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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)

PROFIT WARNING

This announcement is made by Crown International Corporation Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 September 2021 (“**the Current Period**”) and other information currently available to the Board, it is expected that the Group would record consolidated loss attributable to the Shareholders for the Current period of approximately HK\$20 million while there was consolidated profit attributable to the Shareholders of HK\$1.7 million for the six months ended 30 September 2020 (“**the Last Period**”) (the “**Profit Warning**”). Such consolidated loss attributable to the Shareholders in the Current Period was mainly due to (a) the decrease in the rental income of the Zhongshan property as compared with the Last Period by approximately HK\$6.5 million and (b) the increase of share option expenses by HK\$6 million in Current Period.

The Company is still in the process of finalising the Group's interim results for the Current Period. The information contained in this announcement is only based on a preliminary assessment of the Board with reference to the unaudited consolidated management accounts of the Group for the Current Period which have not been audited or reviewed by the auditors or the audit committee of the Company. The above information may be subject to adjustment and amendments. Finalised results of the Group and other details will be disclosed in the interim results announcement of the Company for the six months ended 30 September 2021 which will be published by the end of November 2021 (the “**2021 Interim Results Announcement**”).

Reference is also made to the announcements of the Company dated 13 January 2021 (the “**Rule 3.7 Announcement**”) and the announcements of the Company dated 11 February 2021, 11 March 2021, 9 April 2021, 7 May 2021, 7 June 2021, 7 July 2021, 10 August 2021, 9 September 2021, 11 October 2021, 12 November 2021 (the “**Other Rule 3.7 Announcements**”), each pursuant to Rule 3.7 of the Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”) and in relation to the Receivership (as defined in the Other Rule 3.7 Announcements).

Following the publication of the Rule 3.7 Announcement, the Company is required to comply with the relevant requirements under the Takeovers Code. Pursuant to Rule 10 of the Takeovers Code, the Profit Warning constitutes a profit forecast and should be reported on by the Company's financial adviser and auditors or reporting accountants in accordance with Rule 10.4 of the Takeovers Code. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code.

Pursuant to Rule 10.4 of the Takeovers Code and Practice Note 2 of the Takeovers Code, the reports from the Company's financial adviser and auditors on the Profit Warning are required to be included in the next document to be sent to the Shareholders (the “**Shareholders' Document**”). It is expected that the 2021 Interim Results Announcement will be published prior to the despatch of the next Shareholders' Document. If this is the case, the requirement under Rule 10 of the Takeovers Code to report on the Profit Warning will be superseded by the publication of the 2021 Interim Results Announcement. Otherwise, the Profit Warning shall be reported on in accordance with Rule 10 of the Takeovers Code and the relevant reports will be included in the next Shareholders' Document.

Shareholders and potential investors should note that the Profit Warning does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and therefore they are advised to exercise caution in placing reliance on the Profit Warning in assessing the merits and demerits of the possible sale of shares of the Company (as detailed in the Rule 3.7 Announcement).

There is no assurance that the Receivership will result in a change of controlling shareholder and will it lead to general offer under Rule 26.1 of the Takeovers Code for the securities of the Company. Shareholders and potential investors should exercise extreme caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

By Order of the Board
Crown International Corporation Limited
Hung Man
Executive Director

Hong Kong, 26 November 2021

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. HUNG Man, Mr. LI Yong Jun, and Mr. MENG Jin Long; and five independent non-executive Directors, namely Mr. REN Guo Hua, Mr. CHEN Fang, Mr. WONG Siu Hung, Patrick, Mr. TSANG Hin Fun Anthony and Mr. TAN B Ray Billy.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.