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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)**

### **DISCLOSEABLE TRANSACTION**

The Board of the Company hereby announces that the Company has signed a subscription agreement to invest HK\$20 million in a Note issued by Silver Pointer Limited, a wholly-owned subsidiary of Shikumen Special Situations Fund, an investment fund managed by Shikumen, a wholly-owned subsidiary of the Company, on 26 March 2012. Silver Pointer Limited is established by Shikumen Special Situations Fund to pursue private equity investment opportunities as permitted under its investment mandate.

As the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the amount of capital commitment for such Investment exceeded 5% but are less than 25%, the subscription of the Note constitutes a discloseable transaction under Rule 19.34 of the GEM Listing Rules.

### **NOTE SUBSCRIPTION AGREEMENT DATED 26 MARCH 2012**

#### **Parties**

Purchaser: Steeple Capital Limited, a wholly-owned subsidiary of the Company

Issuer: Silver Pointer Limited, a company incorporated in the British Virgin Islands and wholly-owned by Shikumen Special Situations Fund

Silver Pointer Limited is an investment holding company established by Shikumen Special Situations Fund, an investment fund managed by Shikumen, to pursue private equity investment opportunities as permitted under its investment mandate. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Issuer and its ultimate beneficial owners are independent third parties not connected with the Company or connected persons of the Company.

\* For identification purposes only

## **Principal Terms of the Note**

Amount:	HK\$20,000,000
Maturity:	3 years from the date of the Note Subscription Agreement
Yield to Maturity:	12% per annum payable at maturity
Early Redemption:	The Issuer has the option to early redeem part or all of the outstanding amount (together with any accrued unpaid interest) anytime after the end of the six-month period from the date of the Note Subscription Agreement
Use of Proceeds:	The Issuer shall deploy the proceeds from the issuance of the Note to pursue private equity investment opportunities as permitted under the investment mandate of Shikumen Special Situations Fund (please refer to Information of Shikumen Special Situations Fund and Silver Pointer Limited below)

The terms of the Note were determined after taking into consideration the prevailing interest rates in the market, the expected return and the expected leverage ratios of the Shikumen Special Situations Fund and Silver Pointer Limited. The Directors consider that the subscription of the Note is on normal commercial terms and the terms of the Note are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF SHIKUMEN SPECIAL SITUATIONS FUND AND SILVER POINTER LIMITED**

Shikumen Special Situations Fund is an investment fund incorporated in the Cayman Islands managed by Shikumen. The investment mandate of the Shikumen Special Situations Fund is to focus on deal-driven and event-related investments primarily in Greater China which may involve the purchase and sale of public and private securities and assets that are the subject of merger and acquisition activities, corporate reorganizations, stock placements, distress, spin-offs and other significant corporate actions.

Silver Pointer Limited is a wholly-owned subsidiary of Shikumen Special Situations Fund incorporated in the British Virgin Islands and established to pursue private equity investment opportunities that fall within the above investment mandate of the Shikumen Special Situations Fund.

## **REASONS FOR THE SUBSCRIPTION OF THE NOTE**

The Group is principally engaged in the businesses of asset management and direct investment. As disclosed in the circular dated 21 July 2011 and the prospectus dated 23 August 2011 in relation to the rights issues of the Company, the Group underwent a restructuring of its business in 2010 and acquired Shikumen so as to expand its asset management services. The Company completed the rights issue in September 2011 and raised net proceeds of about HK\$44 million. The Group intended to utilize its resources, including part of the net proceeds from the rights issue of the Company, to invest in funds and participate in co-investments managed by the Group, amongst others.

Shikumen Special Situations Fund is an investment fund managed by Shikumen and the Issuer is a wholly-owned subsidiary of Shikumen Special Situations Fund established to pursue private equity investment opportunities as permitted under its investment mandate. The proceeds of the Note will be used by the Issuer to achieve this investment objective.

The Directors believe that the subscription of the Note is in line with the strategy set out above. The subscription of the Note also allows the Group to benefit from a predictable, attractive investment return while mitigating the risks of a direct equity exposure in an investment fund. The subscription of the Note also aligns the interest of the Group with Shikumen Special Situations Fund and enhances investors' confidence in the investment funds managed by the Group.

## **GEM LISTING RULES IMPLICATION**

Since the applicable percentage ratios under Rule 19.07 of the GEM Listing Rules in respect of the amount of the subscription of the Note exceeds 5% but is less than 25%, the subscription of the Note constitutes a discloseable transaction of the Company under Rule 19.34 of the GEM Listing Rules.

## **DEFINITIONS**

The following terms have the following meanings when used in this announcement, unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Crosby Capital Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Issuer”	Silver Pointer Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Shikumen Special Situations Fund, an investment fund managed by Shikumen
“Note”	the 3-year HK\$20 million note issued by the Issuer to Steeple Capital Limited

“Note Subscription Agreement”	the subscription agreement of the Note entered into by Steeple Capital Limited as Purchaser and Silver Pointer Limited as Issuer dated 26 March 2012
“Purchaser”	Steeple Capital Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shikumen”	Shikumen Capital Management (HK) Limited, a wholly-owned subsidiary of the Company engaged in the provision of investment advisory and asset management services and licensed to carry on type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

By Order of the Board  
**CROSBY CAPITAL LIMITED**  
**Ulric Leung Yuk Lun**  
*Executive Director*

Hong Kong, 26 March 2012

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

Executive Directors:	Johnny Chan Kok Chung, Jeffrey Lau Chun Hung and Ulric Leung Yuk Lun
Non-Executive Directors:	Ahmad S. Al-Khaled
Independent Non-Executive Directors:	David John Robinson Herratt, Joseph Tong Tze Kay and Daniel Yen Tzu Chen

*This announcement, for which the directors of the Company 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 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 the Company at [www.crosby.com](http://www.crosby.com).*