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

(Incorporated in Hong Kong with limited liability)
(Stock code: 727)

TRANSACTION UPDATE

Reference is made to the announcement (the “**Announcement**”) dated 22 January 2014 of Crown International Corporation Limited (the “**Company**”, which was then named as VXL Capital Limited on the date of the Announcement). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

Subsequent to the completion of the Disposal in 2014, UIHIL had not timely received the consideration (the “**Consideration**”) for the Sale Interest from the Purchaser pursuant to the terms of the Equity Transfer Agreement. After a series of unsuccessful negotiations with the Purchaser, UIHIL commenced legal proceedings against the Purchaser in a PRC court in November 2014 for, among others, claiming for the Consideration.

On 28 January 2016, pursuant to the settlement arrangement between the Group and the Purchaser, the Purchaser returned the Sale Interest to the Group and U Inns Jinggangshan was once again an indirect wholly-owned subsidiary of the Company. Throughout the material time, the Hotel Property had been wholly-owned by U Inns Jinggangshan. As a result, through the successful recovery of the Sale Interest, the Group also successfully recovered the Hotel Property from the Purchaser.

By order of the Board
Crown International Corporation Limited
MENG Jin Long
Chairman

Hong Kong, 28 January 2016

As at the date of this announcement, the Board comprises three executive directors of the Company, namely Mr. MENG Jin Long (Chairman and Chief Executive Officer), Mr. LIU Hong Shen (Vice Chairman) and Mr. YEUNG Man, Simon (Chief Financial Officer); and three independent non-executive directors of the Company, namely Mr. LONG Tao, Mr. REN Guo Hua and Mr. CHEN Fang.