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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 UNDER GENERAL MANDATE

Placing Agent



THE PLACING

On 8 November 2013 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, up to 27,552,000 Placing Shares to currently expected not less than six Placées who are Independent Third Parties.

The maximum number of 27,552,000 Placing Shares under the Placing represents approximately 9.09% of the existing issued share capital of the Company of 303,163,815 Shares as at the date this announcement and approximately 8.33% of the then issued share capital of 330,715,815 Shares as enlarged by the Placing.

* for identification purposes only

The Placing Price of HK\$0.68 per Placing Share represents:

- (i) a discount of approximately 15.00% to the closing price of the Shares of HK\$0.800 quoted on Stock Exchange on the date of this announcement; and
- (ii) a discount of approximately 18.66% to the average closing prices of the Shares of HK\$0.836 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement.

The placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The net proceeds from the Placing, after deduction of the placing commission and other related expenses, will be approximately HK\$18,500,000 which are intended to be used for general working capital of the Group and for any potential investment opportunities in the future.

Completion of the Placing is subject to the satisfaction of the condition precedent under the Placing Agreement. As Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

8 November 2013 (after trading hours)

Issuer

The Company

Placing Agent

The Placing Agent has conditionally agreed to place up to 27,552,000 Placing Shares on a best effort basis to independent investors reference to prevailing market rate. The Director are of the view that the terms of the Placing are fair and reasonable based on current market conditions.

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.

Placees

The Placing Shares will be placed to not less than six Placees 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

The maximum number of 27,552,000 Placing Shares under the Placing represents approximately 9.09% of the existing issued share capital of the Company of 303,163,815 Shares as at the date this announcement and approximately 8.33% of the then issued share capital of 330,715,815 Shares as enlarged by the Placing.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Placing Price

The Placing Price of HK\$0.68 per Placing Share represents:

- (i) a discount of approximately 15.00% to the closing price of the Shares of HK\$0.800 quoted on Stock Exchange on the date of this announcement; and
- (ii) a discount of approximately 18.66% to the average closing prices of the Shares of HK\$0.836 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement.

The Placing 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 Director consider that the terms of the Placing are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Placing is in the interest of the Company and the Shareholders as a whole.

Condition Precedent

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

The Placing Agreement shall automatically cease and terminate if the above condition remains unfulfilled at or before 4:00 p.m. on 7 January 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.

General Mandate

The Placing Shares will be issued and allotted under the General Mandate. As at the date of this announcement, the General Mandate has not been utilised since it was refreshed at the annual general meeting held on 10 May 2013 and the number of new Shares that could be issued by the Company under the General Mandate is 27,555,841 Shares.

Placing Completion

The Placing Completion shall take place within ten 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.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing 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 Placing Completion, there occurs:

- (a) 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
- (b) 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 of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (c) 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 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
- (d) 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
- (e) 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.

REASONS FOR THE PLACING AND USE OF PROCEEDS

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

The maximum gross proceeds from the Placing will be approximately HK\$18,735,360. The net proceeds from the Placing will amount to approximately HK\$18,500,000 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 will be approximately HK\$0.6715 per Share.

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.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out other equity fund raising activities during the 12 months immediately preceding the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing is set out as below:

	Immediately before completion of the Placing		Immediately upon completion of the Placing (Note 1)		Immediately upon completion of the Placing (Note 2)	
	No. of Shares	Approx. %	No. of Shares	Approx. %	No. of Shares	Approx. %
	Legend Vantage Limited (Note 3)	57,874,051	19.09	57,874,051	17.50	57,874,051
Able Supreme Management Limited (Note 4)	45,818,745	15.11	45,818,745	13.85	167,356,062	28.88
Yang Shengrong	38,948,717	12.85	38,948,717	11.78	38,948,717	6.72
Main Wealth Enterprises Limited (Note 5)	28,466,576	9.39	28,466,576	8.61	74,620,422	12.88
Fortune Builder Limited (Note 6)	3,300,000	1.09	3,300,000	1.00	20,343,951	3.51
Unlimited Creativity Holdings Limited	24,358,974	8.03	24,358,974	7.37	24,358,974	4.20
The Placees	–	–	27,552,000	8.33	27,552,000	4.75
Other public shareholders	104,396,752	34.44	104,396,752	31.56	168,499,316	29.07
Total	303,163,815	100	330,715,815	100	579,553,493	100

1. assuming no exercise of share options and conversion rights under all outstanding share options schemes, warrants, RCPS and convertible bonds.
2. assuming all share options and conversion rights under all outstanding share options schemes, warrants, RCPS and convertible bonds are fully exercised.
3. Legend Vantage Limited (“Legend Vantage”) owns 57,874,051 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 Shares and 121,537,317 Shares will be allotted and issued upon full conversion of 6,388,500 RCPS at conversion price of HK\$0.82 per Share (reset on 14 September 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, Mr. Hu Yin is deemed to be interest in these shares through his 100% indirect interests in Able Supreme.
5. Main Wealth Enterprises Limited (“Main Wealth”) owns 28,466,576 Shares of the Company and 46,153,846 underlying Shares, which will be allotted and issued upon full conversion of the outstanding convertible bonds for a principal sum of HK\$36,000,000 at conversion price of HK\$0.78 per Share (reset on 4 April 2013). 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, Mr. Feng Yuantao 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 17,043,951 Shares at conversion price of HK\$0.82 per Share (reset on 14 September 2013) upon full conversion. Mr. Clive Ng Cheang Neng, the Chairman and Executive Director of the Company is deemed to be interested in these shares through his 100% interests in Fortune Builder.

GENERAL INFORMATION

The Placing is not subject to Shareholders’ approval as the Placing Shares will be issued under the existing General Mandate.

Shareholders and potential investors should note that the Placing is subject to the satisfaction of the condition precedent under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

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
“Company”	Crosby Capital Limited, a company incorporated in the Cayman Islands with limited liability and the issue Shares of which are listed on GEM
“connected person(s)”	has the meanings as ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“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
“Listing Committees”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“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 27,552,000 new Shares 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 8 November 2013 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Completion”	completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement

