

CROSBY

CROSBY CAPITAL LIMITED

(高誠資本有限公司)*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8088)

3RD QUARTERLY RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

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 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.

* For identification purposes only

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 our resources to further strengthen and grow the Group’s asset management businesses, both organically and through acquisitions when the appropriate opportunities arise and to control our costs. 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 acquisitions of new financial services businesses complementary to the Group’s businesses, including but not limited to asset management firms.

Our asset management activities comprise both hedge fund and private equity fund management businesses under Shikumen and Crosby. BlackPine Private Equity Partners Fund, a private equity fund managed by Shikumen, 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 earlier this year, which is expected to bring positive contribution to the Group’s revenues. The Group has also continued to manage and advise a number of other hedge fund and private equity funds with an Asian or Greater China focus. On the other hand, as part of the rationalization of our business lines, Crosby Wealth Management has decided to discontinue its operation at the end of September 2012.

The Group reported a loss attributable to owners for the nine months under review of US\$4.0 million as compared to a loss of US\$1.3 million for the same period last year. Excluding the gain on financial liabilities at fair value through profit or loss of US\$1.5 million for the nine months under review (2011: a gain of US\$4.2 million), the loss attributable to owners for the period under review was US\$5.5 million, same as the loss of US\$5.5 million for the same period last year. Revenue from continuing operations decreased to US\$1.6 million for the nine months under review when compared to that of US\$2.9 million for same period last year. Total operating expenses (being other administrative expenses plus other operating expenses) from continuing operations for the nine months under review of US\$4.3 million have been managed at similar level as compared to those of US\$4.2 million for same period last year.

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 nine months and three months ended 30 September 2012 (the “Review Periods”), together with the comparative unaudited figures of the corresponding periods in 2011, as follows:

	Notes	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
		2012 US\$'000	(Restated) 2011 US\$'000	2012 US\$'000	(Restated) 2011 US\$'000
Continuing operations					
Revenue	3	1,645	2,914	640	550
Cost of sales		(448)	(417)	(150)	(155)
Gross profit		1,197	2,497	490	395
Loss on financial assets at fair value through profit or loss		(14)	(106)	(8)	(38)
Gain/(Loss) on financial liabilities at fair value through profit or loss		1,541	4,203	(2,866)	1,215
Other income	3	281	138	107	5
Administrative expenses					
Amortisation of intangible assets		(569)	(609)	(165)	(205)
Other administrative expenses		(3,929)	(3,773)	(1,367)	(1,209)
		(4,498)	(4,382)	(1,532)	(1,414)
Other operating expenses		(390)	(379)	(111)	(123)
(Loss)/Profit from operations		(1,883)	1,971	(3,920)	40
Finance costs		(1,867)	(2,328)	(601)	(892)
Share of profit of a jointly controlled entity		163	156	54	53
Loss before taxation		(3,587)	(201)	(4,467)	(799)
Taxation	4	–	(198)	–	72
Loss for the period from continuing operations		(3,587)	(399)	(4,467)	(727)
Discontinued operations					
Loss for the period from discontinued operations	6	(713)	(1,579)	(201)	(564)
Loss for the period		(4,300)	(1,978)	(4,668)	(1,291)

	<i>Note</i>	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
		2012 <i>US\$'000</i>	(Restated) 2011 <i>US\$'000</i>	2012 <i>US\$'000</i>	(Restated) 2011 <i>US\$'000</i>
Attributable to:					
Owners of the Company					
Loss for the period from continuing operations		(3,587)	(399)	(4,467)	(727)
Loss for the period from discontinued operations		(436)	(882)	(106)	(315)
		<u>(4,023)</u>	<u>(1,281)</u>	<u>(4,573)</u>	<u>(1,042)</u>
Non-controlling interests					
Loss for the period from continuing operations		-	-	-	-
Loss for the period from discontinued operations		(277)	(697)	(95)	(249)
		<u>(4,300)</u>	<u>(1,978)</u>	<u>(4,668)</u>	<u>(1,291)</u>
Loss per share attributable to owners of the Company	<i>7</i>	<i>US cents</i>	(Restated) <i>US cents</i>	<i>US cents</i>	(Restated) <i>US cents</i>
Basic					
Continuing operations		(2.94)	(0.77)	(3.24)	(1.25)
Discontinued operations		(0.36)	(1.69)	(0.08)	(0.54)
		<u>(3.30)</u>	<u>(2.46)</u>	<u>(3.32)</u>	<u>(1.79)</u>
Diluted					
Continuing operations		N/A	N/A	N/A	N/A
Discontinued operations		N/A	N/A	N/A	N/A
		<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months and three months ended 30 September 2012

	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
	2012	2011	2012	2011
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Loss for the period	(4,300)	(1,978)	(4,668)	(1,291)
Other comprehensive income:				
Exchange differences on translating foreign operations	1	4	(1)	4
Available-for-sale investments (Deficit)/Surplus on revaluation	(10)	65	–	25
Recycle to income statement: Gain upon disposal	–	(15)	–	–
Other comprehensive income for the period, net of tax	(9)	54	(1)	29
Total comprehensive income for the period, before and net of tax	(4,309)	(1,924)	(4,669)	(1,262)
Attributable to:				
Owners of the Company	(4,032)	(1,227)	(4,574)	(1,013)
Non-controlling interests	(277)	(697)	(95)	(249)
Total comprehensive income for the period, before and net of tax	(4,309)	(1,924)	(4,669)	(1,262)

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.

The unaudited 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 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.

The unaudited consolidated financial information has been prepared under historical cost basis except for 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 the Company's annual audited consolidated financial statements for the year ended 31 December 2011 ("2011 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 nine months ended 30 September 2012 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 2011 Annual Report, which have 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 2011 Annual Report.

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 – CONTINUING OPERATIONS

Revenue from continuing operations comprises fund management fee.

Other income mainly comprises interest income, dividend income, gain on disposal of investments and bad debt recoveries.

4. TAXATION – CONTINUING OPERATIONS

No Hong Kong profits tax has been provided for the nine months and three months ended 30 September 2012 as the Group did not make any assessable profit for the period.

Hong Kong profits tax was provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the nine months and three months ended 30 September 2011. Taxes on profits assessable elsewhere have been calculated at the rates prevailing in the relevant jurisdictions.

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	Capital redemption reserve US\$'000	Employee share-based compensation reserve US\$'000	Investment revaluation reserve US\$'000	Foreign exchange reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
At 1 January 2012 (Audited)	107,943	271	77	7,034	237	4	(143,228)	(27,662)
Employee share-based compensation	-	-	-	180	-	-	-	180
Lapse of share options	-	-	-	(166)	-	-	166	-
Issue of shares upon conversion of bonds	696	-	-	-	-	-	-	696
Capital reduction	(108,639)	-	-	-	-	-	120,857	12,218
Issue of shares upon exercise of warrants	438	-	-	-	-	-	-	438
Transactions with owners	(107,505)	-	-	14	-	-	121,023	13,532
Loss for the period	-	-	-	-	-	-	(4,023)	(4,023)
Other comprehensive income:								
Exchange differences on translating foreign operations	-	-	-	-	-	1	-	1
Available-for-sale investments Deficit on revaluation	-	-	-	-	(10)	-	-	(10)
Total comprehensive income for the period	-	-	-	-	(10)	1	(4,023)	(4,032)
At 30 September 2012 (Unaudited)	438	271	77	7,048	227	5	(26,228)	(18,162)

	Share premium US\$'000	Capital reserve US\$'000	Capital redemption reserve US\$'000	Employee share-based compensation reserve US\$'000	Investment revaluation reserve US\$'000	Foreign exchange reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
At 1 January 2011 (Audited)	108,221	271	77	6,903	191	-	(136,934)	(21,271)
Employee share-based compensation	-	-	-	112	-	-	-	112
Issue of rights shares, net of issue costs	(277)	-	-	-	-	-	-	(277)
Transactions with owners	(277)	-	-	112	-	-	-	(165)
Loss for the period	-	-	-	-	-	-	(1,281)	(1,281)
Other comprehensive income:								
Exchange differences on translating foreign operations	-	-	-	-	-	4	-	4
Available-for-sale investments Surplus on revaluation	-	-	-	-	65	-	-	65
Recycle to income statement: Gain upon disposal	-	-	-	-	(15)	-	-	(15)
Total comprehensive income for the period	-	-	-	-	50	4	(1,281)	(1,227)
At 30 September 2011 (Unaudited)	<u>107,944</u>	<u>271</u>	<u>77</u>	<u>7,015</u>	<u>241</u>	<u>4</u>	<u>(138,215)</u>	<u>(22,663)</u>

6. DISCONTINUED OPERATIONS

	Unaudited Nine months ended 30 September		Unaudited Three months ended 30 September	
	2012 US\$'000	(Restated) 2011 US\$'000	2012 US\$'000	(Restated) 2011 US\$'000
Revenue	352	1,181	61	283
Cost of sales	-	-	-	-
Gross profit	352	1,181	61	283
Other income	3	1	-	-
Administrative expenses	(1,000)	(2,667)	(243)	(805)
Other operating expenses	(68)	(94)	(19)	(42)
Loss before taxation	(713)	(1,579)	(201)	(564)
Taxation	-	-	-	-
Loss for the period	(713)	(1,579)	(201)	(564)

Wealth management business, which was considered as one of the major lines of business, has been shown as discontinued operations upon the cessation of business on 28 September 2012 as the management believes that information about the operations would be useful to users of the financial statements.

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		Unaudited	
	Nine months ended		Three months ended	
	30 September		30 September	
	2012	2011	2012	2011
<i>(US\$'000)</i>		(Restated)		(Restated)
Consolidated loss attributable to owners of the Company				
Continuing operations	(3,587)	(399)	(4,467)	(727)
Discontinued operations	(436)	(882)	(106)	(315)
	<u>(4,023)</u>	<u>(1,281)</u>	<u>(4,573)</u>	<u>(1,042)</u>
<i>(Number)</i>				
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>122,022,527</u>	<u>52,114,804</u>	<u>137,779,206</u>	<u>58,125,195</u>
<i>(US cents)</i>		(Restated)		(Restated)
Basic loss per share				
Continuing operations	(2.94)	(0.77)	(3.24)	(1.25)
Discontinued operations	(0.36)	(1.69)	(0.08)	(0.54)
	<u>(3.30)</u>	<u>(2.46)</u>	<u>(3.32)</u>	<u>(1.79)</u>

(b) Diluted loss per share

No diluted loss per share for the nine months and three months ended 30 September 2012 and 30 September 2011 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 nine months ended 30 September 2012 (nine months ended 30 September 2011: Nil).

DISCLOSURE OF INTERESTS

(a) Directors

As at 30 September 2012, 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 %
Ulric Leung Yuk Lun	3,411,000	-	-	3,411,000	2.48
Johnny Chan Kok Chung (<i>Note</i>)	1,892,532	47,773	-	1,940,305	1.41
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: Yuda Udomritthiruj was beneficially interested in 47,773 ordinary shares. Yuda Udomritthiruj, an employee of a subsidiary of the Company, is the wife of Johnny Chan Kok Chung and, accordingly, he is deemed to have interests in her shares.

(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
Johnny Chan Kok Chung	188,500	–	–	188,500 (Note 2)	1.88

Notes:

1. Mr. Ulric Leung Yuk Lun owns 850,000 RCPS of the Company which can be convertible into 11,142,857 ordinary shares at the conversion price of HK\$1.19 per share reset on 14 March 2012 upon full conversion, representing 8.09% of the total ordinary share capital of the Company in issue.
2. Mr. Johnny Chan Kok Chung owns 188,500 RCPS of the Company which can be convertible into 2,471,092 ordinary shares at the conversion price of HK\$1.19 per share reset on 14 March 2012 upon full conversion, representing 1.79% of the total ordinary share capital of the Company in issue.

(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 2012	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Balance as at 30 September 2012
Johnny Chan Kok Chung	26/04/2006	57.054	26/04/2007 to 25/04/2016	809,756	-	-	-	809,756
	11/02/2008	13.337	11/02/2009 to 10/02/2018	404,888	-	-	-	404,888
	07/10/2010	1.171	07/10/2011 to 06/10/2020	377,886	-	-	-	377,886
	16/03/2012	1.206	16/03/2013 to 15/03/2022	-	580,000	-	-	580,000
				1,592,530	580,000	-	-	2,172,530
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
				33,739	980,000	-	-	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
				404,878	580,000	-	-	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
				202,439	580,000	-	-	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
				236,176	170,000	-	-	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
				236,176	170,000	-	-	406,176
David John Robinson Herratt	16/03/2012	1.206	16/03/2013 to 15/03/2022	-	170,000	-	-	170,000

Note: The closing price of the shares of the Company quoted on the Stock Exchange on 15 March 2012 and 11 May 2012, being the business date immediately before the date on which share options were granted, was HK\$1.20 and HK\$1.14 respectively.

(b) Outstanding convertible bonds

Name of Director	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 %
Ulric Leung Yuk Lun	HK\$0.93	5,376,344	3.90

Note: Mr. Ulric Leung Yuk Lun owns convertible bonds for a principal sum of HK\$5,000,000 which can be converted into 5,376,344 ordinary shares at conversion price of HK\$0.93 per share upon full conversion.

(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 30 September 2012, 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 30 September 2012, 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)	40,236,000	86,810,897	92.21
Crosby Management Holdings Limited (Note 1)	40,236,000	85,210,084	91.05
Hidy Investment Limited (Note 3)	3,000,000	118,434,082	88.14
Sodikin (Note 3)	3,000,000	118,434,082	88.14
Main Wealth Enterprises Limited (Note 4)	20,941,376	23,655,914	32.37
Lau Kit Mei (Note 4)	20,941,376	23,655,914	32.37
Greyhound International Limited (Note 5)	–	43,010,752	31.22
James Wu Ting Fai (Note 5)	–	43,010,752	31.22
Other Persons			
Simon Wu Siu Fai (Note 6)	8,176,800	1,257,176	6.85
Wilson Lau Yu Fung	9,129,032	–	6.63
Frank Ng Chun Fai (Note 7)	–	8,149,320	5.91

Notes:

1. Crosby Management Holdings Limited (“Crosby Management”) held 40,236,000 ordinary shares of the Company. Crosby Management is beneficially owned as 96.7% by 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 40,236,000 ordinary shares owned by Crosby Management. Crosby Management also owns 6,500,000 RCPS which can be converted into 85,210,084 ordinary shares at conversion price of HK\$1.19 per share reset on 14 March 2012 upon full conversion.
2. 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. 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; and 9,831,932 ordinary shares will be allotted and issued upon full conversion of 750,000 RCPS at conversion price of HK\$1.19 per share reset on 14 March 2012. Sodikin is deemed to be interested in these shares through his 100% interests in Hidy Investment.
4. Main Wealth Enterprises Limited (“Main Wealth”) owns 20,941,376 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. Lau Kit Mei is deemed to be interested in these shares through her 100% interests in Main Wealth.

5. Greyhound International Limited 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. James Wu Ting Fai is deemed to be interested in these shares through his 100% interests in Greyhound International Limited.
6. Simon Wu Siu Fai owns 8,176,800 ordinary shares and 95,900 RCPS of the Company, of which 1,257,176 ordinary shares will be allotted and issued upon full conversion of the outstanding RCPS at conversion price of HK\$1.19 per share reset on 14 March 2012.
7. 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. 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.

(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 30 September 2012, 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 30 September 2012, 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 2012	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	Balance as at 30 September 2012
27/03/2002	5.216	27/03/2003 to 26/03/2012	4,048	–	–	(4,048)	–
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	1,619,512	–	–	–	1,619,512
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	1,045,941	–	–	–	1,045,941
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
			<u>5,868,028</u>	<u>5,885,000</u>	<u>–</u>	<u>(4,048)</u>	<u>11,748,980</u>

4,048 options were lapsed upon expiry of the life of the options during the nine months ended 30 September 2012.

No options granted under the Share Option Scheme had been exercised during the nine months ended 30 September 2012.

Subsequent to 30 September 2012, 1,147,154 options were repurchased and cancelled at total consideration of HK\$131,585 on 16 October 2012.

(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 8 November 2012. The unaudited consolidated financial information of the Company for the nine months ended 30 September 2012 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 nine months ended 30 September 2012 and 30 September 2011. Neither the Company, nor any of its subsidiaries, has purchased or sold any of the Company's listed securities during the nine months ended 30 September 2012 and 30 September 2011.

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

Hong Kong, 8 November 2012

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

<i>Executive Directors:</i>	<i>Johnny Chan Kok Chung, Jeffrey Lau Chun Hung and Ulric Leung Yuk Lun</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>

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 Crosby Capital Limited at www.crosbycapitallimited.com.