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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)

SUPPLEMENTAL ANNOUNCEMENT
VOLUNTARY ANNOUNCEMENT
BUSINESS UPDATE

Reference is made to the announcements (the "**Announcements**") of the Company dated 14 January 2026. Unless otherwise defined, capitalized terms herein shall have the same meanings as those defined in the Announcements.

The Board would like to provide the Shareholders and potential investors of the Company with supplemental information in relation to the subject matter of the Announcements.

The Group's current investment in property development is its investment in property development project located at Golden Beach No. 1, Golden Beach Garden, south of Bei Huan Hai Road and east of Ren Tai Garden, Gao District, Weihai city, Shandong province, the PRC (the "**Weihai Property**") currently under development and owned by Weihai Runhe. The Weihai Property consists of three high rise buildings with a total gross floor area of approximately 195,000 square metres, of which 130,000 square metres will be renovated and utilised as 1,400 serviced apartment units and the rest will be developed as 200 luxury hotel suites and rooms.

On 13 January 2026, the Company was notified by the Stock Exchange about the Liquidation Application in the morning. Below is the sequence of events in relation to the Liquidation Application:

1. Mr. Tian Chang Hai ("**Mr. Tian**") is the sole legal representative (法人代表) and sole director of Weihai Runhe while Mr. Deng Jianguo ("**Mr. Deng**"), an executive Director, is in charge of the operation of Weihai Runhe. The Board was advised by Mr. Deng that Mr. Deng and Mr. Tian, based on their experiences, filed the Liquidation Application of Weihai Runhe by themselves with the view to protect the properties of Weihai Runhe, i.e. the Weihai Property. As the Weihai Property is currently under construction, the current value of the properties is far less than the value after completion of the development and hence it will be detrimental if the properties are now seized by the creditors for settlement of Weihai Runhe's indebtedness. Under the PRC law, all actions of the creditors will be put on hold after the filing of the Liquidation Application, which allows Weihai Runhe an opportunity to negotiate with the creditors to seek the best price to realize the properties for settlement of the liabilities. Under such circumstances and the fact that there were several overdue payments to creditors of Weihai Runhe including its suppliers, Mr. Tian and Mr. Deng filed the Liquidation Application of Weihai Runhe even though the creditors of Weihai Runhe have temporarily suspended any action to prevent their potential actions.

   Mr. Tian and Mr. Deng considered that the Company's control over Weihai Runhe would not have any change after filing the Liquidation Application and did not recognize the significance of the Liquidity Application. Therefore, they considered to report to the Board after the completion of the liquidation.

2. On 1 August 2025, Mr. Tian and Mr. Deng received the ruling in relation to the Liquidation Application. (the "**Ruling**"), pursuant to which the liquidation committee (the "**Liquidation Committee**") of Weihai Runhe is appointed as the administrator of Weihai Runhe. The members of the Liquidation Committee includes:

   (1) Zheng Jian (鄭建), Head of the Political and Legal Affairs Department* (政法工作部部長)

   (2) Yu Fang (于方), Director of the Gao District Construction Bureau* (高區建設局局長

   (3) Yu Weibing (于衛兵), Deputy Head of the Gao District Political and Legal Affairs Department* (高區政法工作部副部長)

   (4) Ji Yuying (冀玉英), Member of the Party Leadership Group of the Gao District Finance and Banking Bureau* (高區財政金融局黨組成員)

   (5) Li Hui (李輝), Director of the Gao District Human Resources and Social Security Centre* (高區人力資源和社會保障中心主任)

(6) Liu Bin (劉斌), Director of Gao District Branch, Weihai Municipal Public Security Bureau* (威海市公安局高區分局局長)

(7) Zhang Dan (張丹), Director of Gao District Taxation Bureau* (高區税務局局長)

(8) Cong Lin (叢林), Director of Gao District Branch, Weihai Municipal Bureau of Natural Resources and Planning* (威海市自然資源和規劃局高區分局局長)

(9) Sun Lei (孫磊), Commander of Gao District Fire and Rescue Brigade* (高區消防救援大隊大隊長)

(10) Shandong Lingyunzhi Law Firm* (山東凌雲志律師事務所)

3. On 11 August 2025, an announcement under action no. (2025) 魯1091破1號 was published by the Weihai Torch High-Tech Industrial Development Zone People's Court, Shandong Province* (山東省威海火炬高技術產業開發區人民法院), pursuant to which (i) creditors of Weihai Runhe shall file their claim to the administrator by 30 September 2025; (ii) the debtor or asset holder of Weihai Runhe shall settle the debts or deliver its assets to the administrator of Weihai Runhe; and (iii) the first creditor's meeting will be held on 15 October 2025.

4. On 15 October 2025, the first creditor's meeting was held at Meeting Room, 4th Floor, Weihai Torch High-Tech Industrial Development Zone People's Court, Shandong Province* (山東省威海火炬高技術產業開發區人民法院四樓會議室. Besides Mr. Deng, Mr. Tian and the members of the Liquidation Committee, no other unrelated persons attended the meeting and Mr. Zheng Jian chaired the meeting. During the meeting, the amount owed by Weihai Runhe was being verified preliminarily.

5. On 13 January 2026, the Company was notified by the Stock Exchange about the Liquidation Application in the morning. The Board immediately contacted and sought legal advices from a PRC legal adviser (the "**PRC Legal Adviser**") for its legal opinion. The PRC Legal Adviser advised the Company that the administrator of Weihai Runhe does not take an active role and it mainly safeguards the assets of Weihai Runhe and notify and verify creditors' claim. Despite the appointment of the administrator of Weihai Runhe, the Company and Weihai Runhe's existing management team have continued to manage the day-to-day operations without restriction. This includes full access to and operational control over Weihai Runhe's bank accounts, ongoing construction activities, and administrative functions. Up to the date of this announcement, no directives from the administrator or the court have impeded the Company's ability to operate or make operational decisions regarding Weihai Runhe. On such basis and the fact that the Company can withdraw the Liquidation Application, The PRC Legal Adviser is in the opinion that the Company maintains control of, and can continue operate and manage, Weihai Runhe despite the appointment of the administrator.

6. On 16 January 2026, the Company sought advices from the PRC Legal Adviser in relation to the process of and time required for the withdrawal of the Liquidation Application. The Company intends to initiate the withdrawal procedures of the Liquidation Application as soon as possible and is preparing a settlement plan with the creditors of Weihai Runhe, i.e. by utilising proceeds from the sales of properties to repay debts owed to relevant creditors, to be submitted to the relevant court.

   As at 31 December 2025, the unaudited total liabilities of Weihai Runhe amounted to approximately RMB994.3 million while unaudited total assets of Weihai Runhe amounted to approximately RMB1,218.8 million, the latter of which consists mainly of properties under development for sale amounted to approximately RMB662.6 million, prepayments of approximately RMB212.8 million and other receivables of approximately RMB186.2 million. The construction and renovation works of the Weihai Property are currently expected to be completed within the next 12 to 15 months. The Company has discussed with the creditors of Weihai Runhe and intends to sell the 1,400 serviced apartment units upon completion of these works, using the proceeds to repay the outstanding liabilities. Based on current valuations and market conditions, the Company believes the assets of Weihai Runhe is sufficient to cover the creditor claims, subject to successful execution of the sales plan.

   The PRC Legal Adviser also advised that, since the Liquidation Application was filed by Mr. Deng and Mr. Tian for and on behalf of Weihai Runhe but not creditors of Weihai Runhe, the court should, in principle, grant the approval for withdrawal. Subject to the review process of the court, the withdrawal of the Liquidation Application will be completed in approximately two months.

The auditors of the Company are aware of the situation and have confirmed that, based on current facts and circumstances (including continued management control, unrestricted access to financial records, and ongoing operational autonomy) and according to Hong Kong Financial Reporting Standard 10, they consider Weihai Runhe to remain under the control of the Company. The auditors of the Company have also indicated that there are no impediments to them conducting a full audit of Weihai Runhe's financial statements.

In view of the foregoing, and as liquidation of Weihai Runhe has not completed and no assets of Weihai Runhe have been disposed of, the Board is of the view that the Liquidation Application did not create any material adverse impact on the financial position of the Group.

The Board had no knowledge of and did not approve the Liquidation Application when it was filed, the Liquidation Application and the Ruling only came to attention of the Board on 13 January 2026. The Board considers that there were internal control deficiencies of the Company. In this regard, the Company will engage Migo Corporation Limited, an advisory firm specialising in corporate advisory, internal control and risk management advisory for listed companies, as internal control consultant to conduct an independent internal control review. Based on preliminary discussion, it is expected that the review will be completed within two months. The Company intends to inform the Shareholders and the investors of the Company of the results of the independent internal control review by publication of announcement in the future.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Crown International Corporation Limited
Wei Zhenming
Executive Director

Hong Kong, 27 January 2026

As at the date of this announcement, the executive directors of the Company are Mr Wei Zhenming and Mr Deng Jianguo; and the independent non-executive directors of the Company are Ms Lo Lai Lai Samantha, Ms Hu Ruixuan and Mr Wong Wai Kit.

* *For identification purpose only*