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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POTENTIAL COOPERATION

This announcement is made by Crown International Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide shareholders and potential investors of the Company with the latest business update of the Group.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of Directors (the “**Directors**”) of the Company is pleased to announce on 10 January 2023, the Company and Xinyuan (Shanghai) Agriculture Technology Development Company Limited* (鑫椽(上海)农业科技发展有限公司) (the “**Xinyuan SH**”) entered into a non-legally binding memorandum of understanding (the “**MOU**”), pursuant to which the parties intend to establish a new company which will be held as 55% equity interest by the Company and 45% equity interest by Xinyuan SH, to acquire the entire existing business of Xinyuan SH (the “**Potential Cooperation**”). The consideration of the acquisition will be determined through further negotiation between the parties.

Under the MOU, Xinyuan SH will appoint the president and be responsible for the operation of the new company. Each party may appoint a person to act as a director of the new company. The new company will be funded by the parties according to their shareholding by way of capital injection and shareholders’ loans or external financing.

NATURE OF THE MOU

The MOU is not legally binding. The terms and conditions of the Potential Cooperation are subject to further negotiations between the parties and the execution of a formal cooperation agreement.

INFORMATION ON THE XINYUAN SH

Xinyuan SH is a limited liability company established under PRC laws. It is principally engaged in the supply chain business of green and healthy agricultural products. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, Xinyuan SH and its respective ultimate beneficial owners are independent third parties and are not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)).

REASONS FOR AND BENEFITS OF ENTERING INTO THE MOU

The Board considers that the Proposed Cooperation is in line with the Group’s comprehensive healthcare business and strengthens the revenue bases of the Group. In the event of the transactions contemplated under the MOU being materialised, it is expected that the diversification of the business of the Group will provide a better return to the shareholders of the Company.

The Board wishes to emphasise that, no binding agreement in relation to the Proposed Cooperation has been entered into by the Company as at the date of this announcement. The MOU is not legally binding and may or may not lead to entering into a formal cooperation agreement and transactions contemplated thereunder may or may not be consummated. If the transactions contemplated under the MOU materialise, the Group will make a further announcement(s) as and when appropriate in accordance with the Listing Rules. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

** For identification purposes only*

Hong Kong, 10 January 2023

As at the date of this announcement, the executive Directors are Mr. Meng Jin Long; and the independent non-executive Directors are Mr. Chen Fang, Mr. Ren Guo Hua, and Dr. Cheung Ka Yu.