, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

### **Date**

20 December 2013 (after trading hours)

### **Issuer**

The Company

### **Placing Agent**

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

### **The Placing**

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed on a best effort basis during the Placing Period to procure Placees to subscribe for up to 38,460,000 Placing Shares with the entitlement to the Bonus Warrants at nil consideration on the basis of one Bonus Warrant for every two Placing Shares placed upon Completion. The Directors are of the view that the terms of the Placing are fair and reasonable based on current market conditions.

## **The Over-allotment Option**

Pursuant to the Placing Agreement, the Company has granted an Over-allotment Option to the Placing Agent to require the Company to issue and allot up to a further 25,640,000 Over-allotment Shares together with entitlement to Bonus Warrants at nil consideration on the basis of one Bonus Warrant to every two Over-allotment Shares issued to the subscribers of the Over-allotment Shares upon Completion, to such subscriber or subscribers as the Placing Agent shall direct at the Placing Price.

The Over-allotment Option shall be exercisable for any Over-allotment Shares against the Company, and will be exercisable during the Over-allotment Exercise Period, but, subject thereto, may be exercised in whole or in part from time to time for the purpose of covering over-allotments which may be made in connection with the Placing of the Placing Shares.

## **Placees**

The Placing Shares together with the Over-allotment Shares will be placed to not less than six subscribers for such new Shares who and whose ultimate beneficial owners (i) are not connected persons of the Company; and (ii) independent of and not connected nor acting in concert (as defined in the Takeover Code) with the Company or any members of the Group, their respective directors, chief executive or substantial shareholders or any or their respective associates. It is expected that none of the Placees will become a Substantial Shareholder immediately after the Placing.

## **Number of Placing Shares and the Over-allotment Shares**

The maximum number of 38,460,000 Placing Shares under the Placing represents:

- (i) approximately 10.00% of the existing issued share capital of the Company of 384,561,967 Shares as at the date this announcement;
- (ii) approximately 9.09% of the then issued share capital of 423,021,967 Shares as enlarged by the Placing, assuming the Over-allotment Option and the Subscription Rights have not been exercised;
- (iii) approximately 8.70% of the then issued share capital of 442,251,967 Shares as enlarged by the Placing and the full exercise of the Subscription Rights attached thereto, assuming the Over-allotment Option and the Subscription Rights attached thereto have not been exercised; and

- (iv) approximately 8.00% of the then issued share capital of 480,711,967 Shares as enlarged by the Placing, and the full exercise of the Over-allotment Option and the Subscription Rights.

The maximum number of 25,640,000 Over-allotment Shares represents:

- (i) approximately 6.67% of the existing issued share capital of the Company of 384,561,967 Shares as at the date this announcement;
- (ii) approximately 6.06% of the then issued share capital of 423,021,967 Shares as enlarged by the Placing, assuming the Over-allotment Option and the Subscription Rights have not been exercised;
- (iii) approximately 5.80% of the then issued share capital of 442,251,967 Shares as enlarged by the Placing and the full exercise of the Subscription Rights attached thereto, assuming the Over-allotment Option and the Subscription Rights attached thereto have not been exercised; and
- (iv) approximately 5.33% of the then issued share capital of 480,711,967 Shares as enlarged by the Placing, and the full exercise of the Over-allotment Option and the Subscription Rights.

### **Ranking of Placing Shares and the Over-allotment Shares**

The Placing Shares and the Over-allotment Shares will rank, upon issue, *pari passu* in all respects with the Shares as at the Closing Date and the date on which the Subscription Shares are issued pursuant to the Instrument, respectively.

### **Placing Price and Over-allotment Price**

The Placing Price of HK\$0.78 per Placing Share represents:

- (i) a premium of approximately 8.33% to the closing price of the Shares of HK\$0.720 quoted on Stock Exchange on the date of this announcement; and
- (ii) a premium of approximately 0.26% to the average closing prices of the Shares of HK\$0.778 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement.

The Over-allotment Price of HK\$0.78 per Over-allotment Share represents:

- (i) a premium of approximately 8.33% to the closing price of the Shares of HK\$0.720 quoted on Stock Exchange on the date of this announcement; and
- (ii) a premium of approximately 0.26% to the average closing prices of the Shares of HK\$0.778 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement.

The Placing Price and Over-allotment Price were determined with reference to the prevailing market price of the Shares and were negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing and the Over-allotment Option are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing and Over-allotment Option are in the interest of the Company and the Shareholders as a whole.

### **Placing Commission**

In consideration of the services of the Placing Agent in connection with the Placing, Company shall pay the Placing Agent a placing commission of 0.5% of the amount equal to the Placing Price multiplied by the number of the Placing Shares which the Placing Agent has successfully procured subscribers for at the end of the Placing Period.

The placing commission payable to the Placing Agent under the Placing Agreement was negotiated on an arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the market rate.

### **Conditions Precedent**

The Placing is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Placing and the Specific Mandate at the EGM;
- (ii) the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares, the Over-allotment Shares and the Subscription Shares upon the exercise of the Subscription Rights by the Warrantholders on GEM of the Stock Exchange; and
- (iii) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Closing Date.

The Placing Agreement shall automatically cease and terminate if the above conditions (i) and (ii) remain unfulfilled at or before 4:00 p.m. on 28 February 2014 or such later date as may be agreed between the Company and the Placing Agent in writing and in such event all obligations of the Placing Agent and of the Company under the Placing Agreement shall cease and determine and none of the parties thereto shall have any claim against the other in relation thereto.

### **Bonus Warrants**

A total number of 32,050,000 Bonus Warrants are proposed to be issued at nil consideration (i) on the basis of one Bonus Warrant to every two Placing Shares and (ii) on the basis of one Bonus Warrant to every two Over-allotment Shares.

Each Bonus Warrant carries the right to subscribe for one Subscription Share at the Subscription Price (subject to adjustment).

The Subscription Rights attaching to the Bonus Warrants can be exercised at any time during a period of three years commencing from the date of issue of the Bonus Warrants.

The Subscription Shares, when fully paid and allotted, will rank pari passu in all respects with the Shares then in issue on the date of allotment and issue of the relevant Subscription Shares and among themselves.

The Placing Agreement provides that the Bonus Warrants are to be issued to the Placees and the subscribers of the Over-allotment Shares upon Completion in registered form and constituted by the Instrument, substantially in the form of the draft set out in a schedule to the Placing Agreement. The Bonus Warrants will rank pari passu in all respects among themselves.

The principal terms of the Instrument and the Bonus Warrants are summarised below.

The principal terms of the Instrument and the Bonus Warrants are summarized below:

Minimum subscription: any subscription for the Subscription Shares must be in integral multiples of 2,000 Bonus Warrants

Exercise Period: the period of 3 years commencing from the date of issue of the Bonus Warrants

**Subscription Price:** HK\$0.80, being the initial subscription price per Subscription Share but subject to standard adjustment clauses including consolidation or subdivision of the Shares, capitalisation of profits or reserves, capital distributions, issue of shares and other securities by way of rights and issue of new Shares at a price which is less than 90% of the then market price of the Shares

**Transferability:** the Bonus Warrants shall be transferable in integral multiples of 2,000 Bonus Warrants by instrument of transfer in any usual or common form or such other form as may be approved by the Directors

**Ranking:** The Bonus Warrants will rank *pari passu* among themselves. The Subscription Shares, when fully paid and allotted, will rank *pari passu* in all respects with the Shares then in issue on the date of allotment and issue of the relevant Subscription Shares and among themselves

### **Number of Subscription Shares**

Upon full exercise of the Subscription Rights attaching to the Bonus Warrants, the Company will issue an aggregate of 32,050,000 Subscription Shares, representing:

- (i) approximately 8.33% of the existing issued share capital of the Company of 384,561,967 Shares as at the date this announcement;
- (ii) approximately 7.58% of the then issued share capital of 423,021,967 Shares as enlarged by the Placing, assuming the Over-allotment Option and the Subscription Rights have not been exercised;
- (iii) approximately 7.25% of the then issued share capital of 442,251,967 Shares as enlarged by the Placing and the full exercise of the Subscription Rights attached thereto, assuming the Over-allotment Option and the Subscription Rights attached thereto have not been exercised; and
- (iv) approximately 6.67% of the then issued share capital of 480,711,967 Shares as enlarged by the Placing and the full exercise of the Over-allotment Option and the Subscription Rights.



## **Subscription Price of the Bonus Warrants**

The Subscription Price of HK\$0.80 per Subscription Share represents:

- (i) a premium of approximately 11.11% to the closing price of the Shares of HK\$0.720 quoted on the Stock Exchange on the date of this announcement; and
- (ii) a premium of approximately 2.83% to the average closing prices of the Shares of HK\$0.778 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Bonus Warrants are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Bonus Warrants are in the interest of the Company and the Shareholders as a whole.

## **Completion**

The Completion shall take place within five (5) Business Days after the Placing Agreement having become unconditional or such other date as the Company and the Placing Agent may mutually agree in writing.

**Shareholders and potential investors should note that Completion is subject to the satisfaction of the conditions precedent under the Placing Agreement. As the Placing may or may not proceed and the Over-allotment Option may or may not be exercised, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **Termination**

The Placing Agreement may be terminated by the Placing Agent if at any time at or before 10:00 a.m. on the date of Closing Date, there occurs:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company; or

- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (iii) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the completion of the placing of the Placing Shares and the issue of the Bonus Warrants to potential investor(s)) or otherwise in the sole and absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (iv) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or
- (v) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any respect or would in any respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing.

**Specific mandate to allot and issue the Placing Shares, the Over-allotment Shares and the Subscription Shares**

The Placing Shares, the Over-allotment Shares and the Subscription Shares will be issued and allotted pursuant to the Specific Mandate to be sought at the EGM.

**Application for listing of the Placing Shares, the Over-allotment Shares and the Subscription Shares**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares, the Over-allotment Shares and the Subscription Shares.

## EFFECTS ON SHAREHOLDING STRUCTURE

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after the completion of the Placing, assuming the Over-allotment Option and the Subscription Rights have not been exercised; (iii) immediately after the completion of the Placing and the full exercise of the Subscription Rights attached thereto, assuming the Over-allotment Option and the Subscription Rights attached thereto have not been exercised; (iv) immediately after the completion of the Placing, assuming the Over-allotment Option, assuming the Subscription Rights have not been exercised; and (v) immediately after the completion of the Placing, and the full exercise of the Over-allotment Option and the Subscription Rights.

	Approx. No. of Shares	(i) As at the Latest Practicable Date		(ii) Immediately after the completion of the Placing, assuming the Over-allotment Option and the Subscription Rights have not been exercised		(iii) Immediately after the completion of the Placing and the full exercise of the Subscription Rights attached thereto, assuming the Over-allotment Option and the Subscription Rights attached thereto have not been exercised		(iv) Immediately after the completion of the Placing and the full exercise of the Over-allotment Option, assuming the Subscription Rights have not been exercised		(v) Immediately after the completion of the Placing, and the full exercise of the Over-allotment Option and the Subscription Rights						
		Approx. No. of Shares	%	Approx. No. of Shares	%	Approx. No. of Shares	%	Approx. No. of Shares	%	Approx. No. of Shares	%					
Legend Vantage Limited (Note 3)	57,874,051	15.05	57,874,051	13.68	57,874,051	8.45	57,874,051	13.08	57,874,051	12.90	57,874,051	8.14	57,874,051	12.04	57,874,051	7.79
Able Supreme Management Limited (Note 4)	45,818,745	11.91	45,818,745	10.83	45,818,745	24.65	45,818,745	10.36	168,856,523	10.21	168,856,523	23.76	45,818,745	9.53	168,856,523	22.74
Yang Shengrong	31,719,717	8.25	31,719,717	7.50	31,719,717	4.63	31,719,717	7.17	31,719,717	7.07	31,719,717	4.47	31,719,717	6.60	31,719,717	4.27
Man Wealth Enterprises Limited (Note 5)	74,620,421	19.40	74,620,421	17.64	74,620,421	10.90	74,620,421	16.87	74,620,421	16.63	74,620,421	10.50	74,620,421	15.52	74,620,421	10.05
Fortune Builder Limited (Note 6)	3,300,000	0.86	3,300,000	0.78	3,300,000	3.00	3,300,000	0.75	20,554,370	0.74	20,554,370	2.89	3,300,000	0.69	20,554,370	2.77
Unlimited Creativity Holdings Limited	24,358,974	6.34	24,358,974	5.76	24,358,974	3.56	24,358,974	5.51	24,358,974	3.46	24,358,974	3.43	24,358,974	5.07	24,358,974	3.28
The Places	-	-	38,460,000	9.09	38,460,000	5.61	38,460,000	8.70	38,460,000	8.57	38,460,000	5.41	38,460,000	8.00	38,460,000	5.18
Holders of Over-allotment Shares	-	-	-	-	-	-	-	-	25,640,000	5.71	25,640,000	3.61	25,640,000	5.33	25,640,000	3.45
Holders of Subscription Shares	-	-	-	-	-	-	-	19,230,000	4.35	19,230,000	2.73	-	32,050,000	6.67	32,050,000	4.31
Other public Shareholders	146,870,059	38.19	146,870,059	34.72	268,566,806	39.20	146,870,059	33.21	268,566,806	38.13	146,870,059	37.79	146,870,059	30.55	268,566,806	36.16
<b>Total</b>	<b>384,561,967</b>	<b>100</b>	<b>423,021,967</b>	<b>100</b>	<b>685,010,862</b>	<b>100</b>	<b>442,251,967</b>	<b>100</b>	<b>704,240,862</b>	<b>100</b>	<b>448,661,967</b>	<b>100</b>	<b>480,711,967</b>	<b>100</b>	<b>742,700,862</b>	<b>100</b>

*Notes:*

1. assuming no exercise of share options or warrants, or conversion of redeemable convertible preference shares or convertible bonds.
2. assuming all share options and warrants are fully exercised and all redeemable convertible preference shares and convertible bonds are converted in full.
3. Legend Vantage Limited (“**Legend Vantage**”) owns 57,874,051 ordinary shares of the Company. Mr. Li Guangrong is deemed to be interest in these shares through his 100% interests in Legend Vantage.
4. Able Supreme Management Limited (“**Able Supreme**”) held 45,818,745 ordinary shares and 123,037,778 ordinary shares will be allotted and issued upon full conversion of 6,388,500 RCPS at conversion price of HK\$0.81 per share (reset on 5 December 2013). The entire issued share capital of Able Supreme is held by Billion Pine International Limited, which in turn is beneficially wholly owned by Mr. Hu Yin. Accordingly, he is deemed to be interest in these shares through his 100% indirect interests in Able Supreme.
5. Main Wealth Enterprises Limited (“**Main Wealth**”) owns 74,620,421 ordinary shares of the Company. The entire issued share capital of Main Wealth is held by Proven Bravo Limited, which in turn is beneficially wholly owned by Mr. Feng Yuantao. Accordingly, he is deemed to be interested in these shares through his 100% indirect interest in Main Wealth.
6. Fortune Builder Limited (“**Fortune Builder**”) owns 3,300,000 Shares interests and 895,900 RCPS of the Company which can be convertible into 17,254,370 Shares at conversion price of HK\$0.81 per Shares (reset on 5 December 2013) upon full conversion. Mr. Clive Ng Cheang Neng, the Chairman and Executive Director of the Company is deemed to be interest in these shares through his 100% interests in Fortune Builder.

## **REASONS FOR THE PLACING AND GRANTING OF OVER-ALLOTMENT OPTION AND USE OF PROCEEDS**

The Group is engaged in the business of asset management and direct investment.

The maximum gross proceeds from the Placing and the full exercise of the Over-allotment Option will be approximately HK\$30,000,000 and HK\$20,000,000, respectively. The net proceeds from the Placing and the full exercise of the Over-allotment Option will amount to approximately HK\$29,500,000 and HK\$19,800,000, respectively, which is intended to be used for general working capital of the Group and for any potential investment opportunities in the future. The net price raised per Placing Share and Over-allotment Share will be approximately HK\$0.767 per Share and HK\$0.772 per Share, respectively.

Assuming the full exercise of the Subscription Rights, it is expected that additional net proceeds of up to approximately HK\$25,500,000 can be raised, which will also be used for general working capital of the Group and for any potential investment opportunities in the future.

The Directors have considered various ways of raising funds and believe that the Placing represents an opportunity to raise capital for the Group while broadening its Shareholder and capital base. Accordingly, the Directors are of the view that the Placing is in the best interest of the Company and its Shareholders as a whole.

## **EGM**

Subject to the fulfillment of the conditions precedent in the Placing Agreement, the proposed issue of the respective Placing Shares, Over-allotment shares and Subscription Shares is subject to Shareholders' approval.

The EGM will be convened and held to consider and, if thought fit, approve, among other matters, (i) the Placing; and (ii) the grant of the Specific Mandate for the allotment and issue of the Placing Shares, the Over-allotment Shares and the Subscription Shares upon exercise of the Subscription Rights by the Warrantholders.

To the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the Placing Agreement as at the date of this announcement. Accordingly, none of the Shareholders will be required to abstain from voting at the EGM in respect of the relevant resolution relating to the Placing and the Specific Mandate.

Reference is made to the announcement of the Company dated 10 December 2013 in relation to, among other things, the Sale and Purchase Agreement (the "**Announcement**"). The circular referred to in the Announcement that will be despatched to the Shareholders shall further contain, among other things, (i) further details of the Placing Agreement and the transactions contemplated thereunder including the issue of Bonus Warrants, Over-allotment Option and grant of the Specific Mandate; and (ii) a notice convening the EGM.

As additional time is required to prepare and to finalise the contents of the circular, taking into account the intervening Christmas and New Year public holidays, the Company expects that the date of despatch of the abovementioned circular will be postponed to a date falling on or before 20 January 2014.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following are the equity fund raising activities of the Company in the past twelve months:

Date of announcement	Event	Approximate net proceeds	Intended use of net proceeds	Actual use of proceeds
8 November 2013 and 12 November 2013	Placing of 27,552,000 Shares under General Mandate	HK\$18,500,000	General working capital of the Group and for any potential investment opportunities in the future	General working capital of the Group and for any potential investment opportunities in the future

## DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Bonus Warrants”	an aggregate of 32,050,000 unlisted bonus warrants, being 19,230,000 unlisted bonus warrants issued to the Placees for every two Placing Shares placed to them upon completion of the Placing and 12,820,000 unlisted bonus warrants issued to the subscribers of the Over-allotment Shares upon exercise of the Over-allotment Option, conferring rights to subscribe HK\$25,640,000 in aggregate for the Shares, equivalent to the aggregate subscription price for a total of 32,050,000 Shares on the basis of an initial subscription price of HK\$0.80 per Share (subject to adjustment), during the 3-year period commencing from the date of issue of the Bonus Warrants proposed to be issued in accordance with the terms of the Placing Agreement

“Business Day”	a day on which banks in Hong Kong are open for general banking business, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Closing Date”	the Completion shall take place within five (5) Business Days after the Placing Agreement having become unconditional or such other date as the Company and the Placing Agent may mutually agree in writing
“Company”	Crosby Capital Limited, a company incorporated in the Cayman Islands with limited liability and the issue Shares of which are listed on GEM
“Completion”	completion of the Placing and where applicable, the completion of the subscription for the Over-allotment Shares (subject to exercise of the Over-allotment Option)
“connected person(s)”	has the meanings as ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened by the Company to approve the Placing and the Specific Mandate and all matters contemplated thereunder
“Exercise Period”	in relation to the Bonus Warrants, the period from the date of issue of the Bonus Warrants to the date falling on the 3rd anniversary of the issue of the Bonus Warrants
“GEM”	the Growth Enterprises Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM



“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 10 May 2013 to allot, issue and deal with additional Shares not exceeding 20% of the aggregate nominal amount of the then issued share capital of the Company as at the date of such annual general meeting
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and director, chief executive and substantial shareholder of the Company or any of its subsidiaries or their respective associates
“Instrument”	the instrument constituting the Bonus Warrants
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Over-allotment Exercise Period”	from the date falling on the last day of the Placing Period and will expire on the date which is five (5) Business Days from such last day of the Placing Period
“Over-allotment Option”	the option granted by the Company to the Placing Agent to require the Company to issue and allot up to the Over-allotment Shares pursuant to the Placing Agreement
“Over-allotment Shares”	up to an aggregate of 25,640,000 additional Shares which the Company may be required to issue and allot at the HK\$0.78 per pursuant to the Over-allotment Option
“Placees”	Institutional, professional and/or individual investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement

“Placing”	the Placing, on the best efforts basis, of up to 38,460,000 Placing Shares with entitlement to the Bonus Warrants on the basis of one Bonus Warrant to every two Placing Shares placed pursuant to the terms of the Placing Agreement
“Placing Agent”	Great Roc Capital Securities Limited, an exchange participant of the Stock Exchange and a licensed corporation to carry out Type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 20 December 2013 and entered into between the Company and the Placing Agent in relation to the Placing, Over-allotment Option and Bonus Warrants
“Placing Period”	the period commencing immediately after the date of the EGM and expiring at 5:00 p.m. on the fifth Business Day from the date of EGM approving the Placing and the Specific Mandate (or such later time and date as the parties may agree in writing)
“Placing Price”	HK\$0.78 per Placing Share
“Placing Shares”	up to 38,460,000 new Shares to be placed under the Placing
“RCPS”	redeemable convertible preference shares of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10 December 2013 and entered into amongst, the Company, Action Key Investments Limited (a wholly owned subsidiary of the Company) as purchaser and HMV Asia Limited, Ms. Wong Nga Fan, Ms. Butt, Emily Oy-Fong and Mr. Wu King Shiu, Kelvin as the vendors in relation to the sale and purchase of 4,680 shares of US\$1.00 each in the capital of Billion Merit Investments Limited (to be renamed HMV New Entertainment & Lifestyle Limited)
“Share(s)”	ordinary share(s) of US\$0.01 each in the capital of the Company

“Shareholder(s)”	holder(s) of the issued Share(s)
“Specific Mandate”	the specific mandate to be granted to the Directors at EGM to allot and issue the Placing Shares, the Over-allotment Shares and the Subscription Shares upon the exercise of the Subscription Rights by the Warrantholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	an initial subscription price of HK\$0.80 per Subscription Share (subject to standard adjustment clauses in the Instrument, at which the Warrantholders may subscribe for the Subscription Shares(s))
“Subscription Rights”	the rights attached to the Bonus Warrants to subscribe for Subscription Shares as provided under the Instrument
“Subscription Shares”	Shares to be issued upon the exercise of the Subscription Rights attaching to the Bonus Warrants
“Warrantholders”	the holder(s) of the Bonus Warrants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By order of the Board  
**CROSBY CAPITAL LIMITED**  
**Nelson Tong Naiyi**  
*Executive Director*

Hong Kong, 22 December 2013

*As at the date of this announcement, the Directors of the Company are:*

*Executive Directors: Liu Guang He, Clive Ng Cheang Neng, Stephen Shiu Junior and Nelson Tong Naiyi*

*Independent Non-Executive Directors: Shi Jinsheng, Sin Hendrick and Yuen Kwok On*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particular given in compliance with the GEM Listing Rules for the purpose of giving information with regards to the Company. The directors of the Company, 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 Crosby Capital Limited at [www.crosbycapitallimited.com](http://www.crosbycapitallimited.com).*