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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)

**(1) DISCLOSEABLE TRANSACTION –
ACQUISITION OF 70% EQUITY INTEREST IN
COMPLETE STAR LIMITED,
(2) CONTINUING CONNECTED TRANSACTIONS –
SERVICE AGREEMENT AND
ADVERTISING SERVICE AGREEMENT
AND
(3) RESUMPTION OF TRADING**

(1) The Acquisition

The Board is pleased to announce that on 10 September 2014, the Purchaser, a wholly-owned subsidiary of the Company, the Vendor and the Company entered into the Sale and Purchase Agreement in relation to the sale and purchase of the Sale Shares for an aggregate consideration of US\$9,660,000 (equivalent to approximately HK\$75,106,500), subject to Adjustment, which will be satisfied in cash and/or by the issue of the Consideration Shares.

* For identification purposes only

The First Instalment Consideration Shares will be issued and allotted under the General Mandate, and will rank pari passu in all respects with the existing issued Shares.

Pursuant to the Sale and Purchase Agreement, the Vendor shall be entitled to the Profit Bonus and the Excess Profit Bonus, to be satisfied in cash and/or by the issue of new Shares. Details of the Profit Bonus and the Excess Profit Bonus are set out in the paragraph headed “Profit Bonus and Excess Profit Bonus” below.

As the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the GEM Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

As the Completion is subject to the fulfillment and/or waiver (as the case may be) of the Conditions under the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

(2) Continuing Connected Transactions

(i) The Target Company and the Vendor will enter into the Service Agreement, effective on the Completion Date, whereby the Vendor will provide the Services to the Target Group; and (ii) the Target Company and the Advertising Service Provider, which is wholly-owned by the Vendor, will enter into the Advertising Service Agreement, effective on the Completion Date, whereby the Advertising Service Provider will provide the Advertising Services to the Target Group.

As the Vendor will remain a substantial shareholder (within the meaning of the GEM Listing Rules) of the Target Company (which will become a subsidiary of the Company at Completion) upon the Completion and holds 30% equity interest in the Target Company, accordingly each of the Vendor and the Advertising Service Provider, a wholly-owned subsidiary of the Vendor, is a connected person of the Company upon Completion and the entering into of the Service Agreement and the Advertising Service Agreement will constitute continuing connected transactions for the Company under the GEM Listing Rules.

Given that: (i) the Vendor is a connected person of the Company only at subsidiary level; (ii) the Board has approved the CCT Transactions; and (iii) having considered the terms of Service Agreement and the Advertising Service Agreement and the transactions contemplated thereunder (including the Annual Caps), all the independent non-executive Directors confirmed that the terms of the CCT Transactions are fair and reasonable, the CCT Transactions are on normal commercial terms and in the interest of the Company and the Shareholders as a whole, the Company has satisfied the requirements under Rule 20.99 of the GEM Listing Rules. Therefore, the CCT Transactions (including the Annual Caps) are subject to the reporting, announcement and annual review requirements under Chapter 20 of the GEM Listing Rules but exempted from independent Shareholders' approval requirements.

(3) Resumption of trading

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Wednesday, 10 September 2014, pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 11 September 2014.

THE ACQUISITION

On 10 September 2014, the Purchaser, the Vendor and the Company entered into the Sale and Purchase Agreement in relation to the sale and purchase of the Sale Shares for an aggregate consideration of US\$9,660,000 (equivalent to approximately HK\$75,106,500), subject to Adjustment, which will be satisfied in cash and/or by the issue of the Consideration Shares.

Sale and Purchase Agreement

Date:

10 September 2014

Parties:

- (1) the Purchaser, an indirect wholly-owned subsidiary of the Company;
- (2) the Vendor; and
- (3) the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Acquisition of the Sale Shares

Pursuant to the Sale and Purchase Agreement, the Purchaser agreed to purchase the Sale Shares, representing 70% of the existing issued share capital of the Target Company, from the Vendor.

As at the date of this announcement, the Vendor holds 100% of the issued share capital of the Target Company. Upon Completion, the Target Company will be held as to 70% by the Purchaser and as to 30% by the Vendor.

Consideration

The aggregate consideration for the Acquisition is US\$9,660,000 (equivalent to approximately HK\$75,106,500), subject to Adjustment, shall be satisfied in the following manner:

- (a) in respect of the First Instalment, (i) as to US\$2,898,000 (equivalent to approximately HK\$22,531,950) by cash, and (ii) as to US\$322,000 (equivalent to approximately HK\$2,503,550) by the issue and allotment of 1,627,795 Consideration Shares at the issue price of HK\$1.538 per Consideration Share;
- (b) in respect of the Second Instalment, (i) as to at least US\$1,242,000 (equivalent to approximately HK\$9,656,550) by cash, and (ii) as to the remaining portion of not more than US\$1,978,000 (equivalent to approximately HK\$15,378,950) by the issue and allotment of the Second Instalment Consideration Shares. In the event that the Second Instalment (after Adjustment) is less than US\$1,242,000 (equivalent to approximately HK\$9,656,550), the entire amount of the Second Instalment will be satisfied by cash. The exact portion of the Second Instalment to be satisfied in cash and/or by issue of Consideration Shares will be determined at the sole discretion of the Purchaser; and
- (c) in respect of the Third Instalment, by cash and/or issue and allotment of the Third Instalment Consideration Shares in such portion as determined at the sole discretion of the Purchaser.

In the event that the Purchaser fails to determine the portion of the cash and/or Consideration Shares for settlement of the Second Instalment and/or the Third Instalment, the Second Instalment will be settled as to US\$1,242,000 (equivalent to approximately HK\$9,656,550) in cash and as to the remaining US\$1,978,000 (equivalent to approximately HK\$15,378,950) by issue of Consideration Shares, and the Third Instalment will be settled in full by issue of Consideration Shares.

The cash portion of the First Instalment will be funded by internal resources of the Company.

The issue price of the Second Instalment Consideration Shares and the Third Instalment Consideration Shares (if any) shall be the average closing price of the Shares quoted on GEM for the 10 Business Days immediately preceding the date of the issue of the 2014 Audited Accounts (in respect of the Second Instalment Consideration Shares) and the 2015 Audited Accounts (in respect of the Third Instalment Consideration Shares) (if applicable).

The issue and allotment of the Second Instalment Consideration Shares and the Third Instalment Consideration Shares (if any) shall be subject to the following conditions: (i) the Company having obtained the approval of the Shareholders for a special mandate to issue the Second Instalment Consideration Shares and the Third Instalment Consideration Shares (as the case may be), respectively, if required; and (ii) the Listing Committee having granted to the Company the listing of, and permission to deal in, the Second Instalment Consideration Shares and the Third Instalment Consideration Shares (as the case may be), respectively. If any of the conditions for the issue and allotment of the Second Instalment Consideration Shares and the Third Instalment Consideration Shares (if any) is not satisfied, the Purchaser will settle the remaining portion of the Second Instalment and the Third Instalment by cash.

The Company will determine whether the Second Instalment Consideration Shares and the Third Instalment Consideration Shares (if any) will be issued and allotted pursuant to the then available general mandate or a specific mandate to be obtained from the Shareholders. The Second Instalment Consideration Shares and the Third Instalment Consideration Shares (if any), upon issue, will credit as fully paid and rank pari passu in all aspects with existing Shares then in issue.

Basis of determination of the Consideration

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser taking into account:

- (i) The business of the Target Group, its future earnings and the potential synergies of the Target Group with the Group's existing businesses as detailed in the paragraph headed "Reasons for and benefits of the Acquisition, the Service Agreement and the Advertising Service Agreement".

- (ii) Given that the Target Company is a newly incorporated company with no business track record, the Consideration is subject to the Adjustment with reference to the 2014 Profit and the 2015 Profit, as detailed in the paragraph headed “Adjustment to the Second Instalment and the Third Instalment” in this announcement.
- (iii) Based on the 2015 Profit, the Consideration represents a price-to-earning multiple of approximately 5 times. The price-to-earning multiple is determined having considered the price-to-earning multiple of market comparables of publicly-traded companies in similar business and that the Target Company is a private company. The Directors consider that it is fair and reasonable by reference to the price-to-earning multiples of other publicly-traded comparable companies.

Adjustment to the Second Instalment and the Third Instalment

In the event that the 2014 Audited Net Profit is less than US\$980,000 (equivalent to approximately HK\$7,619,500) or the 2015 Audited Net Profit is less than US\$2,750,000 (equivalent to approximately HK\$21,381,250), the Second Instalment or the Third Instalment (as the case may be) will be adjusted in proportion to the shortfall. In the event that the 2014 Audited Net Profit or the 2015 Audited Net Profit is a negative value, no payment will have to be made by the Purchaser under the Second Instalment and/or the Third Instalment (as the case may be). There will not be any upward adjustments to the Second Instalment and the Third Instalment.

Profit Bonus and Excess Profit Bonus

Pursuant to the Sale and Purchase Agreement,

- (a) in the event that the 2014 Audited Net Profit shall be equal to or more than the 2014 Profit Target, the Purchaser shall pay to the Vendor a profit bonus in the amount of US\$2,028,600 (equivalent to approximately HK\$15,772,365);
- (b) in the event that the 2015 Audited Net Profit shall be equal to or more than the 2015 Profit Target, the Purchaser shall pay to the Vendor a profit bonus in the amount of US\$2,704,800 (equivalent to approximately HK\$21,029,820); and
- (c) in the event that either the 2014 Audited Net Profit exceeds the 2014 Profit Target by 10% or more, or the 2015 Audited Net Profit exceeds the 2015 Profit Target by 10% or more, the Purchaser shall pay to the Vendor an additional profit bonus equal to 7 times of the amount of audited net profit for the relevant year in excess of the profit target for that year, provided that, each of the 2014 Excess Profit Bonus and the 2015 Excess Profit Bonus shall be no more than US\$3,381,000 (equivalent to approximately HK\$26,287,275).

The Profit Bonus and/or the Excess Profit Bonus shall be settled in cash or by the issue and allotment of Shares in such portion to be determined by the Purchaser in its sole discretion, provided that at least 30% of the Profit Bonus and/or the Excess Profit Bonus shall be paid in cash.

In the event that the Purchaser fails to determine the portion of the cash and/or Consideration Shares for settlement of the Profit Bonus and/or the Excess Profit Bonus, the Profit Bonus and/or the Excess Profit Bonus will be settled as to 30% in cash and as to the remaining 70% by issue of new Shares.

The issue price of the Shares to be issued and allotted to satisfy the Profit Bonus and/or the Excess Profit Bonus shall be the average closing price of the Shares quoted on GEM for the 10 Business Days immediately preceding the date of the issue of the 2014 Audited Accounts (in respect of the Shares to be issued and allotted to satisfy the 2014 Profit Bonus and/or the 2014 Excess Profit Bonus) or the 2015 Audited Accounts (in respect of the Shares to be issued and allotted to satisfy the 2015 Profit Bonus and/or the 2015 Excess Profit Bonus).

The issue and allotment of Shares to satisfy the Profit Bonus and the Excess Profit Bonus shall be subject to the same conditions as the issue and allotment of the Second Instalment Consideration Shares and the Third Instalment Consideration Shares as set out in the paragraph headed “Consideration” above. If any of the conditions for the issue and allotment of the Shares to satisfy the Profit Bonus or the Excess Profit Bonus is not satisfied, the Purchaser will settle that portion of the Profit Bonus or the Excess Profit Bonus (as the case may be) by cash.

The Company will determine whether the Shares for satisfying the Profit Bonus and/or the Excess Profit Bonus will be issued and allotted pursuant to the then available general mandate or a specific mandate to be obtained from the Shareholders. The Shares to be issued to satisfy the Profit Bonus and the Excess Profit Bonus upon issue, will credit as fully paid and rank pari passu in all aspects with existing Shares then in issue.

Triggering Event

In the event of the occurrence of any one of the following events (each a “**Triggering Event**”) prior to the publication of the 2014 Audited Accounts: (i) an initial public offering or listing on any stock exchange or other securities market for any of the securities of any Target Group company; (ii) the sale of all or substantially all of the Business of the Target Group; and/or (iii) the Group ceasing to own more than 50% of the entire issued share capital of the Target Company or the Group otherwise ceases to Control the Target Company or the Target Group, except as a result of issue of new Target Shares, to the extent that any portion of the Second Instalment (without Adjustment), the Third Instalment (without Adjustment), the Profit

Bonus and/or the Excess Profit Bonus (as applicable) has not been settled at the time of the occurrence of the relevant Triggering Event, the settlement of such outstanding amount of the Second Instalment, the Third Instalment, the Profit Bonus and/or the Excess Profit Bonus (as applicable) will be accelerated and payable upon completion of the relevant Triggering Event.

The portion of cash and/or new Shares payable by the Purchaser shall be subject to the portion referred to in the paragraph headed "Consideration" above in respect of the Second Instalment and the Third Instalment, and the paragraph headed "Profit Bonus and Excess Profit Bonus" above in respect of the Profit Bonus and Excess Profit Bonus respectively. The issue of Shares pursuant to the Second Instalment, the Third Instalment, the Profit Bonus and/or the Excess Profit Bonus (as applicable) shall be subject to the same conditions applied to the issue of the Second Instalment Consideration Shares and the Third Instalment Consideration Shares as set out in the paragraph headed "Consideration" above.

Lock-up Undertaking

- (1) The Vendor undertakes to each of the Purchaser and the Company that, subject to Completion taking place and the issue of the Consideration Shares to the Vendor pursuant to the First Instalment, the Second Instalment and the Third Instalment (as applicable) and the issue of Shares to the Vendor pursuant to the Profit Bonus (as applicable) and/or Excess Profit Bonus (as applicable) or as a result of a Triggering Event, it shall not, directly or indirectly, and shall procure that the holder(s) of the Shares and/or Shares shall not, directly or indirectly:
 - (a) in respect of 30% of the Shares issued at anytime pursuant to the First Instalment, the Second Instalment, the Third Instalment (as applicable) and the Profit Bonus (as applicable) and/or Excess Profit Bonus (as applicable), or as a result of a Triggering Event, for a six-month (6) period commencing on (i) the Completion Date (in respect of the First Instalment Consideration Shares) and (ii) the date the Purchaser has notified the Vendor of the method of settlement pursuant to the Second Instalment and/or the Third Instalment (as applicable) and the Profit Bonus (as applicable) and/or Excess Profit Bonus (as applicable), or as a result of a Triggering Event, respectively; and
 - (b) in respect of the remaining 70% of the Shares issued at anytime pursuant to the First Instalment, the Second Instalment, the Third Instalment (as applicable) and the Profit Bonus (as applicable) and/or Excess Profit Bonus (as applicable), or as a result of a Triggering Event, for a twelve-month (12) period commencing on (i) the Completion Date (in respect of the First Instalment Consideration Shares) and (ii) the Purchaser has notified the Vendor of the method of settlement pursuant to

the Second Instalment and/or the Third Instalment (as applicable) and the Profit Bonus (as applicable) and/or Excess Profit Bonus (as applicable), or as a result of a Triggering Event, respectively;

sell, transfer or otherwise dispose of (including but not limited to the creation of any options over or pledge or charge as security) any of such Shares described above. This undertaking shall survive the Completion, save for:

- (a) where such disposal is made in the acceptance of an offer made in accordance with the Takeovers Code by any third party; or
- (b) where such disposal is made pursuant to an offer by the Company to purchase its own Shares which is made by the Company under the Hong Kong Code on Share Repurchases.

Issue Price

The First Instalment Consideration Shares to be issued at the issue price of HK\$1.538 per Consideration Share, represents:

- (a) a discount of approximately 16.0% to the closing price of HK\$1.83 per Share as quoted on the Stock Exchange on 8 September 2014, the last trading day for the Shares before the date of the Sale and Purchase Agreement;
- (b) a discount of approximately 4.1% to over the average closing price of approximately HK\$1.604 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the date of the Sale and Purchase Agreement; and
- (c) equal to the average closing price of approximately HK\$1.538 per Share as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the date of the Sale and Purchase Agreement.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the First Instalment Consideration Shares.

Conditions Precedent

Completion is conditional upon fulfillment of the following conditions (the “**Conditions**”):

- (a) the Vendor and the Purchaser having obtained all necessary approvals, authorisations or consents in Hong Kong, the BVI or elsewhere in relation to the sale and purchase of the Sale Shares as contemplated under the Sale and Purchase Agreement (if applicable);

- (b) the Listing Committee having granted to the Company the listing of, and permission to deal in, the Consideration Shares to be issued under the First Instalment on the Stock Exchange;
- (c) all license, permit, consent, authorisation, permission, clearance, warrant, confirmation, certificate or approval of any competent governmental, administrative, supervisory, regulatory, judicial, determinative, disciplinary, enforcement or tax raising body, authority, agency, board, department, court or tribunal of any jurisdiction (including the Stock Exchange or any relevant securities exchange) and whether supranational, national, regional or local or any other person or third party which are required for the Sale and Purchase Agreement and all matters contemplated thereunder having been obtained or made (if any) and not having been rescinded, revoked or withdrawn as of the Completion Date;
- (d) the representations, warranties and undertakings given by the Vendor in respect of the Target Group under the Sale and Purchase Agreement being true, accurate and correct in all respects and not misleading;
- (e) the Vendor having performed all of its obligations and undertakings under the Sale and Purchase Agreement required to be performed prior to Completion;
- (f) in the reasonable opinion of the Purchaser, no Material Adverse Change (or Effect) having occurred in respect of the business, assets, financial position, performance, operations, properties or conditions (financial or otherwise) of the Target Company;
- (g) the Vendor having provided the Purchaser with a certified true copy of the Completion Accounts;
- (h) the execution of the New Deed of Assignment by the Target Company and the Vendor;
- (i) the execution of the Advertising Service Agreement by the Target Company and the Advertising Service Provider;
- (j) the Vendor having delivered to the Purchaser a legal opinion issued by a qualified lawyer of the BVI (who is acceptable to the Purchaser) and addressed to the Purchaser covering matters relating to the Target Company, the Vendor and the Advertising Service Provider including their due incorporation and good standing and their corporate capacity to enter into the Sale and Purchase Agreement, the Shareholders' Agreement and the Definitive Agreements to which the relevant party(ies) is/are party(ies) to (as the case may be) and carry out the transactions contemplated

thereunder, the due execution, validity and enforceability of the Sale and Purchase Agreement, the Shareholders' Agreement and the Definitive Agreements, the results of customary litigation and other searches, in such form to be acceptable to the Purchaser; and

- (k) the Purchaser having obtained confirmations from the Vendor confirming that as at Completion, (i) it is not aware of any matter or thing which is in breach or inconsistent with any of the representations, warranties and undertakings given by the Vendor and (ii) there was no Material Adverse Change (or Effect) in respect of the financial or trading position of any member of the Target Group since the date of the Sale and Purchase Agreement.

The Purchaser may waive the conditions set out in (d), (e), (f), (g), and (j) above at its sole discretion, and no party may waive any other conditions set out above.

If the above conditions remain unfulfilled (or as the case may be, waived by the Purchaser) by the Long Stop Date (except condition (k) which shall be fulfilled on Completion), the Sale and Purchase Agreement and everything therein contained shall, subject to the liability of any party to the others in respect of any antecedent breach of the terms thereof, including the obligations under the Sale and Purchase Agreement, antecedent thereto, be null and void and of no effect.

Completion

Completion shall take place on the fifth (5th) Business Day after the date that the Conditions are fulfilled or waived, or such later date as the parties to the Sale and Purchase Agreement may agree in writing prior to Completion.

Upon Completion, the Company will be indirectly interested in 70% of the issued share capital of the Target Company and the Target Company will be accounted for as a subsidiary of the Company and will be consolidated in the consolidated financial statements of the Group.

As the Completion is subject to the fulfillment and/or waiver (as the case may be) of the Conditions under the Sale and Purchase Agreement, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

CONTINUING CONNECTED TRANSACTIONS

(i) Service Agreement

At Completion, the Target Company and the Vendor will enter into the Service Agreement pursuant to which the Vendor will provide the following services (the “**Services**”) to the Target Company.

- (a) arrange and provide at all times personnel to be seconded to the Target Group to:
 - (i) work on the development, operation, distribution, marketing and sale of the Apps and all business arising out of and in connection with the Business;
 - (ii) administrative services in relation to the Business and the use of all relevant software, computer programs, iOS and Android Operating Systems, Amazon Web Services and computers for the purpose of development;
 - (iii) marketing and promotion services in respect of the Business; and
 - (iv) any other services that the Target Company and the Vendor may agree from time to time.

Term

The Service Agreement shall become effective on the Completion Date and shall continue for an initial period of two (2) years (the “**Initial Service Term**”), unless earlier terminated as provided under the Service Agreement. At or prior to the end of the Initial Service Term, the Target Company has the right (but not obligation) to renew the Initial Service Term for another two (2) years.

Service Fees

The service fees for the Services payable by the Target Company to the Vendor shall be US\$25,300 (equivalent to approximately HK\$196,708) per calendar month. If the monthly data consumption for the Apps exceeds any of the Base Consumption, then the service fees for the server hosting payable by the Target Company shall be calculated based on the actual costs charged by the third party providers.

Exclusivity

No member of the Target Group shall appoint any other person (other than the Vendor Group) to provide or perform any Services during the term of the Service Agreement except with the prior written consent of the Vendor.

Service Agreement Annual Caps

Set below are the Service Agreement Annual Caps set by the Company for the Service Agreement:

	For the period ending 31 December 2014	For the year ending 31 December 2015	For the year ending 31 December 2016
Service Agreement Annual Caps	US\$75,900 (equivalent to approximately HK\$590,123)	US\$334,000 (equivalent to approximately HK\$2,596,850)	US\$368,000 (equivalent to approximately HK\$2,861,200)

In determining the Service Agreement Annual Caps, the Board has taken into account the following:

- (i) The service fee comprised of the salary of the personnel deployed to provide the Services and the fees payable to third party providers in relation to the server hosting services for the Apps.
- (ii) The business plan for the Target Company up to 31 December 2016, including the publication of new episodes and series of the Apps which is expected to increase the data consumption due to increase in users and user rates.
- (iii) For the year ending 31 December 2014, assuming that Completion takes place on or around 1 October 2014, based on the business plan of the Target Company, the data consumption of the Apps will not exceed the Base Consumption, hence the Service Agreement Annual Caps for the year ending 31 December 2014 comprises only the salary of the personnel deployed to provide the Services for the three months commencing from 1 October 2014.

- (iv) The Service Agreement Annual Caps for the years ending 31 December 2015 and 2016 have taken into the annual increase in salary of the personnel deployed to provide the Services, the increase in data consumption of the Apps in accordance with the business plan which will result in the monthly data consumption exceeding the Base Consumption resulting in fees for server hosting, and the increase in fees charged by third party provider overtime as a result of inflation and increase in cost.

The Directors (including independent non-executive Directors) are of the view that the terms of the Service Agreement (including the Service Agreement Annual Caps) has been agreed after arm's length negotiation between the parties, on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

(ii) Advertising Service Agreement

The Target Company and the Advertising Service Provider, which is wholly-owned by the Vendor, will enter into the Advertising Service Agreement, effective on the Completion Date, whereby the Advertising Service Provider will provide the Advertising Services to the Target Group.

Advertising Services and grant of Licence

Pursuant to the Advertising Service Agreement, the Target Company agrees to appoint the Advertising Service Provider to provide the Advertising Services to the Target Company on a non-exclusive basis.

The Advertising Service Provider grants to the Target Company a non-exclusive, non-transferable and non-sublicenseable license during the term of the Advertising Service Agreement to use the Muneris SDK provided by the Advertising Service Provider solely to the extent necessary in connection with the provision of the Advertising Services by Advertising Service Provider (the "**Licence**").

Term

The term of the Advertising Service Agreement will commence on the Completion Date and shall continue until 31 December 2016 (the “**Initial Term**”), unless terminated early in the cases permitted under the terms of the Advertising Service Agreement. At the end of the Initial Term, the Advertising Service Agreement will automatically be renewed for successive periods of one (1) year each, unless a party gives the other party six (6) months’ written termination notice prior to the commencement of a renewal term.

Commission

In consideration of the provision of the Advertising Services, the Advertising Service Provider shall be entitled to commissions, being 30% of Net Revenue payable to the Advertising Service Provider (the “**Commission**”).

Net Revenue means Gross Revenues less deductions for (a) channel costs (including, without limitation, the commission of sales of or within the Apps via (i) Apple Inc’s App Store levied by Apple Inc.; (ii) Google Inc’s Google Play levied by Google Inc.; and (iii) other proprietors’ application stores levied by their respective proprietors), (b) Advertising Expense and (c) such other deductions which Target Company and the Advertising Service Provider may agree in writing from time to time.

Gross Revenue means the aggregate revenues relating to the Apps recognised and actually collected by the Target Company or the Advertising Service Provider (as the case may be) from (a) in-game virtual items sales, (b) sales of the paid version(s) of the Apps (if any) and (c) in-game advertising and/or sponsorship revenues, including without limitation proceeds from any display ads network, barter-based, pay-per-install, pay-per-action or other similar ad networks.

Advertising Expense

In consideration for the provision of the Advertising Services, the Advertising Service Provider shall charge the Company all advertising, marketing and distribution expenses to be incurred by the Advertising Service Provider during the term of the Advertising Service Agreement (the “**Advertising Expense**”).

Advertising Service Agreement Annual Caps

Set below are the Advertising Service Agreement Annual Caps set by the Company for the Advertising Service Agreement:

	For the period ending 31 December 2014	For the year ending 31 December 2015	For the year ending 31 December 2016
Commission	US\$175,000 (equivalent to approximately HK\$1,360,625)	US\$665,000 (equivalent to approximately HK\$5,170,375)	US\$795,000 (equivalent to approximately HK\$6,181,125)
Advertising Expense	US\$523,000 (equivalent to approximately HK\$4,066,325)	US\$2,650,000 (equivalent to approximately HK\$20,603,750)	US\$3,250,000 (equivalent to approximately HK\$25,268,750)

In determining the Advertising Service Agreement Annual Caps, the Board has taken into account the following:

- (i) The business plan of the Target Company up to 31 December 2016, including the advertising, marketing and distribution expenses expected to be incurred by the Target Company to attract an increase in users of the Apps, and the revenue expected to be generated from in-game virtual items sales, sale of paid versions of the Apps and in-game advertising and/or sponsorship as the users and user rates of the Apps increased.
- (ii) In determining the annual caps in respect of Commission, references is also made to the expected roll out of new episodes and series of the Apps, including introduction of additional paid versions of the Apps, the increase in in-game advertising and/or sponsorship resulting from the increase in users and user rates of the Apps.
- (iii) The 30% commission rate for the Commission is determined with reference to the current commission charged by the Advertising Service Provider for similar services provided to third parties and industry benchmark for similar services provided by service providers other than the Advertising Service Provider.

- (iv) The annual caps in respect of Advertising Expense are determined with references to the expected timeline for the roll out of new episodes and series of the Apps and the related marketing, promotion and distribution programmes for such new episodes and series in the business plan.

The Directors (including independent non-executive Directors) are of the view that the terms of the Advertising Service Agreement (including the Advertising Service Agreement Annual Caps) has been agreed after arm's length negotiation between the parties, on normal commercial terms and are in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE GROUP, THE TARGET GROUP AND THE VENDOR

The Group

The Group is principally involved in the businesses of asset management and strategic investment.

The Target Group

The Target Company is an investment holding company incorporated in the BVI with limited liability on 1 April 2014. The Target Company will, upon Completion, be the owner of the Apps and the Apps Documentation, which are required for the operation of the Business. The Subsidiary is a company incorporated in Hong Kong with limited liability. The Subsidiary will be principally engaged in the operation of the Business pursuant to, among other things, the New Distribution Contracts.

The Target Company was incorporated on 1 April 2014 and it has not carried on any business, therefore the Company has no such financial information of the Target Company in respect of revenue or profit for the past two financial years immediately preceding the Acquisition. The Target Company has net asset value of US\$100 (equivalent to approximately HK\$778) immediately preceding the Acquisition.

The Vendor

The Vendor is a company incorporated in Hong Kong with limited liability on 9 November 2010. It is a leading developer and publisher of mobile games and edutainment apps for global audiences under the brand “Animoca”. It has released more than 400 apps across multiple platforms, with more than 220 million game downloads since it was launch in 2011. Animoca’s casual games have become wildly popular with audiences throughout the world, earning high acclaim from gamers and reviewers alike. Animoca also publishes edutainment apps under its Baby Cortex label. Totally Apps Holdings Limited, a company incorporated in the BVI, is wholly-owned by the Vendor.

EFFECTS OF THE ISSUE AND ALLOTMENT OF THE CONSIDERATION SHARES AND/OR SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming there is no change in the issued share capital of, and the shareholding in, the Company from the date of this announcement and up to the full settlement of the Consideration, the table below sets out the shareholding structure of the Company: (i) as at the date of this announcement; (ii) immediately after Completion and allotment and issue of the First Instalment Consideration Shares; (iii) immediately after (a) allotment and issue of the First Instalment Consideration Shares; (b) allotment and issue of the Second Instalment Consideration Shares (assuming no Adjustment and payment of US\$1,978,000 (equivalent to approximately HK\$15,378,950) of the Second Instalment by issue of Consideration Shares); (c) allotment and issue of the Bonus Share Portion (in respect of the 2014 Profit Bonus in the amount of US\$1,420,020 (equivalent to approximately HK\$11,040,500)) assuming the 2014 Audited Net Profit equals to or is more than the 2014 Profit Target; and (d) allotment and issue of the Bonus Share Portion (in respect of the 2014 Excess Bonus in the amount of US\$2,366,700 (equivalent to approximately HK\$18,401,093)) assuming the 2014 Excess Profit Bonus achieves the cap of US\$3,381,000 (equivalent to approximately HK\$26,287,275) (collectively “**First Aggregate Consideration Shares**”); and (iv) immediately after (a) allotment and issue of the First Aggregate Consideration Shares; (b) allotment and issue of the Third Instalment Consideration Shares (assuming no adjustment and payment of US\$3,220,000 (equivalent to approximately HK\$25,035,500) by issue of Consideration Shares; (c) allotment and issue of the Bonus Share Portion (in respect of the 2015 Profit Bonus in the amount of US\$1,893,360 (equivalent to approximately HK\$14,720,874)) assuming the 2015 Audited Net Profit equals to or is more than the 2015 Profit Target; and (d) allotment and issue of the Bonus Share Portion (in respect of the 2015 Excess Profit Bonus of US\$2,366,700 (equivalent to approximately HK\$18,401,093)) assuming the 2015 Excess Profit Bonus achieves the cap of US\$3,381,000 (equivalent to approximately HK\$26,287,275):

Notes:

1. Assuming no exercise of share options or warrants, or conversion of redeemable convertible preference shares (“**RCPS**”) or convertible bonds.
2. Assuming all share options are fully exercised and all RCPS and convertible bonds are converted in full.
3. Main Wealth Enterprises Limited (“**Main Wealth**”) owns 66,195,221 Shares. 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, he is deemed to be interested in these Shares through his 100% indirect interest in Main Wealth.
4. Legend Vantage Limited (“**Legend Vantage**”) owns 57,874,051 Shares. Mr. Li Guangrong is deemed to be interested in these Shares through his 100% interests in Legend Vantage.
5. Able Supreme Management Limited (“**Able Supreme**”) owns 45,818,745 Shares and 126,152,658 Shares which will be allotted and issued upon full conversion of 6,388,500 RCPS at conversion price of HK\$0.79 per Share (reset on 14 March 2014). 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.
6. Mr. Wu King Shiu, Kelvin (“**Mr. Wu**”), the Chief Executive Officer and executive Director, owns 2,400,000 Shares. Mr. Wu is also deemed to be interested in 27,600,000 Shares held by HMV Asia Limited through his deemed interest in 93.75% of the equity in HMV Asia Limited due to family holdings. Mr. Wu was granted 4,576,000 options at an exercise price of HK\$0.94 per Share to subscribe for Shares on 20 June 2014. Mr. Wu is deemed to have interest in 218,750,000 underlying Shares as mentioned in note 15 below. Mr. Wu is also interested in 14,700,000 underlying Shares.
7. Mr. Chang Tat Joel (“**Mr. Chang**”), an executive Director, was granted 4,564,000 options at an exercise price of HK\$0.98 per Share to subscribe for Shares on 15 May 2014. Mr. Chang is also deemed to have interest in 218,750,000 underlying Shares as mentioned in note 15 below.
8. Mr. Ho Gilbert Chi Hang (“**Mr. Ho**”), the Chief Investment Officer and executive Director, was granted 4,564,000 options at an exercise price of HK\$0.98 per Share to subscribe for Shares on 15 May 2014. Mr. Ho is also deemed to have interest in 218,750,000 underlying Shares as mentioned in note 15 below.
9. Mr. Liu Guang He, an executive Director, was granted 2,500,000 options at an exercise price of HK\$0.94 per Share to subscribe for Shares on 20 June 2014.
10. Mr. Nelson Tong Naiyi, an executive Director, was granted 2,500,000 options at an exercise price of HK\$0.94 per Share to subscribe for Shares on 20 June 2014.
11. Mr. Stephen Shiu Junior (“**Mr. Shiu**”), a non-executive Director, was granted 500,000 options at an exercise price of HK\$0.94 per Share to subscribe for Shares on 20 June 2014. Mr. Shiu owns 27,631,578 underlying Shares which will be allotted and issued upon fall conversion of the outstanding convertible bonds for a principal sum of HK\$21,000,000 at conversion price of HK\$0.76 per Share (reset on 24 February 2014).
12. Mr. Shi Jinsheng, an independent non-executive Director, was granted 450,000 options at an exercise price of HK\$0.94 per Share to subscribe for Shares on 20 June 2014.

13. Mr. Sin Hendrick, an independent non-executive Director, was granted 450,000 options at an exercise price of HK\$0.94 per Share to subscribe for Shares on 20 June 2014.
14. Mr. Yuen Kwok On, an independent non-executive Director, was granted 450,000 options at an exercise price of HK\$0.94 per Share to subscribe for Shares on 20 June 2014.
15. Abundant Star Ventures Limited (“**Abundant Star**”) and Vantage Edge Limited (“**Vantage Edge**”) own 125,000,000 and 93,750,000 underlying Shares, which will be allotted and issued upon full conversion of the outstanding convertible bonds for a principal sum of HK\$100,000,000 and HK\$75,000,000, respectively. Mr. Wu, Mr. Ho and Mr. Chang are deemed to have interest in 218,750,000 underlying Shares of which Abundant Star and Vantage Edge were deemed to be interested by virtue of the SFO since they indirectly own 56% through Billion Power Management Limited, 23% through Elite Honour Investments Limited and 21% through Genius Link Assets Management Limited, respectively, of the issued share capital in AID Partners GP2, Ltd.. AID Partners GP2, Ltd. is the general partner of AID Partners Capital II L.P.. AID Partners Capital II L.P. is a private equity fund interested in the entire issued share capital of Abundant Star and Vantage Edge.
16. Yang Shengrong owns 2,425,000 RCPS of which can be converted into 47,886,075 Shares at conversion price of HK\$0.79 per Share (reset on 14 March 2014).

REASONS FOR AND BENEFITS OF THE ACQUISITION, THE SERVICE AGREEMENT AND THE ADVERTISING SERVICE AGREEMENT

The Group is principally engaged in the businesses of asset management and direct investment. The Directors believe that in the coming few years, there are challenges and changes in the investment environment in Hong Kong and the world as a whole. China experienced slower economic growth amid economic uncertainties in Europe and mild recovery in the US. Thus, it is of the interest of the Company to diversify investments which are less susceptible to the global financial markets.

In 2013, the global mobile game segment has generated US\$12.3 billion, or 17.4% of all global game revenues. By 2016, mobile games are expected to account for 27.8% of the global game revenues, generating US\$23.9 billion. The 2012 to 2016 CAGR for the mobile games segment (27.3%) is almost four times higher than the industry as a whole (6.7%). This impressive growth is driven mostly by tablet gaming, which boasts the highest CAGR of any platform at 47.6%.

Revenue growth for mobile games is fueled by an increase in the number of players and payers as well as a higher average spends per paying mobile gamer. 378 million consumers worldwide, or 39% of all mobile gamers, spend a monthly average of US\$2.7 on or in mobile games. It is anticipated that these figures will amount to 50% and US\$3.07 respectively by 2016. With 48% of the global revenue, the Asia-Pacific region is by far the biggest market for mobile games with almost three times as many paying mobile gamers as the next biggest

region, North America. Asia, as aggregate of China, Japan, Korea and Taiwan, has the highest percentage of mobile players that also pays for games at 47%. Asia has the highest amount of minor spenders at 77%. Moreover, China's online game market has also experienced rapid growth in recent years. The total online game market was worth RMB89 billion in 2013, and is estimated to grow at a 25% CAGR from 2014 to 2017, according to iResearch.

The Target Group will, upon completion, own a series of interactive role-playing Apps developed by the award-winning development team of the Vendor Group. The Apps are available on the three major global digital distribution platforms, namely Apple's App Store, Google's Play Store and Amazon's App Store, and is under negotiation with other digital distribution and social media platform.

The Apps adopt a free-to-play model in which users are able to download and play the Apps for free on the three major global digital distribution platforms. Users' of the Apps are also able to purchase virtual items in-game, including a wide selection of virtual fashion apparels and accessories. Further, the Apps are of the few mobile games targeting female users and the Directors believe this will provide the Group with the advantage of tapping into the expanding yet under-exploited market.

In addition to the Apps' existing titles, the Directors believe that the Apps will have the potential to collaborate with other products which target similar end users such as toys and fashion products and have strong synergies with the existing operation of the Company's subsidiary, namely HMV Ideal Limited, for the development of an innovative online-to-offline ("O2O") platform.

The Directors believe that the terms of the Acquisition and the transactions contemplated thereunder are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

In the course of its business operation, the Group may require general services, including consultancy, agency, secondment, marketing and promotion, and event and human resources management services. The Company considers that given the Vendor's familiarity and experience with the management and operation of the Business, it is desirable for the Vendor to provide the services to the Target Group under the Service Agreement.

In addition, the Advertising Service Provider has experience in providing the Advertising Services in connection with the Apps, accordingly, the Company considers that the Group will benefit from the Advertising Service Agreement with respect to the application of the Apps and advertising, marketing and distribution in connection with the Business.

GEM LISTING RULES IMPLICATIONS

The Acquisition

As the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under the GEM Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

Continuing Connected Transactions

As the Vendor will remain a substantial shareholder (within the meaning of the GEM Listing Rules) of the Target Company (which will become a subsidiary of the Company at Completion) upon the Completion and holds 30% equity interest in the Target Company, accordingly each of the Vendor and the Advertising Service Provider, a wholly-owned subsidiary of the Vendor, is a connected person of the Company upon Completion and the entering into of the Service Agreement and the Advertising Service Agreement will constitute continuing connected transactions for the Company under the GEM Listing Rules.

Given that: (i) the Vendor is a connected person of the Company only at subsidiary level; (ii) the Board has approved the CCT Transactions; and (iii) having considered the terms of Service Agreement and the Advertising Service Agreement and the transactions contemplated thereunder (including the Annual Caps), all the independent non-executive Directors confirmed that the terms of the CCT Transactions are fair and reasonable, the CCT Transactions are on normal commercial terms and in the interest of the Company and the Shareholders as a whole, the Company has satisfied the requirements under Rule 20.99 of the GEM Listing Rules. Therefore, the CCT Transactions (including the Annual Caps) are subject to the reporting, announcement and annual review requirements under Chapter 20 of the GEM Listing Rules but exempted from independent Shareholders' approval requirements.

None of the Directors has a material interest in the CCT Transactions and none of them were required to abstain from voting at the meeting of the Board approving the CCT Transactions.

RESUMPTION OF TRADING

At the request of the Board, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Wednesday, 10 September 2014, pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on Thursday, 11 September 2014.

DEFINITIONS

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

“2014 Audited Accounts”	the audited consolidated financial statements of the Target Group as at 31 December 2014 and the audited consolidated profit and loss accounts of the Target Group for the period commencing from the date of incorporation of Target Company up to and including 31 December 2014
“2014 Audited Net Profit”	the audited consolidated net profit or loss (as the case may be) of the Target Group for the period commencing from the date of incorporation of Target Company up to and including 31 December 2014 as referred to in 2014 Audited Accounts
“2014 Excess Profit Bonus”	$(2014 \text{ Audited Net Profit} - 2014 \text{ Profit Target}) \times 7$
“2014 Profit”	US\$980,000 (equivalent to approximately HK\$7,619,500)
“2014 Profit Bonus”	US\$2,028,600 (equivalent to approximately HK\$15,772,365)
“2014 Profit Target”	the targeted 2014 Audited Net Profit of US\$1,100,000 (equivalent to approximately HK\$8,552,500)
“2015 Audited Accounts”	the audited consolidated financial statements of the Target Group as at 31 December 2015 and the audited consolidated profit and loss accounts of the Target Group for the financial year ending 31 December 2015
“2015 Audited Net Profit”	the audited consolidated net profit or loss (as the case may be) of the Target Group for the financial year ending 31 December 2015 as referred to in 2015 Audited Accounts
“2015 Excess Profit Bonus”	$(2015 \text{ Audited Net Profit} - 2015 \text{ Profit Target}) \times 7$
“2015 Profit”	US\$2,750,000 (equivalent to approximately HK\$21,381,250)
“2015 Profit Bonus”	US\$2,704,800 (equivalent to approximately HK\$21,029,820)

“2015 Profit Target”	the targeted 2015 Audited Net Profit of US\$3,700,000 (equivalent to approximately HK\$28,767,500)
“Acquisition”	the acquisition of the Sale Shares by the Purchaser pursuant to the Sale and Purchase Agreement
“Adjustment”	the adjustment to be made to the Second Instalment and/or the Third Instalment, as detailed in the paragraph headed “Adjustment to the Second Instalment and the Third Instalment” in this announcement
“Advertising Services”	means using the Muneris technology services platform to integrate the Muneris SDK into the Apps, and using such technology to provide advertising, marketing and distribution services in relation to the Apps, together with content hosting and serving services (including customer support and community management services) for the Apps
“Advertising Service Agreement”	the agreement to be entered into between the Target Company and the Advertising Service Provider in relation to the provision of the Advertising Services by the Advertising Service Provider to the Purchaser after Completion
“Advertising Service Agreement Annual Caps”	the annual caps for the transactions contemplated under the Advertising Service Agreement for the financial period/year ending 31 December 2014, 2015 and 2016
“Advertising Service Provider”	Totally Apps Holdings Limited, a company incorporated in the BVI and wholly-owned by the Vendor
“Affiliate(s)”	in relation to any person, any other person directly or indirectly Controlling, Controlled by or under common Control with, such person and in the case of the Vendor, includes any entity from time to time Controlled by any of the shareholders of the Vendor
“Annual Caps”	the Advertising Service Agreement Annual Caps and the Service Agreement Annual Caps

“Apps”	the smartphone, tablet and personal computer applications of the game named “Star Girl” and all updates, upgrades, releases, versions (including platform translations and localized versions) thereof, including:
	<ul style="list-style-type: none"> (a) the source code and object code; and (b) all content, other works or material recorded or embodied in the smartphone, tablet and personal computer applications, including the audio and visual content in any screen displays in the end user interface
“Apps Documentation”	any and all documentation (whether in human or machine readable form) relating to the Apps which is created or owned by the Vendor Group, including all documents associated with the creation, design, development, compilation, assembly instructions or modification of the Apps, including technical or functional specifications, flow charts, algorithms, architectural diagrams, data models, build instructions, testing documentation, technical data, and user instruction and tutorial materials
“Board”	the board of Directors
“Business”	the business of the development, operation, distribution and licensing and franchising of the Apps owned and operated by the Target Company and/or the Target Group
“Business Day”	a day (other than Saturday and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general business
“BVI”	the British Virgin Islands
“CAGR”	compound annual growth rate

“CCT Transactions”	the continuing connected transactions contemplated under the Service Agreement and the Advertising Service Agreement.
“Company”	Crosby Capital Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Accounts”	the unaudited balance sheets of the Target Company and the Subsidiary as at the Completion Accounts Date and the unaudited profit and loss accounts of the Target Company and the Subsidiary for the period commencing from the date of incorporation of Target Company and ending on the Completion Accounts Date
“Completion Accounts Date”	the last day of the calendar month immediately preceding the Completion Date
“Completion Date”	the fifth (5th) Business Day after satisfaction or waiver (as the case may be) of the Conditions (or such later date as the parties to the Sale and Purchase Agreement may agree in writing prior to Completion)
“Conditions”	has the same meaning ascribed to it under the paragraph headed “Conditions Precedent” under the section headed the “The Acquisition” in this announcement
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Consideration”	an amount of US\$9,660,000 (equivalent to approximately HK\$75,106,500), subject to Adjustment to be made in accordance with the Sale and Purchase Agreement
“Consideration Shares”	the Shares to be allotted and issued by the Company as partial settlement of the First Instalment, the Second Instalment and/or the Third Instalment. (as applicable)

“Control”	the power of a person to secure that the affairs of another person are conducted directly or indirectly in accordance with the wishes of that first person by means of being the beneficial owner of more than 50 per cent. (50%) of the voting rights of that other person, or having the right to appoint or remove a majority of the members of or otherwise control the votes at the board of directors (or its equivalent) of that other person, and “Controlling” and “Controlled” shall be construed accordingly
“Definitive Agreements”	the Advertising Service Agreement, the New Deed of Assignment, the Service Agreement and such other agreements as determined by the Purchaser and the Vendor (acting for itself and for and on behalf of other Vendor Group members)
“Directors”	directors of the Company
“Excess Profit Bonus”	the 2014 Excess Profit Bonus and the 2015 Excess Profit Bonus
“Existing Distribution Contracts”	the contracts entered into between (i) the Vendor and/or any member of the Vendor Group and (ii) the Relevant Distributors, in connection with the Business
“First Instalment”	the first instalment of the Consideration in the amount of US\$3,220,000 (equivalent to approximately HK\$25,035,500) to be settled by the Purchaser to the Vendor on the Completion Date in accordance with the Sale and Purchase Agreement
“First Instalment Consideration Shares”	the Consideration Shares to allotted and issued to the Vendor as partial payment of the First Instalment pursuant to the Sale and Purchase Agreement
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 16 May 2014 to allot, issue and deal with additional Shares not exceeding 20% of the issued share capital of the Company as at the date of such annual general meeting

“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Google”	Google Inc.
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Committee”	the GEM listing committee of the Stock Exchange
“Long Stop Date”	31 October 2014 or such other later date as the parties to the Sale and Purchase Agreement may agree in writing
“Material Adverse Change (or Effect)”	any change (or effect), the consequence of which is to materially and adversely affect the financial position, business or property, results of operations, business prospects or assets in connection with the Business as a whole
“Muneris SDK”	means software development kit, application programming interface or other tools supplied by the Advertising Service Provider, including documentation, software and any updates thereto, that communicates with the Advertising Service Provider’s advertising network for utilizing the Advertising Services
“New Deed of Assignment”	the new deed of assignment to be entered into between the Oriented Games International Limited as the assignor and the Target Company as the assignee in respect of the assignment of the Apps and the Apps Documentation and the grant of a royalty-free licence in respect of the Technology and Tools
“New Distribution Contracts”	new contracts entered into between the Target Company and the Relevant Distributors which are in the same nature as the Existing Distribution Contracts
“Profit Bonus”	the 2014 Profit Bonus and the 2015 Profit Bonus

“Purchaser”	Bonus Boost Enterprises Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Relevant Distributors”	Amazon, Apple and Google
“Sale and Purchase Agreement”	the sale and purchase agreement dated 10 September 2014 and entered into between the Purchaser, the Company and the Vendor in relation to the sale and purchase of the Sale Shares
“Sale Shares”	70 shares of US\$1.00 each in the capital of the Target Company, representing 70% of the issued share capital of the Target Company
“Second Instalment”	the second instalment of the Consideration in the amount of US\$3,220,000 (equivalent to approximately HK\$25,035,500) to be settled by the Purchaser to the Vendor in accordance with the Sale and Purchase Agreement
“Second Instalment Consideration Shares”	the Consideration Shares which may be issued to the Vendor as partial settlement of the Second Instalment pursuant to the Sale and Purchase Agreement
“Services”	has the meaning ascribed to it under the paragraph headed “(i) Service Agreement” under the section headed the “Continuing Connected Transactions” in this announcement
“Service Agreement”	the service agreement to be entered into by the Target Company and the Vendor pursuant to the Sale and Purchase Agreement
“Service Agreement Annual Caps”	the annual caps for the transactions contemplated them under the Service Agreement for the financial period/year ending 31 December 2014, 2015 and 2016
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)

“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)
“Shareholders’ Agreement”	the shareholders’ agreement to be entered into among the Target Company, the Vendor and the Purchaser at Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	Complete Star (HK) Limited, a company incorporated in Hong Kong with limited liability
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Target Company”	Complete Star Limited, a company incorporated in the BVI with limited liability
“Target Group”	the Target Company and the Subsidiary, and member of the Target Group or Target Group member means all or any of them and shall be construed accordingly
“Technology and Tools”	all software development tools, game engines, middleware, and technology used for the content creation, game design or programming of the Apps which are owned by the Vendor Group and/or any member of the Vendor Group
“Third Instalment”	the third instalment of the Consideration in the amount of US\$3,220,000 (equivalent to approximately HK\$25,035,500) to be settled by the Purchaser to the Vendor in accordance with the Sale and Purchase Agreement
“Third Instalment Consideration Shares”	the Consideration Shares which may be issued to the Vendor as partial settlement of the Third Instalment pursuant to the Sale and Purchase Agreement
“Vendor”	Outblaze Ventures Holdings Limited, a company incorporated in Hong Kong with limited liability

“Vendor Group”	the Vendor and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“U.S.”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

Unless otherwise specified in this announcement, the exchange rate of US\$1.00 = HK\$7.775 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.

By order of the Board
CROSBY CAPITAL LIMITED
Wu King Shiu, Kelvin
Executive Director

Hong Kong, 11 September 2014

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

Executive Directors: Chang Tat Joel, Ho Gilbert Chi Hang, Liu Guang He, Nelson Tong Naiyi and Wu King Shiu, Kelvin

Non-Executive Director: Stephen Shiu Junior

Independent Non-Executive Directors: Shi Jinsheng, Sin Hendrick and Yuen Kwok On

This announcement, for which the Directors collectively and individually accept full responsibility, includes particular given in compliance with the GEM Listing Rules for the purpose of giving information with regards to the Company. The Directors, 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.