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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
THE DISPOSAL OF SHARES IN GRANDLIFE
HEALTHCARE-SAMOA**

THE SP AGREEMENT

The Board is pleased to announce that, after trading hours on 14 August 2019, the Company and the Purchaser entered into the SP Agreement pursuant to which the Company has agreed to sell and the Purchaser has agreed to acquire the Sale Shares at a total consideration of USD34,200.

LISTING RULES IMPLICATIONS

References are made to the Previous Announcement in relation to the Previous Transactions. The Previous Transactions and the Disposal shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio exceeds 5% but is less than 25%, the Previous Transactions and the Disposal on an aggregated basis constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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THE SP AGREEMENT

The principal terms of the SP Agreement are summarised as follows:

Date: 14 August 2019

Parties: (a) Crown International Corporation Limited (皇冠環球集團有限公司) as vendor; and

(b) Power Concept Limited as purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner is a third party independent of the Company and connected persons of the Company (as defined in the Listing Rules).

Assets to be disposed

Pursuant to the SP Agreement, the Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to sell the Sale Shares at the total consideration of US\$34,200.

As at the date of this announcement, the Company is the sole holder of all 100,000 Grandlife Healthcare-Samoa Shares in issue. The Sale Shares represent (i) 34.2% of the issued share capital of Grandlife Healthcare-Samoa as at the date of this announcement; and (ii) 9% of the issued share capital of Grandlife Healthcare-Samoa as enlarged by the Previous Subscriptions.

The Purchaser acknowledged and agreed that pursuant to the Previous Subscription Agreement, Grandlife Healthcare-Samoa shall issue 128,000 and 152,000 Grandlife Healthcare-Samoa Shares to the Company and Mr. Chang respectively, which would dilute the Purchaser's shareholding percentage in Grandlife Healthcare-Samoa to 9%.

Set out below is the shareholding structure of Grandlife Healthcare-Samoa (i) as at the date of this announcement; (ii) immediately after the Completion; and (iii) immediately after the Completion and the completion of the Previous Subscriptions, on the assumption that there will be no other change to the share capital of Grandlife Healthcare-Samoa from the date of this announcement until the Completion and the completion of the Previous Subscriptions save for the issue of the new Grandlife Healthcare-Samoa Shares as a results of the Previous Subscriptions:

Shareholders	Shareholding as at the date of this announcement		Immediately upon the Completion		Immediately upon the Completion and the completion of the Previous Subscriptions	
	<i>Number of Grandlife Healthcare- Samoa Shares</i>	<i>%</i>	<i>Number of Grandlife Healthcare- Samoa Shares</i>	<i>%</i>	<i>Number of Grandlife Healthcare- Samoa Shares</i>	<i>%</i>
The Company	100,000	100	65,800	65.8	193,800	51
The Purchaser	–	–	34,200	34.2	34,200	9
Mr. Chang	–	–	–	–	152,000	40
Total	100,000	100	100,000	100	380,000	100

Consideration

Pursuant to the SP Agreement, the total consideration for the Disposal is USD34,200 which shall be settled by cash.

The consideration of the Disposal was determined after arm's length negotiations between the Company and the Purchaser with reference to the nominal value of US\$1 per Grandlife Healthcare-Samoa Share.

Conditions precedent

The sale and purchase of the Sale Shares shall be subject to and conditional upon the fulfilment and satisfaction (or waiver, if applicable) of each of the following conditions precedent:

- (a) the Purchaser having delivered or caused to be delivered to the Company evidence it has paid to the Company (or a bank account designated by the Company) US\$34,200;
- (b) there having been no governmental action, court order, procedure, inquiry or investigation declaring the transactions contemplated under the SP Agreement illegal or prohibiting or restricting such transactions in any other way at any time before Completion; and
- (c) the representation, warranties and/or undertakings given by the Company under the SP Agreement shall remain true, accurate and not misleading throughout the period from the date of the SP Agreement to the Completion Date, and there having been no breach by any party of the SP Agreement.

The Company may, at any time and at its sole and absolute discretion, and by way of serving a written notice on the Purchaser, waive the Condition set forth in (a) above. The Purchaser may, at any time and at its sole and absolute discretion, and by way of serving a written notice on the Company, waive the Condition set forth in (c) above.

In the event that any Condition shall not have been fulfilled (or waived in accordance with the terms of the SP Agreement) on the date falling three (3) months after the SP Agreement, the SP Agreement shall lapse and be of no further effect, and no Party shall have any liability and obligation to the other Party, save in respect of any antecedent breaches of the SP Agreement.

Completion

Completion of the Disposal shall take place on the Completion Date.

INFORMATION OF THE GROUP

The Group is principally engaged in the businesses of property investment, property development, hotel investment and operations, and financial consultancy services in the PRC.

INFORMATION OF THE PURCHASER

The Purchaser is an international business company incorporated in the Republic of Seychelles with limited liability.

The Purchaser is an investment holding company.

INFORMATION OF THE GRANDLIFE HEALTHCARE GROUP

Grandlife Healthcare-Samoa is a company incorporated in Samoa on 24 May 2019, and a direct wholly-owned subsidiary of the Company as at the date of this announcement.

Grandlife Healthcare-HK is a company incorporated in Hong Kong on 19 June 2019, and a direct wholly-owned subsidiary of Grandlife Healthcare-Samoa as at the date of this announcement.

From the date of its incorporation up to the date of this announcement, neither Grandlife Healthcare-Samoa nor Grandlife Healthcare-HK has operated any business or generated any revenue or profit, or has any assets (save the US\$100,000 injected by the Company into Grandlife Healthcare-Samoa by way of share capital) or any liabilities.

REASONS FOR ENTERING INTO THE SP AGREEMENT

The Purchaser has experience in healthcare business. The Company is of the view that the Purchaser's investment in the Grandlife Healthcare Group would bring in the benefit of the Purchaser's experience in the healthcare sector, and facilitate the establishment and operation of the businesses of the Grandlife Healthcare Group in the PRC.

The Company will utilise the proceeds of the Disposal on the general working capital of the Company.

In view of the above, the Directors believe that the terms of SP Agreement and the Disposal thereunder is fair and reasonable and in the interest of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

References are made to the Previous Announcement in relation to the Previous Transactions. The Previous Transactions and the Disposal shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio exceeds 5% but is less than 25%, the Previous Transactions and the Disposal on an aggregated basis constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

FINANCIAL IMPACT OF THE DISPOSAL TO THE COMPANY

Immediately after Completion, each of Grandlife Healthcare-Samoa and Grandlife Healthcare-HK will continue to be a subsidiary of the Company. As the overall net change in the Company ownership interest in each of Grandlife Healthcare-Samoa and Grandlife Healthcare-HK will not result in a loss of control in Grandlife Healthcare-Samoa and Grandlife Healthcare-HK, according to the prevailing accounting standards, there will be no material gain or loss expected to accrue to the Company's consolidated income statement as a result of the Disposal. The movement in the consolidated net assets of the Company arising from the Disposal will be dealt with in the equity of the Company. The above accounting treatment will be subject to review by the independent auditors of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

“Board”	the board of Directors of the Company
“Company”	Crown International Corporation Limited (皇冠環球集團有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed on the Stock Exchange
“Completion”	the completion of the Disposal in accordance with the SP Agreement

“Completion Date”	the date on which Completion is to take place, which shall be on or before the second (2nd) business day after the last outstanding Condition (other than the Conditions which can only be fulfilled upon Completion) shall have been fulfilled or waived, or such other date as agreed by the Parties in writing which shall not be a date falling after the expiry of three (3) months after the date of the SP Agreement
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser pursuant to the terms of the SP Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Grandlife Healthcare Group”	Grandlife Healthcare-Samoa and its subsidiaries from time to time
“Grandlife Healthcare-HK”	Grandlife Healthcare Group Limited (國壽大健康集團有限公司), a company incorporated in Hong Kong with limited liability, and a direct wholly-owned subsidiary of Grandlife Healthcare-Samoa
“Grandlife Healthcare-Samoa”	Grandlife Healthcare Holdings Limited (國壽大健康控股有限公司), a company incorporated in Samoa with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Grandlife Healthcare-Samoa Shares”	ordinary share(s) of nominal value US\$1 each in the share capital of Grandlife Healthcare-Samoa
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Mr. Chang”	Mr. Chang Hua-Cheng (張華正)
“Parties”	the Company and the Purchaser
“Previous Announcement”	the announcement dated 5 August 2019 published by the Company in relation to, among other things, the Previous Subscription Agreement and the Previous Transactions
“Previous Subscription Agreement”	the agreement for subscription of shares and financing the operation of Grandlife Healthcare-Samoa dated 5 August 2019 entered into between the Company and Mr. Chang, the detail of which were disclosed in the Previous Announcement
“Previous Subscriptions”	the proposed subscription of 128,000 and 152,000 Grandlife Healthcare-Samoa Shares by the Company and Mr. Chang respectively pursuant to the Previous Subscription Agreement, the detail of which were disclosed in the Previous Announcement
“Previous Transactions”	the Previous Subscriptions and the provision of shareholder’s loan by the Company to the Grandlife Healthcare Group pursuant to the Previous Subscription Agreement, the detail of which were disclosed in the Previous Announcement
“Purchaser”	Power Concept Limited, an international business company incorporated in the Republic of Seychelles with limited liability
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan

“Sale Shares”	34,200 Grandlife Healthcare-Samoa Shares, representing (i) 34.2% of the issued share capital of Grandlife Healthcare-Samoa as at the date of this announcement; and (ii) 9% of the entire issued share capital of Grandlife Healthcare-Samoa as enlarged by the Previous Subscriptions
“SP Agreement”	the sale and purchase agreement dated 14 August 2019 and entered into between the Company and the Purchaser in respect of the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

By Order of the Board
Crown International Corporation Limited
HUNG Man
Chairman

Hong Kong, 14 August 2019

As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Hung Man, Mr. Li Yong Jun, Mr. Liu Hong Shen and Mr. Meng Jin Long; and three independent non-executive Directors, namely Mr. Long Tao, Mr. Ren Guo Hua, and Mr. Chen Fang.