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Dragon Crown Group Holdings Limited
龍翔集團控股有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 935)

DISCLOSEABLE TRANSACTION
EXTENSION OF REPAYMENT DATE OF SHAREHOLDER LOANS TO
WEIFANG SIME DARBY LIQUID TERMINAL CO., LTD.

On 9 July 2021 (after trading hours), OHKIL, an indirect wholly-owned subsidiary of the Company entered into the Supplemental Agreements with the Joint Venture in respect of the 2016 Shareholder Loans, 2017 Shareholder Loans and 2018 Shareholder Loan pursuant to which OHKIL has agreed to extend the respective repayment date under the Loan Agreements to 31 December 2028.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Extension of the Loans exceed 5% but less than 25%, the Extension of the Loans constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempted from shareholders' approval requirement thereunder.

The Extension of the Loans also constitute advance to an entity which exceeds 8% under the assets ratio as defined under the Listing Rules, which shall be subject to the disclosure requirements under Rules 13.13 and 13.20 of the Listing Rules.

EXTENSION OF REPAYMENT DATE OF SHAREHOLDER LOANS

Reference was made to the announcements of the Company dated 28 January 2016, 14 July 2017 and 18 December 2018 in relation to the 2016 Shareholder Loans, 2017 Shareholder Loans and 2018 Shareholder Loan.

On 9 July 2021 (after trading hours), OHKIL, an indirect wholly-owned subsidiary of the Company entered into the Supplemental Agreements with the Joint Venture in respect of the 2016 Shareholder Loans, 2017 Shareholder Loans and 2018 Shareholder Loan pursuant to which OHKIL has agreed to extend the respective repayment date under the Loan Agreements to 31 December 2028.

As at the date of the announcement, the aggregate principal amounts outstanding under the Loan Agreements which are the subject of the Supplemental Agreements is the sum of RMB143.06 million (approximately HK\$171.20 million). The details of the 2016 Shareholder Loans, 2017 Shareholder Loans and 2018 Shareholder Loan (as revised by the Supplemental Agreements) are summarized as follows:

	2016 Loan Agreements		2017 Loan Agreements		2018 Loan Agreement
	RMB60M Loan Agreement	RMB40M Loan Agreement	RMB38M Loan Agreement	RMB25M Loan Agreement	
Date	14 July 2016	14 July 2016	14 July 2017	14 July 2017	18 December 2018
Lender	OHKIL, an investment holding company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. As at the date of this announcement, it holds 50% equity interests in the Joint Venture.				
Borrower	The Joint Venture, a company incorporated in the PRC with limited liability and owned as to 50% by OHKIL and 50% by SDOHK. The Joint Venture is principally engaged in the construction, management and operation of Weifang Liquid Terminal at Weifang Port and has a registered capital of RMB540 million as at the date of this announcement.				
Original principal amount	RMB60 million	RMB40 million	RMB38 million	RMB25 million	RMB30 million
Outstanding principal amount (as at the date of the announcement)	RMB21.06 million	RMB40 million	RMB27 million	RMB25 million	RMB30 million
Interest rate	6.4% per annum	6% per annum	6% per annum		6% per annum
Revised term of the loan	15 July 2016 to 31 December 2028		15 July 2017 to 31 December 2028		19 December 2018 to 31 December 2028
Repayment	Interest is payable on a quarterly basis and the outstanding principal shall be repaid in full upon maturity. The respective principal amounts and the relevant interests may be repaid in advance with the consent of both the OHKIL and the Joint Venture.				
Usage	In order to meet the business demand of the Joint Venture, the 2016 Shareholder Loans, the 2017 Shareholder Loans and the 2018 Shareholder Loan shall all be solely applied to, inter alia, the expansion of the port, the repayment of the principal and interest of domestic and overseas loans, the payment of wages and out-of-pocket expenses, etc.				

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, save that the Joint Venture is owned as to 50% by the Group, the Joint Venture and its ultimate beneficial owners are Independent Third Parties and not connected with the Group. Save as disclosed above, no further shareholder loan or any other loan has been advanced to the Joint Venture by the Group as at the date of this announcement.

REASONS AND BENEFITS OF THE EXTENSION OF THE LOANS

The Group is principally engaged in the provision of storage and handling services for liquid petrochemical products in the PRC.

The Directors are of the view that by extending the repayment date under the Loan Agreements, the Joint Venture will have the necessary liquidity support and sufficient working capital to continue its normal operation at Weifang Liquid Terminal, which may lead to increase in the Group's profitability and the Shareholders' value and benefit the Company and the Shareholders as a whole. Taking into account the above as well as that SDOHK has extended the repayment date of all its shareholder loans advanced to the Joint Venture to 31 December 2028 on an equal basis, the Directors consider that the Extension of the Loans and the terms of the Supplemental Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ABOUT THE GROUP AND THE JOINT VENTURE

The Group is principally engaged in the provision of storage and handling services for liquid petrochemical products in the PRC.

The Joint Venture, a company incorporated in the PRC with limited liability and owned as to 50% by OHKIL and 50% by SDOHK, is principally engaged in the construction, management and operation of Weifang Liquid Terminal at Weifang Port. Weifang Port serves as a major logistics hub for national and foreign vessels in the Bohai Economic Basin and Northeast Asia and provides an entrance for high deadweight tonnage vessels, and offers high quality services to the oil refineries and chemical production plants nearby. Subject to commercial viability, Weifang Liquid Terminal shall be constructed in several phases with Phases I and II in operation while the operations at Phase III are expected to commence during the second half of 2021. The Company views Weifang Liquid Terminal as a long-term profit contributor and will closely monitor the completion progress of Phase III and ensure it remains on schedule.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Extension of the Loans exceed 5% but less than 25%, the Extension of the Loans constitute a disclosable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempted from shareholders' approval requirement thereunder.

The Extension of the Loans also constitute advance to an entity which exceeds 8% under the assets ratio as defined under the Listing Rules, which shall be subject to the disclosure requirements under Rules 13.13 and 13.20 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires.

“2016 Loan Agreements”	collectively, the RMB60M Loan Agreement and the RMB40M Loan Agreement
“2016 Shareholder Loans”	the shareholder loans in the aggregate amount of RMB100 million advanced by OHKIL to the Joint Venture under the 2016 Loan Agreements
“2017 Loan Agreements”	collectively, the RMB38M Loan Agreement and the RMB25M Loan Agreement
“2017 Shareholder Loans”	the shareholder loans in the aggregate amount of RMB63 million advanced by OHKIL to the Joint Venture under the 2017 Loan Agreements
“2018 Loan Agreement”	the loan agreement dated 18 December 2018 entered into between OHKIL and the Joint Venture pursuant to which OHKIL agreed to advance RMB30 million to the Joint Venture
“2018 Shareholder Loan”	the shareholder loan in the amount of RMB30 million advanced by OHKIL to the Joint Venture under the 2018 Loan Agreement
“Board”	the board of Directors
“Company”	Dragon Crown Group Holdings Limited (龍翔集團控股有限公司), a company incorporated in the Cayman Islands with limited liability
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“Director(s)”	the director(s) of the Company
“Extension of the Loans”	the extension of the respective repayment date under the Loan Agreements to 31 December 2028 pursuant to the Supplemental Agreements
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	any person or company and their respective ultimate beneficial owner(s) (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Joint Venture”	Weifang Sime Darby Liquid Terminal Co., Ltd. (濰坊森達美液化工碼頭有限公司), a company established and registered in the PRC with limited liability and is 50% and 50% owned by OHKIL and SDOHK, respectively as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreements”	collectively, the 2016 Loan Agreements, the 2017 Loan Agreements and the 2018 Loan Agreement
“OHKIL”	Overseas Hong Kong Investment Limited (海外香港投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“RMB60M Loan Agreement”	the loan agreement dated 14 July 2016 entered into between OHKIL and the Joint Venture pursuant to which OHKIL agreed to advance RMB60 million to the Joint Venture
“RMB40M Loan Agreement”	the loan agreement dated 14 July 2016 entered into between OHKIL and the Joint Venture pursuant to which OHKIL agreed to advance RMB40 million to the Joint Venture

“RMB38M Loan Agreement”	the loan agreement dated 14 July 2017 entered into between OHKIL and the Joint Venture pursuant to which OHKIL agreed to advance RMB38 million to the Joint Venture
“RMB25M Loan Agreement”	the loan agreement dated 14 July 2017 entered into between OHKIL and the Joint Venture pursuant to which OHKIL agreed to advance RMB25 million to the Joint Venture
“SDOHK”	Sime Darby Overseas (HK) Limited (森達美海外(香港)有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Sime Darby Logistics Sdn Bhd (formerly known as Sime Darby Utilities Sdn Bhd), which is a direct wholly-owned subsidiary of Sime Darby Berhad
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.10 in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreements”	three supplemental agreements to the Loan Agreements all dated 9 July 2021 and entered into between OHKIL and the Joint Venture for the purpose of the Extension of the Loans
“Weifang Liquid Terminal”	a bulk liquid handling and storage terminal situated at Weifang Port
“%”	per cent.

In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.1967. This conversion rate is for purpose of illustration only and does not constitute a representation that any amounts have been, could have been, or may be, converted at this or any other rates at all.

By Order of the Board
DRAGON CROWN GROUP HOLDINGS LIMITED
Ng Wai Man
Chairman & Chief Executive Officer

Hong Kong, 9 July 2021

As at the date of this announcement, the executive Directors are Mr. NG Wai Man, Mr. CHONG Yat Chin and Ms. CHAN Wan Ming and the independent non-executive Directors are Mr. FENG Jianping, Mr. HOU Xiaoming and Mr. LAU Sik Yuen.