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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
IN RELATION TO
A VERY SUBSTANTIAL ACQUISITION**

Reference is made to the announcements of Crown International Corporation Limited (the “**Company**”) dated 7 November 2014, 31 December 2014, 22 January 2015, 31 March 2015 and 29 May 2015 and the circular of the Company dated 3 February 2015 in relation to, among others, the Acquisition (the “**Circular**”). Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Pursuant to the Sale and Purchase Agreement, HK\$600,000,000 of the Consideration (the “**Final Sum**”) shall be settled by the Purchaser in cash between two and three years after all conditions precedent set out in the Supplemental Sale and Purchase Agreement are fulfilled or waived by the Purchaser. The conditions precedent under the Sale and Purchase Agreement were fulfilled and the Completion took place in June 2015.

On 3 March 2016, after trading hours, the Purchaser and the Vendor further entered into a supplemental agreement (the “**2016 Supplemental Agreement**”) in relation to the Acquisition, whereby the Purchaser and the Vendor agreed that HK\$300,000,000 out of the Final Sum shall be settled by the Purchaser within 30 days from the date of the 2016 Supplemental Agreement. Having considered the above early payment, the Vendor agreed to waive HK\$100,000,000 payable by the Purchaser in respect of the Final Sum. As a result of the above early payment and the waiver, the remaining Final Sum will be HK\$200,000,000, which shall be settled by the Purchaser in cash between two and three years after all conditions precedent set out in the Supplemental Sale and Purchase Agreement are fulfilled or waived by the Purchaser.

In relation to the costs (the “**Costs**”) set out in the paragraph headed “Letter from the Board – the Sale and Purchaser Agreement – Costs which shall borne by the Vendor before the Long Stop Date” in the Circular, the Directors confirm that the Vendor settled the Costs before the Long Stop Date and there was no offsetting against the Final Sum accordingly.

Since the entering into the 2016 Supplemental Agreement would enable the Group to pay HK\$100,000,000 less to the Vendor in respect of the remaining Consideration and the Group’s cash level as at the date of the 2016 Supplemental Agreement was sufficient to support the early payment of part of the remaining Consideration, the Directors are of the view that the entering into the 2016 Supplemental Agreement is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

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

Hong Kong, 3 March 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.