

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Crown International Corporation Limited
皇冠環球集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 727)

DISCLOSEABLE TRANSACTION
DISPOSAL OF WHOLLY OWNED SUBSIDIARIES

THE DISPOSAL

On 30 March 2015 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company at the Consideration of HK\$125,000,000. Upon Completion, the Vendor and the Company will not own any equity interest in the Disposed Group.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined under the Listing Rules) under Chapter 14 of the Listing Rules in relation to the Disposal exceeds 5% but is less than 25%, the Disposal contemplated under the Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

WARNING

Shareholders and potential investors in the Company should be aware that Completion is subject to the fulfillment of certain conditions on or before the Completion Date, and therefore Completion may or may not take place. Shareholders and potential investors in the Company should exercise caution when dealing in the Shares.

INTRODUCTION

The Board wishes to announce that on 30 March 2015 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Purchaser conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the Sale Shares, representing the entire issued share capital of the Target Company, at the Consideration of HK\$125,000,000. Upon Completion, the Vendor and the Company will not own any equity interest in the Disposed Group.

PRINCIPAL TERMS OF THE AGREEMENT

The principal terms of the Agreement are set out below:

Date

30 March 2015 (after trading hours)

Parties

- Purchaser** : Million Creation Technology Limited (萬創科技有限公司), a company incorporated in the British Virgin Islands with limited liability
- Vendor** : Crown Entertainment Corporation (皇冠娛樂集團有限公司), a company incorporated in Samoa with limited liability and a wholly-owned subsidiary of the Company

The Purchaser is principally engaged in the business of property investment. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate owner are Independent Third Parties.

Assets to be disposed

The Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Shares free from all encumbrances and with all dividends, benefits and other rights now or hereafter becoming attached or accruing thereto as from the date of the Agreement.

The Sale Shares represent the entire issued share capital of the Target Company.

Consideration

The Consideration for the Sale Shares in the amount of HK\$125,000,000 shall be paid by the Purchaser to the Vendor upon Completion by wire transfer of immediate available funds to the bank account designated by the Vendor (or such other means as may be agreed between the Purchaser and the Vendor).

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms principally with reference to the property valuation report prepared by DTZ Debenham Tie Leung Limited.

Conditions precedent

Completion shall be conditional upon the obtaining and/or completion of all necessary government approvals, waivers, consents and approvals of, notices to and filings or registrations with any other person which are required pursuant to any applicable laws or regulations, as may be necessary (i) to consummate the transactions contemplated under the Agreement and (ii) to enable the Purchaser to be registered as holder of all of the Sale Shares.

Completion

Completion shall take place on the 3rd Business Day after fulfillment of all the above conditions precedent (or such other date as the Purchaser and the Vendor shall agree in writing). If the conditions precedent set out above are not fulfilled on or prior to 30 June 2015 (or such later date as may be agreed between the Vendor and the Purchaser), the Agreement shall terminate and none of the parties shall have any claim against the others for costs, damages, compensation or otherwise (save in respect of any prior breach of the Agreement).

INFORMATION ON THE DISPOSED GROUP

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability and owns the entire equity interests in Great Partner International. Great Partner International is an investment holding company incorporated in Hong Kong which owns the entire equity interests in each of the PRC Companies.

The PRC Companies are principally engaged in the business of property investment. The assets of the Disposed Group include the Properties, which were held by U Inns Ninghai and U Inns Weifang and have an aggregate gross floor area of 6,714.32 square meters and 12,688.19 square meters, respectively. The current market values of the Properties are RMB34.5 million and 33.15 million respectively.

The unaudited consolidated total asset value and net asset value of the Disposed Group as at 30 September 2014 were approximately HK\$113 million and HK\$80 million respectively.

The unaudited consolidated financial information of the Disposed Group for the two years ended 31 March 2014 and 31 March 2013 are set out below:

	For the year ended 31 March	
	2014	2013
	<i>HK\$ (million)</i>	<i>HK\$ (million)</i>
Net profit/(loss) before taxation	43.552	(4.935)
Net profit/(loss) after taxation	43.548	(4.938)

Upon Completion, the Company will not own any equity interest in the Disposed Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in the business of hotel investment and operations and property investment. The Company considers that taking into account the expected gain to be realised and the positive cash flow to be generated from the Disposal, the Directors consider that the terms of the Agreement are on normal commercial terms and fair and reasonable, and the Disposal is in the interests of the Company and its shareholders as a whole.

The terms of the Agreement were determined after arm's length negotiations between the Vendor and the Purchaser; and the Directors are of the view that the terms of the Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

As a result of the Disposal, the Group is expected to record a gain of approximately HK\$63.00 million, which is calculated on the basis of unaudited net asset value. The net proceeds from the Disposal are estimated to be approximately HK\$124.92 million, which will be used as the Company's general working capital.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined under the Listing Rules) under Chapter 14 of the Listing Rules in relation to the Disposal exceeds 5% but is less than 25%, the Disposal contemplated under the Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

WARNING

Shareholders and potential investors of the Company should be aware that Completion is subject to the fulfillment of certain conditions on or before the Completion Date and therefore Completion may or may not take place. Shareholders and potential investors in the Company should exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Agreement”	the sale and purchase agreement dated 30 March 2015 entered into between the Vendor and the Purchaser in relation to the Disposal
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or a Sunday) on which banks are generally open for business in Hong Kong
“Company”	Crown International Corporation Limited, a company incorporated in Hong Kong, whose Shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Agreement

“Completion Date”	means the 3rd Business Day after satisfaction of all of the conditions precedent (or such other date as the Vendor and the Purchaser may agree in writing) on which Completion is to take place
“Consideration”	the aggregate consideration of HK\$125,000,000 payable by the Purchaser for the Sale Shares under the Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor under the Agreement
“Disposed Group”	the Target Company and its subsidiaries, including the PRC Companies and Great Partner International
“Great Partner International”	Great Partner International Limited (朗喬國際有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company
“Great Partner Investment”	朗喬投資(深圳)有限公司 (Great Partner Investment (Shenzhen) Limited*), a wholly-foreign owned enterprise established on 17 November 2005 in accordance with the laws of the PRC and an indirectly wholly-owned subsidiary of the Target Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	a person(s) or company(ies) which is/are independent of and not connected with any director, chief executive or substantial shareholder of the Company or its subsidiaries or any of their respective associates within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Companies”	Great Partner Investment, U Inns Ninghai and U Inns Weifang
“Properties”	the premises located at No. 7 Middle Xingning Road, Yuelong Jiedao, Ninghai Country, Zhejiang Province, the People’s Republic of China, and at No. 22 Jianshe Street, Weicheng District, Weifang City, Shandong Province, the People’s Republic of China with a gross floor area of 6,714.32 square meters and 12,688.19 square meters, respectively
“Purchaser”	Million Creation Technology Limited (萬創科技有限公司), a company incorporated in the British Virgin Islands with limited liability
“Sale Shares”	the entire issued share capital of the Target Company
“Share(s)”	ordinary shares of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Harvest Kingdom Limited, a company incorporated in the British Virgin Islands with limited liability
“Vendor”	Crown Entertainment Corporation, a company incorporated in Samoa with limited liability and a wholly-owned subsidiary of the Company
“U Inns Ninghai”	你的客棧(寧海)酒店管理有限公司 (“U” Inns & Hotels (Ninghai) Management Co., Ltd.*), a wholly-foreign owned enterprise established on 21 January 2008 in accordance with the laws of the PRC and an indirectly wholly-owned subsidiary of the Target Company
“U Inns Weifang”	你的客棧酒店(濰坊)有限公司 (“U” Inns & Hotels (WeiFang) Limited*), a wholly-foreign owned enterprise established on 6 August 2007 in accordance with the laws of the PRC and an indirectly wholly-owned subsidiary of the Target Company

* *For identification purposes only*

By order of the Board
Crown International Corporation Limited
Liao Pin Tsung
Chairman

Hong Kong, 30 March 2015

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. LIAO Pin Tsung and Mr. MENG Jin Long; one non-executive Director, namely Mr. LIU Hong Shen and three independent non-executive Directors namely, Mr. LONG Tao, Mr. REN Guo Hua and Mr. CHEN Fang.