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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)

OVERSEAS REGULATORY ANNOUNCEMENT

This overseas regulatory announcement is being published on the GEM Website pursuant to Rule 17.13 of the Rules governing the Listing of Securities on GEM.

The Board of Directors (the “Board”) of Crosby Capital Limited (the “Company”) has noted that Crosby Asset Management Inc. (“CAM”), a 86.45% owned subsidiary listed on the AIM market of the London Stock Exchange, made announcement on 24 June 2010 through the Regulatory News Service of the London Stock Exchange (the “Announcement”) concerning the proposed disposal of operating businesses. Please refer to the attached for a copy of the Announcement.

Made by order of the Board, the Directors of which collectively and individually accept responsibility for the accuracy of this announcement.

By Order of the Board
CROSBY CAPITAL LIMITED
Winnie Sin Wing Hung
Company Secretary

24 June 2010

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

Executive Director: Ilyas Tariq Khan

Non-Executive Directors: Johnny Chan Kok Chung and Ahmad S. Al-Khaled

Independent Non-Executive Directors: Daniel Yen Tzu Chen, Peter McIntyre Koenig and Joseph Tong Tze Kay

for identification purposes only

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; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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.crosby.com.

Regulatory Story

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Company	Crosby Asset Management Inc
TIDM	CSB
Headline	Proposed Disposal
Released	09:12 24-Jun-2010
Number	1692009

RNS Number : 16920
Crosby Asset Management Inc
24 June 2010

24 June 2010

Crosby Asset Management Inc. ("CAM" or the "Company")

Proposed Disposal of Operating Businesses

The board of directors of CAM (the "Board"), is pleased to announce that the Company has entered into a conditional sale and purchase agreement ("SPA") with Crosby Capital Limited ("CCL") regarding the potential disposal of its operating businesses, listed below, to CCL (the "Disposal").

The SPA is conditional upon, *inter alia*, approval by CAM's independent director, Peter Moss, as the Disposal will be a related party transaction, as set out in the Aim Rules for Companies (the "AIM Rules").

The operating companies that form the assets of the Disposal are:

- (i) Crosby Asset Management (Holdings) Limited (which indirectly owns 100% of Crosby Asset Management (Hong Kong) Limited and 56.14% of Crosby Wealth Management (Hong Kong) Limited);
- (ii) Crosby Capital Partners Limited;
- (iii) Crosby Corporate Finance (Holdings) Limited;
- (iv) Crosby (Hong Kong) Limited; and
- (v) Crosby Special Situations Fund Limited.

Subject to the terms of the SPA, CAM has agreed to transfer all its businesses, assets and certain liabilities to the CCL for a consideration of US\$948,666 (the "Consideration"). The businesses, assets and

liabilities to be transferred to CCL in the Disposal include, *inter alia*:

- (i) wealth management;
- (ii) fund management;
- (iii) residual liabilities in relation to the corporate finance and financial advisory businesses; and
- (iv) the minority interests in investments related to the previous merchant banking business of CAM.

The [audited] profits / (losses), after taking account of taxation, attributable to CAM's shareholders, for the year ended 31 December 2009, and the unaudited net assets attributable to CAM's shareholders, as at 31 May 2010, for each of the companies that form the assets of the Disposal are summarised below:

<u>Net assets/</u>	<u>Profits/</u>
<u>('000s) (liabilities) ('000s)</u>	<u>(losses)</u>
(i) Crosby Asset Management (Holdings) Limited: (470) US\$ 3,902	US\$
(ii) Crosby Capital Partners Limited: (2,493) US\$ (2,865)	US\$
(iii) Crosby Corporate Finance (Holdings) Limited: 818 US\$ (246)	US\$
(iv) Crosby (Hong Kong) Limited: (5,538) US\$ 38	US\$
(v) Crosby Special Situations Fund Limited: (2,415) US\$ 20	US\$

The Consideration payable by CCL to CAM under the SPA will be adjusted if any of the companies being disposed of by CAM makes any distribution from the date of the SPA until completion of the Disposal.

At completion, the Consideration will be off-set against the shareholder loan due from CAM to CCL, which amounts to US\$1,000,000 as of the date of this announcement (the "CCL Loan"). Any residual outstanding balance of the shareholder loan (this residual outstanding balance currently being US\$51,334) shall be settled by the issuance of such number of new shares in CAM, credited as fully paid and issued at the average of the closing mid-market prices of the shares of CAM on the last three trading day prior to the date of completion of the Disposal, to CCL.

In the event that, following the off-set of the Consideration against the CCL Loan, there is a surplus of funds and, therefore, a net cash inflow to the Company, these funds will be used to augment the Company's working capital.

The Disposal, if it completes, will be both a fundamental change of CAM's business and a related party transaction, as set out in the Aim Rules and will therefore require the issue of a circular to CAM's

ordinary shareholders (the "Circular") setting out the terms of the Disposal and convening a general meeting ("GM") and the approval of CAM shareholders at such GM (the "Approval").

Should the Approval be granted and the Disposal completes, CAM would then become an investing company, as defined by the AIM Rules. Accordingly, the Circular will also contain details of CAM's proposed investing strategy, which will also need to be approved by the Company's shareholders at the GM.

This Disposal is being entered into as one element of the corporate restructuring exercise being undertaken by CCL, further details of which will be contained in a circular to be sent to CCL shareholders in due course.

A further announcement will be made by CAM in due course.

****ENDS****

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