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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 statement in this announcement misleading.



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 RELATING TO
FURTHER ADVANCE OF SHAREHOLDER LOAN
TO WEIFANG SIME DARBY LIQUID TERMINAL CO., LTD.**

On 14 December 2021 (after trading hours), OHKIL, an indirect wholly-owned subsidiary of the Company entered into the 2021 Loan Agreement with the Joint Venture (a joint venture owned as to 50% by the Group) pursuant to which OHKIL has agreed to further advance the 2021 Shareholder Loan of USD9.42 million (equivalent to approximately RMB59.94 million) at an interest rate of 6% per annum which shall be repayable on or before 14 December 2026.

LISTING RULES IMPLICATIONS

The transactions contemplated under the 2021 Loan Agreement constitute a discloseable transaction for the Company under the Listing Rules on the basis that (i) the applicable percentage ratios (as defined under the Listing Rules) in respect of the 2021 Loan Agreement exceed 5% and are below 25%; and (ii) the transactions contemplated under the 2021 Loan Agreement, when aggregated with the 2016 Shareholder Loans, the 2017 Shareholder Loans and the 2018 Shareholder Loan, would not result in a higher transaction classification under Chapter 14 of the Listing Rules. The transactions contemplated under the 2021 Loan Agreement are therefore only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the aggregate amount of the Loan Agreements exceeds 8% under the assets ratio and the 2021 Shareholder Loan exceeds 3% under the assets ratio as defined under the Listing Rules, the advance of the 2021 Shareholder Loan is also subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

ADVANCE OF 2021 SHAREHOLDER LOAN

Reference is made to the announcements of the Company dated 28 January 2016, 14 July 2017, 18 December 2018 and 9 July 2021 in relation to the 2016 Shareholder Loans, the 2017 Shareholder Loans and the 2018 Shareholder Loan.

On 14 December 2021 (after trading hours), OHKIL, an indirect wholly-owned subsidiary of the Company entered into the 2021 Loan Agreement with the Joint Venture (a joint venture owned as to 50% by the Group) pursuant to which OHKIL has agreed to further advance the 2021 Shareholder Loan of USD9.42 million (equivalent to approximately RMB59.94 million) at an interest rate of 6% per annum which shall be repayable on or before 14 December 2026.

The details of the 2016 Shareholder Loans, the 2017 Shareholder Loans, the 2018 Shareholder Loan and the 2021 Shareholder Loan are summarized as follows:

	2016 Loan Agreements		2017 Loan Agreements		2018 Loan Agreement	2021 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	14 December 2021
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	USD9.42 million
Outstanding principal amount	RMB21.06 million	RMB40 million	RMB27 million	RMB25 million	RMB30 million	USD9.42 million
Interest rate	6.4% per annum	6% per annum	6% per annum		6% per annum	6% per annum

	2016 Loan Agreements		2017 Loan Agreements		2018 Loan Agreement	2021 Loan Agreement
	RMB60M Loan Agreement	RMB40M Loan Agreement	RMB38M Loan Agreement	RMB25M Loan Agreement		
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	15 December 2021 to 14 December 2026
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 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, the 2018 Shareholder Loan and the 2021 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 SDOHK 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 2021 SHAREHOLDER LOAN

Certain bank facility of the Joint Venture will be due for repayment on 23 December 2021, and OHKIL and SDOHK, being shareholders of the Joint Venture, have resolved to advance further shareholder loans to the Joint Venture to meet its repayment obligations thereunder. Taking into account that the 2021 Shareholder Loan is also interest-bearing, the Directors consider that the terms of the 2021 Loan Agreement 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 not a subsidiary of the Group and is accounted for using the equity method. It 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 in 2022. 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

The transactions contemplated under the 2021 Loan Agreement constitute a discloseable transaction for the Company under the Listing Rules on the basis that (i) the applicable percentage ratios (as defined under the Listing Rules) in respect of the 2021 Loan Agreement exceed 5% and are below 25%; and (ii) the transactions contemplated under the 2021 Loan Agreement, when aggregated with the 2016 Shareholder Loans, the 2017 Shareholder Loans and the 2018 Shareholder Loan, would not result in a higher transaction classification under Chapter 14 of the Listing Rules. The transactions contemplated under the 2021 Loan Agreement are therefore only subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the aggregate amount of the Loan Agreements exceeds 8% under the assets ratio and the 2021 Shareholder Loan exceeds 3% under the assets ratio as defined under the Listing Rules, the advance of the 2021 Shareholder Loan is also subject to the general disclosure obligations under Rule 13.15 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
“2021 Loan Agreement”	The loan agreement dated 14 December 2021 entered into between OHKIL and the Joint Venture pursuant to which OHKIL agree to advance USD9.42 million to the Joint Venture
“2021 Shareholder Loan”	the shareholder loan in the amount of USD9.42 million advanced by OHKIL to the Joint Venture under the 2021 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
“Group”	the Company and its subsidiaries
“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 of Hong Kong Limited
“Loan Agreements”	collectively, the 2016 Loan Agreements, the 2017 Loan Agreements, the 2018 Loan Agreement and the 2021 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, a trading and logistics conglomerate and publicly traded company listed on Bursa Malaysia
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“USD”	United States Dollar, the lawful currency of the United States of America
“Weifang Liquid Terminal”	a bulk liquid handling and storage terminal situated at Weifang Port
“%”	per cent.

For the purpose of this announcement, conversion of USD into RMB is calculated at the conversion rate of USD1.00 to RMB6.36. 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 of
DRAGON CROWN GROUP HOLDINGS LIMITED
Ng Wai Man
Chairman & Chief Executive Officer

Hong Kong, 14 December 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.