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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
AND
CONNECTED TRANSACTION

On 23 December 2010 (after trading hours), ECK Partners (as purchaser) and the Company (as vendor) entered into the Disposal Agreement pursuant to which the Company has agreed to sell to ECK Partners the Sale Asset for a consideration of US\$929,644.

ECK Partners is a connected person of the Company, and as such, the Disposal is a connected transaction of the Company under the GEM Listing Rules. The Disposal is also a discloseable transaction of the Company under the GEM Listing Rules, where the applicable percentage ratios, when aggregated with the Previous Disposal Agreements (please refer to the Company's announcements on 25 June 2010 and 6 October 2010 for details) under Rule 19.22 of the GEM Listing Rules, are more than 5% but less than 25%. The Disposal is subject to the announcement and reporting requirements but is exempt from the independent shareholders' approval as the applicable percentage ratios, when aggregated with the Previous Disposal Agreements under Rules 20.25 and 20.32 of the GEM Listing Rules, are less than 25% and the total consideration, when aggregated with the Previous Disposal Agreement, is less than HK\$10,000,000.

THE DISPOSAL AGREEMENT DATED 23 DECEMBER 2010

Parties

Purchaser: ECK Partners

Vendor: The Company

Transaction: Sale and purchase of the Sale Asset

* *for identification purposes only*

ECK Partners is an investment holding company owned as to 88.86% by TW Indus Limited, a company beneficially wholly-owned by Mr. Khan and 11.14% beneficially owned by Mr. Owen, and therefore, ECK Partners is a connected person of the Company as defined in the GEM Listing Rules.

Consideration and terms of payment

The consideration for the Sale Asset payable by ECK Partners to the Company is US\$929,644 and was determined with reference to (i) the value of the Sale Asset based on the 60-day volume-weighted average price of the Sale Asset ending on the Last Trading Date being US\$1,200,074 and (ii) the outstanding finance lease obligations attributable to the Sale Asset being US\$270,430. The consideration for the Disposal will be satisfied by way of set-off against part of the residual amount of the termination payment to be paid to Mr. Khan in relation to his termination of services with the Company and its subsidiaries on a dollar-for-dollar basis upon completion. It was also agreed between the Company and Mr. Khan that the rest of his residual termination payment will be settled by a cash payment of US\$39,525 (“**Residual Cash Settlement**”). The set-off of the consideration for the Disposal against the termination payment of Mr. Khan and the Residual Cash Settlement shall together constitute the final payment by the Company and its subsidiaries to Mr. Khan in relation to his termination arrangement. Details of the termination arrangements for Mr. Khan are set out in the paragraph “Termination arrangement with Mr. Khan” in an announcement of the Company dated 25 June 2010.

Conditions of the Disposal Agreement

The Disposal Agreement is conditional upon the parties to the Disposal Agreement having obtained all necessary regulatory approval in relation to the Disposal Agreement.

If the conditions set out above are not fulfilled or are not waived by the parties by mutual agreement on or before 31 January 2011 or such other date as the parties may agree, the Disposal Agreement will cease to be of any further effect and none of the parties to the Disposal Agreement shall have any claims against the other save for any antecedent breach.

Completion of the Disposal Agreement

Completion of the Disposal Agreement will take place on the third business day after the above conditions are fulfilled or otherwise waived by the parties, whichever is earlier or on such other date as the parties may agree.

INFORMATION OF THE SALE ASSETS

Sale Asset	Description of Sale Asset
<p>276,852,721 ordinary shares in the capital of CAM, representing 89.35% of its issued share capital.</p> <p>After the Disposal, the Company will not own any shares in CAM and CAM will cease to be a subsidiary of the Company.</p>	<p>CAM is an investing company under the AIM rules whose investment strategy is to acquire holdings in natural resources, minerals, metals and/or oil and gas companies. As of the date of this announcement, it has not completed any acquisitions yet.</p> <p>The ordinary shares of CAM are listed on AIM. As of the Last Trading Day, the market value of the Sale Asset based on the 60-day volume-weighted average price ending on the Last Trading Day is US\$1,200,074. CAM Inc. also has outstanding finance lease obligations of approximately US\$302,664 as of the date of this announcement, of which US\$270,430 is attributable to the Sale Asset.</p> <p>CAM does not have any subsidiaries after the completion of the restructuring of the Group as set out in the announcement dated in 25 June 2010. Adjusted for the impact of the restructuring of the Group, the net loss before and after taxation and extraordinary item attributable to the Sale Asset for the financial year ended 31 December 2008 and 31 December 2009 was approximately US\$1,476,000 and US\$721,000, respectively.</p>

USE OF PROCEEDS

The net proceeds from the Disposal will be used to set off against part of the residual termination payment payable to Mr. Khan in relation to his termination of services with the Company and its subsidiaries on a dollar-for-dollar basis upon completion, as disclosed in the paragraph “Termination arrangement with Mr. Khan” in an announcement released by the Company on 25 June 2010. The set-off of the consideration for the Disposal against the termination payment of Mr. Khan, together with the Residual Cash Settlement, shall constitute the final payment by the Company and its subsidiaries to Mr. Khan in relation to his termination arrangement.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the businesses of asset management and direct investment. As disclosed in the announcement dated 25 June 2010, the Group has gone through a restructuring exercise to focus its resources on its asset management services (which includes funds and wealth management) and dispose of the merchant banking assets and the corporate finance and financial advisory services businesses. The Sale Asset under the Disposal are non-core investments unrelated to the asset management businesses of the Group. The Disposal allows the Group to obtain liquidity in the majority of its entire interest in the Sale Asset at close to market price in a single transaction, given the average daily trading volume of the Sale Asset was only 45,070 shares per day in the last three months

ending on the Last Trading Date. Furthermore, the Disposal will release the Group of the financial resources required to fund the finance lease obligations of CAM, as it will cease to be a subsidiary of the Company after completion of the Disposal. Therefore, the Company is of the view that the Disposal provides an effective way for the Group to monetise these non-core assets to reduce its liabilities, and it is in line with the Group's restructuring strategy to dispose of non-core assets and focus its resources on asset management businesses.

Based on the consideration of the Disposal of US\$929,644 and the latest value of the Sale Asset attributable to the Group on the consolidated statement of financial position with net liabilities of approximately US\$191,000, it is estimated that the Disposal will result in an unaudited gain of approximately US\$1,121,000 for the Group upon completion of the Disposal Agreement. After taking into consideration the final settlement costs in relation to the termination arrangement with Mr. Khan, the net unaudited gain for the Group will be approximately US\$152,000.

The Directors (including the independent non-executive Directors) consider that the terms of the Disposal Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATION

ECK Partners is a connected person of the Company, and as such, the Disposal is a connected transaction of the Company under the GEM Listing Rules.

In addition, the Company entered into the Previous Disposal Agreements with ECK Partners on 24 June 2010 and 6 October 2010, respectively. Please refer to the announcements of the Company dated 25 June 2010 and 6 October 2010 for details regarding the Previous Disposal Agreements, respectively.

Pursuant to Rule 19.22 of the GEM Listing Rules, the applicable percentage ratios of the Disposal, when aggregated with the Previous Disposal Agreements, are more than 5% but less than 25%. Therefore, the Disposal is a discloseable transaction as defined under the GEM Listing Rules.

Furthermore, pursuant to Rules 20.25 and 20.32 of the GEM Listing Rules, the applicable percentage ratios of the Disposal, when aggregated with the Previous Disposal Agreements, are less than 25%, and the total consideration, when aggregated with the Previous Disposal Agreements, is less HK\$10,000,000. Therefore, the Disposal is only subject to the announcement and reporting requirements but is exempt from independent shareholders' approval.

To the best of the Director's knowledge, information and belief, save as disclosed herein, the Company confirms that there is no other transaction entered into between any member of the Group and ECK Partners or its associates within a 12-month period prior to the date of this announcement or which is otherwise related, which would be, together with the Disposal, regarded as a series of transactions and treated as if they are one transaction under Rule 19.22 and Rule 20.25 of the GEM Listing Rules.

None of the Directors is interested in the Disposal Agreement and therefore none of them was required to abstain from voting on the resolution to approve the Disposal Agreement at the Company's board meeting.

DEFINITIONS

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

“AIM”	the Alternative Investment Market operated by the London Stock Exchange
“associates”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“CAM”	Crosby Asset Management Inc., a company incorporated in the Cayman Islands with limited liability
“Company”	Crosby Capital Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Asset by the Company pursuant to the Disposal Agreement
“Disposal Agreement”	the agreement dated 23 December 2010 entered into between ECK Partners and the Company in relation to the Disposal
“ECK Partners”	ECK Partners Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“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
“Last Trading Day”	22 December 2010
“Mr. Khan”	Mr. Ilyas Tariq Khan, who ceased to be a Director on 4 October 2010

“Mr. Owen”	Mr. Robert John Richard Owen, the non-executive chairman and a director of CAM
“Previous Disposal Agreements”	the disposal agreements entered into between the Company and ECK Partners dated 24 June 2010 and 6 October 2010, respectively, the details of which were set out in the Company’s announcements dated 25 June 2010 and 6 October 2010, respectively.
“Sale Asset”	276,852,721 ordinary shares in the capital of CAM owned by the Company,
“Share(s)”	ordinary share(s) of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“£”	United Kingdom pounds, the lawful currency of the United Kingdom
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

Note: Unless otherwise specified herein, amounts originally denominated in £ in this announcement have been translated, for the purpose of illustration only, into US\$ amounts using exchange rates of £1.00=US\$1.585. No representation is made that any amount in £ could have been or could be converted at the above rate or at any other rate at all.

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

Hong Kong, 23 December 2010

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

Executive Directors: Johnny Chan Kok Chung and Ulric Leung Yuk Lun

Non-Executive Director: Ahmad S. Al-Khaled

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

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 on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.crosbycapitallimited.com.