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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)

(I) MAJOR TRANSACTION – ACQUISITION OF PROPERTY
(II) EXPANSION OF THE USE OF PROCEEDS OF TRANCHE 2 NEW BONDS
(III) AMENDMENT OF THE TERMS OF THE NEW BONDS

ACQUISITION OF PROPERTY

On 12 November 2010 (after trading hours), Crosby Capital (Hong Kong) Limited, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor in relation to the acquisition of the Property at a consideration of HK\$74,000,000.

The Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules as the applicable percentage ratios as defined under Rule 19.07 of the GEM Listing Rules are more than 25% but less than 100%.

EXPANSION OF THE USE OF PROCEEDS OF TRANCHE 2 NEW BONDS

The Residual Consideration for the Acquisition is expected to be financed by proceeds from Tranche 2 New Bonds. As this may constitute an expansion of the use of proceeds of Tranche 2 New Bonds as disclosed in the circular of the Company dated 26 July 2010, the Company will seek approval from the Shareholders by way of an ordinary resolution at the EGM to expand the use of proceeds of Tranche 2 New Bonds.

AMENDMENT OF THE TERMS OF THE NEW BONDS

After discussing with the Placing Agent, the Directors are of the view that in order to attract investors to subscribe for Tranche 2 New Bonds, the completion of which is required for the Group to pay for the Residual Consideration for the Acquisition, the terms of the New Bonds relating to the reset of the Conversion Price need to be amended. Since the placees of Tranche 1 New Bonds subscribed on the basis that the terms of Tranche 1 New Bonds and Tranche 2 New Bonds are the same, as originally contemplated in the circular of the Company dated 26 July 2010, the Directors propose to amend the terms of both the Tranche 1 New Bonds and Tranche 2 New Bonds such that any reset of the Conversion Price shall not be higher than the lower of: (i) HK\$0.18 per Share (being the initial Conversion Price); and (ii) the previous Adjusted Conversion Price. The Company will seek approval from the Shareholders by way of an ordinary resolution at the EGM to amend the above terms of the New Bonds.

* for identification purposes only

Shareholders and potential investors should note that the completion of the Acquisition is subject to the passing of the various resolutions at the EGM. As the Acquisition may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PROVISIONAL AGREEMENT DATED 12 NOVEMBER 2010

Parties

Purchaser: Crosby Capital (Hong Kong) Limited, a wholly-owned subsidiary of the Company

Vendor: Online Business Investment Limited

The Vendor is a company principally engaged in property investment.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

Property to be acquired

The Property is an office unit located at Unit 502 on the 5th floor of AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong with an aggregate gross floor area of approximately 6,660 sq. ft. The Property is for commercial use and is currently vacant. The Group currently intends to use it for its own office in due course.

Consideration and terms of payment

The consideration for the Acquisition is HK\$74,000,000 which was determined after arm's length negotiations between the parties to the Provisional Agreement in normal commercial terms after taking into consideration the prevailing market value of properties of comparable size and quality in the vicinity of the Property.

The consideration for the Acquisition has been and will be paid in the following manners:

- (i) HK\$7,400,000 has been paid upon signing of the Provisional Agreement on 12 November 2010 (the "Deposit");
- (ii) HK\$3,700,000 will be paid on or before 24 December 2010 (the "Further Deposit"); and
- (iii) HK\$62,900,000 will be paid upon completion of the Acquisition on or before 31 March 2011 (together with the Further Deposit, the "Residual Consideration").

The Deposit has been financed by the Group's internal resources and the Residual Consideration is expected to be financed by proceeds from Tranche 2 New Bonds. The Group may also seek to obtain other external financings, including but not limited to banking facilities, on the Property in due course.

Conditions of the Provisional Agreement

The Provisional Agreement is conditional upon the Company having obtained all necessary regulatory and Shareholders' approval in relation to the Acquisition.

Completion of the Acquisition

Pursuant to the Provisional Agreement, a formal agreement for sale and purchase will be signed on or before 24 December 2010. If Shareholders' approval on the Acquisition is obtained at the EGM, completion of the Acquisition is expected to take place on or before 31 March 2011. However, if approval is not obtained from Shareholders such that completion of the Acquisition cannot proceed on or before 31 March 2011, the Purchaser shall forfeit the Deposit to the Vendor. The Further Deposit, if paid already, shall be refundable.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the businesses of asset management and direct investment. After completion of the acquisition of Shikumen, the Group has focused on integrating the operation of Shikumen with that of the rest of the Group. As Shikumen is currently located in an office different from the Group's headquarters, the Group is planning for a new office which will house all the Group's operations after the expiry of its current office leases.

The Directors consider the Acquisition as an opportunity to obtain a more long-term office premise for the Group at a relatively favorable pricing which will protect the Group from being subject to future rental fluctuations. Prior to the expiration of the Group's existing office leases and the relocation of its headquarters to the Property, the Group may seek to lease out the Property in the interim to generate rental income for the Group.

The Directors, including the independent non-executive Directors, consider the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EXPANSION OF THE USE OF PROCEEDS OF TRANCHE 2 NEW BONDS

As disclosed in the circular of the Company dated 26 July 2010, the net proceeds of approximately HK\$86 million from Tranche 2 New Bonds will be used mainly for general working capital, in particular for the expansion and development of the asset management business after the acquisition of Shikumen. The Acquisition is intended by the Directors to consolidate the Group's resources together with that of Shikumen so as to achieve better operational efficiency in the development of the Group's business. However, the circular did not specifically mention the acquisition of office premise for the enlarged Group's business. As using proceeds from Tranche 2 New Bonds to pay for the Residual Consideration may constitute an expansion of the use of proceeds of Tranche 2 New Bonds as disclosed in the circular of the Company dated 26 July 2010, the Company will seek approval from the Shareholders by way of an ordinary resolution at the EGM to expand the use of proceeds of Tranche 2 New Bonds to include the above purpose.

AMENDMENT OF THE TERMS OF THE NEW BONDS

The Directors propose to amend the following terms of the New Bonds regarding the reset of the Conversion Price as below:

(i) Original wording in the circular of the Company dated 26 July 2010:

Conversion Price reset: At the end of the 6-month period from the date of issuance of the New Bonds and at the end of every 6-month period thereafter, the Conversion Price shall be adjusted to 110% of the one-month volume weighted average price of the ordinary shares of the Company prior to the date of each reset date, subject to a floor Conversion Price of HK\$0.078 per Share

(ii) Proposed amendment of the terms in relation to the New Bonds:

Conversion Price reset: At the end of the 6-month period from the date of issuance of **Tranche 1** New Bonds and at the end of every 6-month period thereafter, the Conversion Price shall be adjusted to 110% of the one-month volume weighted average price of the ordinary shares of the Company prior to the date of each reset date, subject to a floor Conversion Price of HK\$0.078 per Share **and provided that the Conversion Price shall not in any event be higher than the lower of: (i) HK\$0.18 per Share; and (ii) the previous Adjusted Conversion Price reset pursuant to this clause from time to time.**

After discussing with the Placing Agent, the Directors are of the view that such amendment of the terms is necessary to attract investors to subscribe for Tranche 2 New Bonds, the completion of which is required for the Group to pay for the Residual Consideration of the Acquisition. Since the places of Tranche 1 New Bonds subscribed on the basis that the terms of Tranche 1 New Bonds and Tranche 2 New Bonds are the same, as originally contemplated in the circular of the Company dated 26 July 2010, the Directors propose to amend the terms of the New Bonds (including Tranche 1 New Bonds and Tranche 2 New Bonds) as set out above. The Company will seek approval from the Shareholders by way of an ordinary resolution at the EGM to amend the above terms of the New Bonds.

As at the date of this announcement, Mr. Ulric Leung Yuk Lun, a director of the Company, is interested in HK\$5,000,000 of the Tranche 1 New Bonds, representing 3.13% of the outstanding Tranche 1 New Bonds.

The Directors, including the independent non-executive Directors, consider the amendment of the terms of the New Bonds and the expansion of the use of proceeds of Tranche 2 New Bonds are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATION

Pursuant to Rule 19.22 of the GEM Listing Rules, the applicable percentage ratios of the Acquisition are more than 25% but less than 100%. Therefore, the Acquisition is a major transaction as defined under the GEM Listing Rules and its completion is subject to the passing of an ordinary resolution by the Shareholders at the EGM.

The use of the proceeds from Tranche 2 New Bonds to pay for the Residual Consideration may constitute an expansion of the use of proceeds of Tranche 2 New Bonds as disclosed in the circular of the Company dated 26 July 2010 and therefore the Company will seek the Shareholder's approval for the same at the EGM.

The proposed amendment of the terms of the New Bonds in relation to the reset of the Conversion Price also deviates from the terms of the New Bonds previously approved by the Shareholders in an extraordinary general meeting of the Company held on 10 August 2010. Therefore, the amendment of the terms of the New Bonds shall also be subject to the passing of an ordinary resolution by the Shareholders at the EGM. The Company will also apply for the Stock Exchange's approval for the amendment of the terms of the New Bonds pursuant to Rule 34.05 of the GEM Listing Rules.

The Circular containing, among other things, further details of (i) the Acquisition, (ii) the proposed amendment of the terms of the New Bonds, (iii) the expansion of the use of proceeds of Tranche 2 New Bonds and (iv) a notice of the EGM is expected to be dispatched to the Shareholders on or before 15 December 2010, which exceeds the prescribed time limit for dispatch of a circular under the GEM Listing Rules as more time may be required to compile the necessary information into the Circular.

Shareholders and potential investors should note that the completion of the Acquisition is subject to the passing of the various resolutions at the EGM. As the Acquisition may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

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

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| “Acquisition” | the acquisition of the Property pursuant to the Provisional Agreement |
| “Adjusted Conversion Price” | the effective Conversion Price of the New Bonds as reset from time to time pursuant to the terms and conditions of the New Bonds |
| “Board” | the board of Directors |

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| “Company” | Crosby Capital Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM |
| “connected person(s)” | has the meaning ascribed to it in the GEM Listing Rules |
| “Conversion Price” | HK\$0.18 per Share (subject to adjustment and re-set) |
| “Deposit” | HK\$7,400,000 of the consideration of the Acquisition paid by the Purchaser on 12 November 2010 |
| “Directors” | directors of the Company |
| “EGM” | an extraordinary general meeting of the Company to be convened to approve (i) the Acquisition; (ii) expansion of the user of proceeds of Tranche 2 New Bonds; and (iii) the amendment of the terms of the New Bonds |
| “Further Deposit” | HK\$3,700,000 of the consideration of the Acquisition to be paid by the Purchaser on or before 24 December 2010 |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “New Bonds” | Tranche 1 New Bonds and Tranche 2 New Bonds |
| “Placing Agent” | has the meaning ascribed to it in the circular of the Company dated 26 July 2010 |
| “Property” | an office unit located at Unit 502, 5th Floor, AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong |
| “Provisional Agreement” | the provisional sale and purchase agreement entered into between the Purchaser and the Vendor on 12 November 2010 in relation to the Acquisition |
| “Purchaser” | Crosby Capital (Hong Kong) Limited, a wholly-owned subsidiary of the Company incorporated in Hong Kong |
| “Residual Consideration” | HK\$66,600,000 of the consideration of the Acquisition payable at completion of the Acquisition |

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| “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) |
| “Shikumen” | Shikumen Capital Management (Hong Kong) Limited, a wholly-owned subsidiary of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Tranche 1 New Bonds” | the first tranche of the convertible bonds issued on 4 October 2010 by the Company with an aggregate principal amount of HK\$160 million |
| “Tranche 2 New Bonds” | the second tranche of the convertible bonds to be issued by the Company with an aggregate principal amount of HK\$90 million as set out in the circular of the Company dated 26 July 2010 |
| “Vendor” | Online Business Investment Limited, a company incorporated in the British Virgin Islands |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “US\$” | United States dollars, the lawful currency of the United States |
| “sq. ft.” | square feet |
| “%” | per cent. |

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

Hong Kong, 12 November 2010

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

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| Executive Directors: | Johnny Chan Kok Chung and Ulric Leung Yuk Lun |
| Non-Executive Director: | Ahmad S. Al-Khaled |
| Independent Non-Executive Directors: | Daniel Yen Tzu Chen, Joseph Tong Tze Kay and David John Robinson Herratt |

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (ii) there are no other matters the omission of which would make any statement in this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and on the website of the Company at www.crosby.com.