



CROSBY

Capital Limited

Stock Code: 8088

1st Quarterly Report

2013

For the three months
ended 31 March

Characteristics of The Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Exchange")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors of Crosby Capital Limited 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 Crosby Capital Limited. The directors of Crosby Capital Limited, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this report 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 report misleading.

ABOUT CROSBY CAPITAL LIMITED

Crosby Capital Limited (“Crosby” or the “Company” and, together with its subsidiaries, the “Group”) is an independent asset management group listed on the Hong Kong Stock Exchange’s GEM board (HK GEM 8088).

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has continued to focus its resources on the development of the Group’s asset management businesses and on the cost control. The Group intends to increase its assets under management in different asset classes either by organically expanding its existing asset management businesses, launching new investment funds under its management or by collaboration with other fund managers, or via the commencement or acquisition of new financial services businesses complementary to the Group’s businesses, including but not limited to asset management businesses.

Our asset management activities comprise both fund management and investment advisory businesses under Shikumen and Crosby. BlackPine Private Equity Partners Fund, a private equity fund managed by Shikumen, which has commenced investment activities and contributed fee income to the Group since its launch in early 2011 and accomplished a subsequent closing with further committed funding from overseas institutional investors in July 2012. On the other hand, as an internal rationalization of our businesses, it has been resolved to put Crosby Wealth Management into voluntary liquidation during the quarter under review. The Directors consider that the liquidation of Crosby Wealth Management does not have any material adverse impact on the operation of the Group, as Crosby Wealth Management has been loss-making prior to being proposed for voluntary liquidation.

On 18 March 2013, the Group entered into a disposal agreement with Mr. Johnny Chan to sell the Group’s interests in certain subsidiaries (the “Disposal Groups”) to him for a consideration of HK\$8,177,066 as detailed in the announcement dated 18 March 2013 and notes 1 and 6 to the unaudited consolidated income statement. Mr. Johnny Chan has resigned as an Executive Director of the Company with effect from 18 March 2013 and has agreed to continue to advise the Company in the capacity of advisor to the Board with effect on the same date. The Disposal Groups included various investment management entities with declining assets under management and expiring investment mandates, as well as other non-core investments unrelated to the asset management businesses of the Group. The disposal provided an effective way for the Group to clean up the legacy assets and liabilities on its balance sheet which are unrelated to its current focus, and it is in line with the Group’s continued strategy to dispose of non-core assets and focus its resources on the development of the Group’s asset management and financial services businesses and on the cost control.

The Group reported a loss attributable to owners of the Company for the three months under review of US\$2.1 million as compared to that of US\$2.7 million for the corresponding period last year, US\$1.8 million and US\$2.5 million of which are the losses from continuing operations for the three months under review and the corresponding period last year respectively.

Revenue from continuing operations increased to US\$0.6 million for the three months under review from that of US\$0.5 million for the corresponding period last year. Total operating expenses (being other administrative expenses plus other operating expenses) from continuing operations for the three months under review were US\$1.6 million as compared to US\$1.3 million for the corresponding period last year, mainly due to the initial set up costs for Crosby Securities.

UNAUDITED CONSOLIDATED INCOME STATEMENT

The board of directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Group for the three months ended 31 March 2013 (the "Review Period"), together with the comparative unaudited figures of the corresponding period in 2012, as follows:

	Notes	Unaudited Three months ended 31 March (Restated)	
		2013 US\$'000	2012 US\$'000
Continuing operations			
Revenue	3	615	499
Cost of sales		(147)	(148)
Gross profit		468	351
Loss on financial liabilities at fair value through profit or loss		(85)	(672)
Other income	3	35	19
Administrative expenses			
Amortisation of intangible assets		–	(201)
Other administrative expenses		(1,533)	(1,241)
		(1,533)	(1,442)
Other operating expenses		(71)	(89)
Loss from operations		(1,186)	(1,833)
Finance costs		(625)	(657)
Loss before taxation		(1,811)	(2,490)
Taxation	4	(8)	–
Loss for the period from continuing operations		(1,819)	(2,490)
Discontinued operations			
Loss for the period from discontinued operations	6	(302)	(404)
Loss for the period		(2,121)	(2,894)

		Unaudited Three months ended 31 March (Restated)	
		2013	2012
	Note	US\$'000	US\$'000
Attributable to:			
Owners of the Company			
Loss for the period from continuing operations		(1,819)	(2,490)
Loss for the period from discontinued operations		(232)	(247)
		(2,051)	(2,737)
Non-controlling interests			
Loss for the period from continuing operations		–	–
Loss for the period from discontinued operations		(70)	(157)
Loss for the period		(2,121)	(2,894)
Loss per share attributable to owners of the Company during the period			
	7	US cents	(Restated) US cents
Basic			
Continuing operations		(1.32)	(2.54)
Discontinued operations		(0.17)	(0.25)
		(1.49)	(2.79)
Diluted			
Continuing operations		N/A	N/A
Discontinued operations		N/A	N/A
		N/A	N/A

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Three months ended 31 March	
	2013 US\$'000	2012 US\$'000
Loss for the period	(2,121)	(2,894)
Other comprehensive income:		
Available-for-sale investments		
Surplus/(Deficit) on revaluation	5	(2)
Exchange differences on translating a foreign operation	5	2
Other comprehensive income for the period, net of tax	10	–
Total comprehensive income for the period, before and net of tax	(2,111)	(2,894)
Attributable to:		
Owners of the Company	(2,041)	(2,737)
Non-controlling interests	(70)	(157)
Total comprehensive income for the period, before and net of tax	(2,111)	(2,894)

NOTES TO THE UNAUDITED CONSOLIDATED INCOME STATEMENT

1. BASIS OF PRESENTATION

The Company was incorporated in the Cayman Islands on 21 February 2000 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and, its principal place of business is Unit 502, 5th Floor, AXA Centre, 151 Gloucester Road, Wanchai, Hong Kong. The Company's shares have been listed on The Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 17 April 2000.

The Company acts as the holding company of the Group. The Group is principally engaged in the businesses of asset management and direct investment. Following the signing of the agreement to sell to Mr. Johnny Chan, a former director of the Company, the Group's interests in Crosby Asset Management (Asia) Limited and its subsidiaries, techpacific.com (BVI) Investments Limited, techpacific.com Investments Limited and its subsidiaries (the "Disposal Groups") on 18 March 2013, the assets and liabilities attributable to the Disposal Groups have been reclassified as disposal groups held for sale and discontinued operations. Wealth management business, which ceased business on 28 September 2012 and has been resolved to be put into voluntary liquidation during the period under review, continued to be classified as discontinued operations during the period as consistent with that disclosed in the Company's annual audited consolidated financial statements for the year ended 31 December 2012 ("2012 Annual Report"). Details of these discontinued operations are set out in note 6 to the unaudited consolidated income statement.

The unaudited consolidated financial information has been prepared in accordance with International Financial Reporting Standards ("IFRSs") which collective term includes all applicable individual International Financial Reporting Standards and Interpretations approved by the International Accounting Standards Board (the "IASB") and all applicable individual International Accounting Standards and Interpretations as originated by the Board of the International Accounting Standards Committee and adopted by IASB. The unaudited consolidated financial information also complies with the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the GEM of the Stock Exchange ("GEM Listing Rules").

The unaudited consolidated financial information has been prepared under historical cost basis except for certain financial instruments classified as available-for-sale and at fair value through profit or loss, which are measured at fair value.

It should be noted that accounting estimates and assumptions are used in preparation of the unaudited consolidated financial information. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the unaudited consolidated financial information, are consistent with those set out in 2012 Annual Report.

For the purpose of presenting discontinued operations, the comparative unaudited consolidated income statement and the related notes have been re-presented as if the operations discontinued during the period had been discontinued at the beginning of the comparative period.

This consolidated financial information for the three months ended 31 March 2013 is unaudited but has been reviewed by the audit committee of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

This unaudited consolidated financial information should be read in conjunction with the Company's 2012 Annual Report, which has been prepared in accordance with IFRSs.

The principal accounting policies adopted to prepare the unaudited consolidated financial information are consistent with those adopted to prepare to the Company's 2012 Annual Report except for the following additional accounting policy adopted by the Group as set out below:

Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- they are available for immediate sale;
- management is committed to a plan to sell;
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn;
- an active programme to locate a buyer has been initiated;
- the asset or disposal group is being marketed at a reasonable price in relation to its fair value; and
- a sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- fair value less costs to sell.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed of during the period are included in profit or loss up to the date of disposal.

The Group has not early adopted the new/revised IFRSs which have been issued but are not yet effective. The Group is in the process of making an assessment of the potential impact of these new/revised IFRSs and the Directors so far anticipated that the application of these new/revised IFRSs will have no material impact on the Group's unaudited consolidated financial information.

3. REVENUE AND OTHER INCOME

Revenue from the continuing operations comprises fund management fee.

Other income mainly comprises interest income and bad debt recoveries.

4. TAXATION

Taxation for the three months ended 31 March 2013 represents under-provision of Hong Kong profits tax provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong in prior year.

No Hong Kong profits tax has been provided for the three months ended 31 March 2012 as the Group did not make any assessable profit for the period.

No recognition of potential deferred tax assets relating to tax losses of the Group has been made as the recoverability of the potential tax assets is uncertain.

5. MOVEMENTS IN RESERVES

	Share premium US\$'000	Capital reserve US\$'000	Employee share-based		Investment revaluation reserve US\$'000	Foreign exchange reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
			Capital redemption reserve US\$'000	compensation reserve US\$'000				
At 1 January 2013 (Audited)	438	271	77	4,430	218	6	(24,431)	(18,991)
Employee share-based compensation	-	-	-	66	-	-	-	66
Transactions with owners	-	-	-	66	-	-	-	66
Loss for the period	-	-	-	-	-	-	(2,051)	(2,051)
Other comprehensive income:								
Available-for-sale investment Surplus on revaluation	-	-	-	-	5	-	-	5
Exchange differences on translating a foreign operation	-	-	-	-	-	5	-	5
Total comprehensive income for the period	-	-	-	-	5	5	(2,051)	(2,041)
At 31 March 2013 (Unaudited)	438	271	77	4,496	223	11	(26,482)	(20,966)
At 1 January 2012 (Audited)	107,943	271	77	7,034	237	4	(143,228)	(27,662)
Employee share-based compensation	-	-	-	25	-	-	-	25
Transactions with owners	-	-	-	25	-	-	-	25
Loss for the period	-	-	-	-	-	-	(2,737)	(2,737)
Other comprehensive income:								
Available-for-sale investments Deficit on revaluation	-	-	-	-	(2)	-	-	(2)
Exchange differences on translating a foreign operation	-	-	-	-	-	2	-	2
Total comprehensive income for the period	-	-	-	-	(2)	2	(2,737)	(2,737)
At 31 March 2012 (Unaudited)	107,943	271	77	7,059	235	6	(145,965)	(30,374)

6. DISCONTINUED OPERATIONS

	Unaudited Three months ended 31 March (Restated)	
	2013 US\$'000	2012 US\$'000
Revenue	–	209
Cost of sales	–	(2)
Gross profit	–	207
Loss on financial assets at fair value through profit or loss	(5)	(7)
Other income	26	4
Administrative expenses	(210)	(566)
Other operating expenses	(147)	(59)
Loss from operations	(336)	(421)
Share of profit of a jointly controlled entity	34	17
Loss before taxation	(302)	(404)
Taxation	–	–
Loss for the period	(302)	(404)

On 18 March 2013, the Group entered into a disposal agreement (the “Disposal Agreement”) with Mr. Johnny Chan, a former director of the Company, to sell the Disposal Groups to Mr. Johnny Chan for a consideration of HK\$8,177,066 (the “Disposal”). The consideration for the Disposal is satisfied by way of set-off against the entire outstanding deferred salary and deferred bonus owned by the Group to Mr. Johnny Chan amounting to US\$759,111 (approximately HK\$5,921,066) on a dollar-for-dollar basis and the residual amount of the consideration after set-off of HK\$2,256,000 was settled in cash. The Disposal Agreement is conditional upon the parties to the Disposal Agreement having obtained all necessary regulatory approval in relation to the Disposal Agreement unless the conditions are to be waived by the parties by mutual agreement on or before 4 October 2013 or such other date as the parties may agree. The inter-company balances due from/to the Disposal Groups will be waived in full as a result of the Disposal.

Apart from the Disposal Groups, the discontinued operations also comprise wealth management business which ceased its business on 28 September 2012 and has been resolved to be put into voluntary liquidation during the period under review.

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) Basic loss per share

Basic loss per share is calculated by dividing consolidated loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Unaudited Three months ended 31 March (Restated)	
	2013	2012
(US\$'000)		
Consolidated loss attributable to owners of the Company		
Continuing operations	(1,819)	(2,490)
Discontinued operations	(232)	(247)
	(2,051)	(2,737)
(Number)		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	137,779,206	98,119,596
(US cents per share)		(Restated)
Basic loss per share	(1.32)	(2.54)
Continuing operations	(0.17)	(0.25)
Discontinued operations		
	(1.49)	(2.79)

(b) Diluted loss per share

No diluted loss per share for the three months ended 31 March 2013 and 31 March 2012 are shown, as the outstanding share options, convertible bonds, warrants and redeemable convertible preference shares are anti-dilutive or have no dilutive effect.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 31 March 2013 and 31 March 2012.

DISCLOSURE OF INTERESTS

(a) DIRECTORS

As at 31 March 2013, the interests or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors, were as follows:

(i) Interests in the ordinary shares of the Company

Name of Directors	Personal interest	Family interest	Corporate interest	Aggregate long position in ordinary shares of the Company	Percentage which the aggregate long position in ordinary shares represents to the total ordinary shares of the Company in issue %
Stephen Shiu Junior (Note)	-	20,041,376	-	20,041,376	14.55
Ulric Leung Yuk Lun	1,711,000	-	-	1,711,000	1.24
Robert John Richard Owen	-	-	1,065,576	1,065,576	0.77
Joseph Tong Tze Kay	50,000	-	-	50,000	0.04
Daniel Yen Tzu Chen	20,000	-	-	20,000	0.01

Note:

Main Wealth Enterprises Limited is interested in 20,041,376 ordinary shares of the Company, Mr. Stephen Shiu Junior is deemed to be interested in these shares as Main Wealth Enterprises Limited is wholly-owned by his wife, Ms. Chen Min.

(ii) Interests in the redeemable convertible preference shares ("RCPS") of the Company

Name of Directors	Personal interest	Family interest	Corporate interest	Aggregate long position in RCPS of the Company	Percentage which the aggregate long position in RCPS represents to the total RCPS of the Company in issue %
Ulric Leung Yuk Lun	850,000	-	-	850,000 (Note 1)	8.48
Douglas Craham Morin	-	800,000	-	800,000 (Note 2)	7.98

Notes:

1. Mr. Ulric Leung Yuk Lun owns 850,000 RCPS of the Company which can be convertible into 14,733,333 ordinary shares at conversion price of HK\$0.90 per share (reset on 14 March 2013) upon full conversion, representing 10.69% of the total ordinary share capital of the Company in issue.
2. Ms. Tse Kwar Mei held 800,000 RCPS of the Company through her 100% interest in Kimta Limited, which can be convertible into 13,866,666 ordinary shares at conversion price of HK\$0.90 per share (reset on 14 March 2013) upon full conversion, representing 10.06% of the total ordinary share capital of the Company in issue. Ms. Tse Kwar Mei is the wife of Mr. Douglas Craham Morin and accordingly, he is deemed to have interests in her shares.

(iii) Interests in the underlying shares of the Company

The interests in the underlying shares of the Company arise from outstanding share options granted to the Directors under the Company's Share Option Scheme and the outstanding convertible bonds due 2015 which is held by a Director, details of which are provided below:

(a) Outstanding options

Name of Directors	Date of grant (dd/mm/yyyy)	Exercise price HK\$	Exercise period (dd/mm/yyyy)	Balance as at 1 January 2013	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Balance as at 31 March 2013
Robert John Richard Owen	11/02/2008	13.337	11/02/2009 to 10/02/2018	33,739	-	-	-	33,739
	14/05/2012	1.136	14/05/2013 to 13/05/2022	980,000	-	-	-	980,000
				1,013,739	-	-	-	1,013,739
Jeffrey Lau Chun Hung	07/10/2010	1.171	07/10/2011 to 06/10/2020	404,878	-	-	-	404,878
	16/03/2012	1.206	16/03/2013 to 15/03/2022	580,000	-	-	-	580,000
				984,878	-	-	-	984,878
Ulric Leung Yuk Lun	07/10/2010	1.171	07/10/2011 to 06/10/2020	202,439	-	-	-	202,439
	16/03/2012	1.206	16/03/2013 to 15/03/2022	580,000	-	-	-	580,000
				782,439	-	-	-	782,439
Daniel Yen Tzu Chen	24/03/2006	57.054	24/03/2007 to 23/03/2016	67,479	-	-	-	67,479
	29/01/2007	27.045	29/01/2008 to 28/01/2017	33,739	-	-	-	33,739
	11/02/2008	13.337	11/02/2009 to 10/02/2018	67,479	-	-	-	67,479
	29/12/2008	1.334	29/12/2009 to 28/12/2018	67,479	-	-	-	67,479
	16/03/2012	1.206	16/03/2013 to 15/03/2022	170,000	-	-	-	170,000
				406,176	-	-	-	406,176
Joseph Tong Tze Kay	24/03/2006	57.054	24/03/2007 to 23/03/2016	67,479	-	-	-	67,479
	29/01/2007	27.045	29/01/2008 to 28/01/2017	33,739	-	-	-	33,739
	11/02/2008	13.337	11/02/2009 to 10/02/2018	67,479	-	-	-	67,479
	29/12/2008	1.334	29/12/2009 to 28/12/2018	67,479	-	-	-	67,479
	16/03/2012	1.206	16/03/2013 to 15/03/2022	170,000	-	-	-	170,000
				406,176	-	-	-	406,176
David John Robinson Herratt	16/03/2012	1.206	16/03/2013 to 15/03/2022	170,000	-	-	-	170,000

(b) Outstanding convertible bonds

Name of Directors	Conversion price	Aggregate long position in underlying shares of the Company	Percentage which the aggregate long position in underlying shares of the Company represents to the total ordinary share capital of the Company in issue %
Stephen Shiu Junior (Note 1)	HK\$0.93	23,655,914	17.17
Ulric Leung Yuk Lun (Note 2)	HK\$0.93	5,376,344	3.90

Notes:

1. Main Wealth Enterprises Limited is interested in 23,655,914 underlying shares, which will be allotted and issued upon full conversion of the outstanding convertible bonds for a principal sum of HK\$22,000,000 at conversion price of HK\$0.93 per share (reset on 4 October 2011). Mr. Stephen Shiu Junior is deemed to be interested in these shares as Main Wealth Enterprises Limited is wholly-owned by his wife, Ms. Chen Min.

Following the reset of conversion price to HK\$0.78 per share on 4 April 2013, 28,205,128 ordinary shares will be allotted and issued upon full conversion of principal sum of HK\$22,000,000 of convertible bonds, representing 20.47% of the total ordinary share capital of the Company in issue.

2. Mr. Ulric Leung Yuk Lun owns convertible bonds for a principal sum of HK\$5,000,000 which can be convertible into 5,376,344 ordinary shares at conversion price of HK\$0.93 per share (reset on 4 October 2011) upon full conversion.

Following the reset of conversion price to HK\$0.78 per share on 4 April 2013, 6,410,256 ordinary shares will be allotted and issued upon full conversion of principal sum of HK\$5,000,000 of convertible bonds, representing 4.65% of the total ordinary share capital of the Company in issue.

(iv) **Short positions**

None of the Directors held short positions in the shares and underlying shares of the Company or any Associated Corporation.

Save as disclosed above, as at 31 March 2013, none of the Directors or chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO), or which were recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rule 5.46 to Rule 5.67 of the GEM Listing Rules relating to securities transactions by Directors.

(b) SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31 March 2013, the following persons, other than the Directors or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(i) Interests in the ordinary shares and underlying shares of the Company

Name	Aggregate long position in ordinary shares	Aggregate long position in underlying shares of the Company	The total long position in ordinary shares and underlying shares to the total ordinary share capital of the Company in issue %
Substantial Shareholders			
Nelson Tang Yu Ming (Notes 1 and 2)	41,092,000	100,408,813	102.70
Crosby Management Holdings Limited (Note 1)	41,092,000	98,800,000	101.53
Main Wealth Enterprises Limited (Note 3)	20,041,376	23,655,914	31.72
Chen Min (Note 3)	20,041,376	23,655,914	31.72
Platinum Century Limited (Note 4)	15,000,000	–	10.88
Tam Yuk Ching Jenny (Note 4)	15,000,000	–	10.88
Other Persons			
Hidy Investment Limited (Note 5)	3,000,000	121,602,150	90.44
Sodikin (Note 5)	3,000,000	121,602,150	90.44
Greyhound International Limited (Note 6)	–	43,010,752	31.22
James Wu Ting Fai (Note 6)	–	43,010,752	31.22
Kimta Limited (Note 7)	–	13,866,666	10.06
Tse Kwar Mei (Note 7)	–	13,866,666	10.06
Simon Wu Siu Fai (Note 8)	8,176,800	1,662,266	7.14
Everland Group Limited (Note 9)	–	8,666,666	6.29
Wong Yun Sang (Note 9)	–	8,666,666	6.29
Frank Ng Chun Fai (Note 10)	–	8,149,320	5.91

Notes:

1. Crosby Management Holdings Limited ("Crosby Management") held 41,092,000 ordinary shares of the Company. Crosby Management is beneficially owned as to 96.7% by Mr. Nelson Tang Yu Ming who is entitled to exercise more than 30% of the voting power at the general meetings of Crosby Management and, accordingly, he is deemed to be interested in 41,092,000 ordinary shares owned by Crosby Management. Crosby Management also owns 5,700,000 RCPS which can be convertible into 98,800,000 ordinary shares at conversion price of HK\$0.90 per share (reset on 14 March 2013) upon full conversion.
2. Mr. Nelson Tang Yu Ming was granted 620,813 options at an exercise price of HK\$1.171 per share and 980,000 options at an exercise price of HK\$1.206 per share to subscribe for shares of the Company on 7 October 2010 and 16 March 2012 respectively.
3. Main Wealth Enterprises Limited ("Main Wealth") owns 20,041,376 ordinary shares of the Company and 23,655,914 underlying shares, which will be allotted and issued upon full conversion of the outstanding convertible bonds for a principal sum of HK\$22,000,000 at conversion price of HK\$0.93 per share (reset on 4 October 2011). Ms. Chen Min is the wife of Mr. Stephen Shiu Junior, accordingly, he is deemed to be interested in these shares through her 100% interests in Main Wealth.

Following the reset of the conversion price of convertible bonds to HK\$0.78 per share on 4 April 2013, 28,205,128 ordinary shares will be allotted and issued upon full conversion of outstanding convertible bonds for a principal sum of HK\$22,000,000, increasing its aggregate interest from 31.72% to 35.02% of the total ordinary share capital of the Company in issue.

4. Platinum Century Limited ("Platinum Century") owns 15,000,000 ordinary shares of the Company. Ms. Tam Yuk Ching Jenny is deemed to be interested in these shares through her 100% interests in Platinum Century.
5. Hidy Investment Limited ("Hidy Investment") held 3,000,000 ordinary shares and 750,000 RCPS of the Company. Hidy Investment also owns 118,434,082 underlying shares, out of which 108,602,150 ordinary shares will be allotted and issued upon full conversion of the outstanding convertible bonds for a principal sum of HK\$101,000,000 at conversion price of HK\$0.93 per share (reset on 4 October 2011); and 13,000,000 ordinary shares will be allotted and issued upon full conversion of 750,000 RCPS at conversion price of HK\$0.90 per share (reset on 14 March 2013). Sodikin is deemed to be interested in these shares through his 100% interests in Hidy Investment.

Following the reset of the conversion price of convertible bonds to HK\$0.78 per share on 4 April 2013, 129,487,179 ordinary shares will be allotted and issued upon full conversion of outstanding convertible bonds for a principal sum of HK\$101,000,000, increasing its aggregate interest from 90.44% to 105.59% of the total ordinary share capital of the Company in issue.

6. Greyhound International Limited ("Greyhound International") owns 43,010,752 underlying shares which will be allotted and issued upon full conversion of the outstanding convertible bonds for a principal sum of HK\$40,000,000 at conversion price of HK\$0.93 per share (reset on 4 October 2011). Mr. James Wu Ting Fai is deemed to be interested in these shares through his 100% interests in Greyhound International.

Following the reset of the conversion price of convertible bonds to HK\$0.78 per share on 4 April 2013, 51,282,051 ordinary shares will be allotted and issued upon full conversion of outstanding convertible bonds for a principal sum of HK\$40,000,000, increasing its aggregate interest from 31.22% to 37.22% of the total ordinary share capital of the Company in issue.

7. Ms. Tse Kwar Mei held 800,000 RCPS of the Company through her 100% interest in Kimta Limited ("Kimta"), which can be convertible into 13,866,666 ordinary shares at conversion price of HK\$0.90 per share (reset on 14 March 2013) upon full conversion. Ms. Tse Kwar Mei is the wife of Mr. Douglas Craham Morin and accordingly, he is deemed to be interested in these shares through her 100% interests in Kimta.
8. Mr. Simon Wu Siu Fai owns 8,176,800 ordinary shares and 95,900 RCPS of the Company, of which 1,662,266 ordinary shares will be allotted and issued upon full conversion of the outstanding RCPS at conversion price of HK\$0.90 per share (reset on 14 March 2013).
9. Everland Group Limited ("Everland Group") owns 500,000 RCPS of the Company, which can be convertible into 8,666,666 ordinary shares at conversion price of HK\$0.90 per share (reset on 14 March 2013) upon full conversion. Mr. Wong Yun Sang is deemed to be interested in these shares through his 100% interests in Everland Group.
10. Mr. Frank Ng Chun Fai owns 8,149,320 underlying shares, out of which 7,526,881 ordinary shares will be allotted and issued upon full conversion of the outstanding convertible bonds for a principal sum of HK\$7,000,000 at conversion price of HK\$0.93 per share (reset on 4 October 2011). Mr. Frank Ng Chun Fai was also granted 202,439 options at an exercise price of HK\$1.171 per share and 420,000 options at an exercise price of HK\$1.206 per share to subscribe for ordinary shares of the Company on 7 October 2010 and 16 March 2012 respectively.

Following the reset of the conversion price of convertible bonds to HK\$0.78 per share on 4 April 2013, 8,974,359 ordinary shares will be allotted and issued upon full conversion of outstanding convertible bonds for a principal sum of HK\$7,000,000, increasing his aggregate interest from 5.91% to 6.97% of the total ordinary share capital of the Company in issue.

(ii) Short positions

No person held short positions in the Shares and Underlying Shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

Save as disclosed above, as at 31 March 2013, the Directors of the Company were not aware of any other person who had an interest or short position in the Shares and Underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, as at 31 March 2013, no other person had interests which were recorded in the register required to be kept under section 336 of the SFO.

(c) SHARE OPTIONS

Pursuant to the Company's Share Option Scheme, a duly authorised committee of the board of Directors of the Company may, at its discretion, grant options to eligible employees, including Directors of the Company, or any of its subsidiaries to subscribe for shares in the Company at a price not less than the higher of (i) the closing price of the Shares of the Company on the Stock Exchange on the date of grant of the particular option or (ii) the average of the closing prices of the shares of the Company for the five trading days immediately preceding the date of the grant of the options or (iii) the nominal value of the shares.

Share options granted under the Company's Share Option Scheme are exercisable as follows:

- (a) the first 30% of the options between the first and tenth anniversary of the date of grant;
- (b) the next 30% of the options between the second and tenth anniversary of the date of grant; and
- (c) the remaining options between the third and tenth anniversary of the date of grant.

The following table sets out information relating to the Share Option Scheme:

Date of grant (dd/mm/yyyy)	Exercise price HK\$	Exercise period (dd/mm/yyyy)	Number of Share Options				
			Balance as at 1 January 2013	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Balance as at 31 March 2013
24/03/2006	57.054	24/03/2007 to 23/03/2016	269,916	-	-	-	269,916
26/04/2006	57.054	26/04/2007 to 25/04/2016	809,756	-	-	-	809,756
29/01/2007	27.045	29/01/2008 to 28/01/2017	134,956	-	-	-	134,956
11/02/2008	13.337	11/02/2009 to 10/02/2018	708,543	-	-	-	708,543
29/12/2008	1.334	29/12/2009 to 28/12/2018	269,916	-	-	-	269,916
07/10/2010	1.171	07/10/2011 to 06/10/2020	2,523,739	-	-	-	2,523,739
16/03/2012	1.206	16/03/2013 to 15/03/2022	4,905,000	-	-	-	4,905,000
14/05/2012	1.136	14/05/2013 to 13/05/2022	980,000	-	-	-	980,000
			10,601,826	-	-	-	10,601,826

No option was lapsed upon expiry of the life of the options during the three months ended 31 March 2013.

No option granted under the Share Option Scheme had been exercised during the three months ended 31 March 2013.

(d) COMPETING INTERESTS

So far as the Directors are aware, none of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) or their respective associates have any interests in a business which competes or may compete with the business of the Group.

AUDIT COMMITTEE

The Company established an audit committee on 31 March 2000 with the written terms of reference in compliance with the GEM Listing Rules. The audit committee comprises three Independent Non-Executive Directors, Messrs. Joseph Tong Tze Kay, Daniel Yen Tzu Chen and David John Robinson Herratt. The primary duties of the audit committee are to review and supervise the Company's financial reporting process and internal control systems.

The audit committee meets at least quarterly with the most recent meeting held on 3 May 2013. The unaudited consolidated financial information of the Company for the three months ended 31 March 2013 has been reviewed by the audit committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the three months ended 31 March 2013 and 31 March 2012. Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the three months ended 31 March 2013 and 31 March 2012.

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

Hong Kong, 3 May 2013

As at the date of this report, the Directors of the Company are:

<i>Executive Directors:</i>	<i>Jeffrey Lau Chun Hung, Ulric Leung Yuk Lun, Douglas Craham Morin and Stephen Shiu Junior</i>
<i>Non-Executive Director:</i>	<i>Robert John Richard Owen</i>
<i>Independent Non-Executive Directors:</i>	<i>David John Robinson Herratt, Joseph Tong Tze Kay and Daniel Yen Tzu Chen</i>