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晶苑國際集團有限公司*
CRYSTAL INTERNATIONAL GROUP LIMITED

(Incorporated in Bermuda with limited liability and registered by way of continuation in the Cayman Islands)

(Stock code: 2232)

ANNOUNCEMENT ON THE RENEWAL OF EXISTING CONNECTED TRANSACTIONS AND THE CONNECTED LEASES OF CRYSTAL TOWER

2027 LEASES

In 2025, Crystal International Group Limited (the "**Company**") and its subsidiaries (together, the "**Group**") entered into various leases (the "**2026 Leases**") with certain entities controlled by connected persons, namely, Mr. LO Lok Fung Kenneth ("**Mr. LO**"), Mrs. LO CHOY Yuk Ching Yvonne ("**Mrs. LO**") and Mr. LO Ching Leung Andrew ("**Mr. Andrew LO**") (collectively, the "**Connected Landlords**"), which constituted de minimis transactions pursuant to Rule 14A.76(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and were fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. Pursuant to the 2026 Leases, the Connected Landlords agreed to lease certain premises to the Group for warehouse and living quarters purposes.

All the lease agreements under the 2026 Leases will expire on 31 December 2026. The board of directors of the Company (the "**Board**") announces that on 3 November 2026, among the 2026 Leases, all lease agreements are to be renewed for a term of three years (collectively, the "**2027 Leases**").

* *For identification purposes only*

CRYSTAL TOWER LEASES

The Board further announces that, on 3 November 2026, the Group (as tenant) entered into leases with Asia Success Properties Limited ("**Asia Success**", an entity controlled by Mr. LO and Mrs. LO) (as landlord) in respect of leasing certain premises (the "**Premises**") and car parking spaces (the "**Car Parking Spaces**") at No. 77 How Ming Street, Kowloon in Hong Kong ("**Crystal Tower**") to the Group for a term of six years and three years, respectively (collectively, the "**Crystal Tower Leases**"). Under the Crystal Tower Leases, the Group will pay monthly management fee and air-conditioning charge (the "**Monthly Management Fee and AC Charge**") to Asia Success, and the Group will also be entitled to have a licence in respect of the use of the garden area on the roof floor of Crystal Tower (the "**Roof**") at a monthly licence fee (the "**Licence Fee**", together with the Monthly Management Fee and AC Charge, the "**Other Fees and Charges**").

LISTING RULES IMPLICATIONS

The rental payments under the 2027 Leases and the Crystal Tower Leases (collectively, the "**Rental Payments**") will constitute connected transactions of the Company under Chapter 14A of the Listing Rules. Since one or more of the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated value of right-of-use assets relating to the 2027 Leases and the Crystal Tower Leases are expected to be more than 0.1% but less than 5%, the Rental Payments and the transactions contemplated thereunder are exempt pursuant to Rule 14A.76(2) of the Listing Rules from the circular (including independent financial adviser review) and independent shareholders' approval requirements but are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The payments of the Other Fees and Charges will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the highest applicable percentage ratio in respect of the highest annual cap for the Other Fees and Charges during the lease term is less than 0.1%, the payments of the Other Fees and Charges constitute de minimis transactions pursuant to Rule 14A.76(1) of the Listing Rules and are fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Crystal Tower Leases for the Premises exceeds three years, the Company has appointed Centurion Corporate Finance Limited (the "**Independent Financial Adviser**") as the independent financial adviser to explain the reasons for a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration.

2027 LEASES

In 2025, the Group entered into the 2026 Leases with the Connected Landlords controlled by connected persons, specifically Mr. LO, Mrs. LO and Mr. Andrew LO, which constituted de minimis transactions pursuant to Rule 14A.76(1) of the Listing Rules and were fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. Pursuant to the 2026 Leases, the Connected Landlords agreed to lease certain premises to the Group for warehouse and living quarters' purposes.

All the 2026 Leases will expire on 31 December 2026. The Board announces that on 3 November 2026, among the 2026 Leases, all lease agreements are to be renewed for a term of three years.

As (i) Mr. LO (executive director), Mrs. LO (executive director) and Mr. Andrew LO (executive director) control the Connected Landlords, and (ii) Mr. LO Howard Ching Ho ("**Mr. Howard LO**") (executive director), being the son of Mr. LO and Mrs. LO, and the brother of Mr. Andrew LO, is an associate of Mr. LO, Mrs. LO and Mr. Andrew LO, each of them has a material interest in the connected transactions under the 2027 Leases and abstained from voting on the resolutions of the Board in respect of the approval of the 2027 Leases.

The major terms of the 2027 Leases are listed below:

Lease period	**Landlord**	**Tenant**	**Size** *Sq.m.*	**Use**	**Payment schedule**	**Rent per month** *(HK$)*	**Right-of-use assets** *(HK$)*
1 January 2027 to 31 December 2029	Joint Access Limited	Crystal Knitters Limited	389	Living quarters	Monthly	350,000	11,693,000
1 January 2027 to 31 December 2029	Happy Field Company Limited	Crystal Knitters Limited	1,012	Living quarters	Monthly	450,000	15,034,000
1 January 2027 to 31 December 2029	Tanbo Development Limited	Crystal Knitters Limited	350	Warehouse	Monthly	45,000	1,504,000

Pricing Policy

The monthly rentals under the 2027 Leases reflect prevailing market rates, based on valuations made by the independent property valuer of the Company, which shall be payable in cash on a monthly basis and in advance on the first day of each calendar month. The total rent payable during the terms under the 2027 Leases is HK$30,420,000. The Company will recognise the leased assets under the 2027 Leases as acquisitions of right-of-use assets amounting to HK$28,231,000.

The rental payment under the 2027 Leases is expected to be satisfied by internal resources of the Group.

Reasons for the Transactions

The directors of the Company are of the view that the business operations and development of the Company require the entering into of the 2027 Leases for the use of the warehouse and the living quarters.

In addition, the directors (including the independent non-executive directors) of the Company consider that the transactions contemplated under the 2027 Leases have been entered into in the ordinary and usual course of the Group's business on normal commercial terms, and the terms of the 2027 Leases are fair and reasonable and in the interests of the Company and its shareholders as a whole.

CRYSTAL TOWER LEASES

The Board further announces that, on 3 November 2026, the Group (as tenant) entered into the Crystal Tower Leases with Asia Success (as landlord) controlled by connected persons, specifically Mr. LO and Mrs. LO, in respect of leasing the Premises for office purpose and the Car Parking Spaces for car parking purpose at Crystal Tower to the Group for a term of six years and three years, respectively.

As (i) Mr. LO (executive director) and Mrs. LO (executive director) control Asia Success, and (ii) Mr. Andrew LO (executive director) and Mr. Howard LO (executive director), being the sons of Mr. LO and Mrs. LO, are associates of Mr. LO and Mrs. LO, each of them has a material interest in the connected transactions under the Crystal Tower Leases and abstained from voting on the resolutions of the Board in respect of the approval of the Crystal Tower Leases.

The major terms of the Crystal Tower Leases are listed below:

Leased property	Certain Premises and Car Parking Spaces located at Crystal Tower	
Tenancy term	Premises:	Six years commencing on 1 April 2027 and expiring on 31 March 2033 (the "**Fixed Term for the Premises**")
	Car Parking Spaces:	Three years commencing on 1 April 2027 and expiring on 31 March 2030
	By giving Asia Success not less than six months written notice prior to expiration of the Fixed Term for the Premises, the Group may request for the renewal of the tenancy of the Premises for a further term of three years. There is no option to renew the tenancy of the Car Parking Spaces.	
Landlord	Asia Success	
Tenant	Crystal Knitters Limited	

Size of the Premises	Approximately 5,100 sq.m.	
Fitting-out licence period for the Premises and the Roof	From 3 November 2026 to 31 March 2027, which is licence fee-free	
Rent-free / licence fee-free period	Premises and Roof:	From 1 April to 30 April in each of six years ending 31 December 2032
	Car Parking Spaces:	From 1 April to 30 April in each of three years ending 31 December 2029
Use	Office for the Premises and car parking for the Car Parking Spaces	
Payment schedule	Monthly	
Rent per month	1st to 3rd rental year (for the Premises and the Car Parking Spaces):	HK$1,583,550 per month
	4th to 6th rental year (for the Premises):	At the then prevailing open market rent to be agreed between the parties, but the rental increment will not in any event exceed 10% of the monthly rent during 1st to 3rd rental year (i.e. not more than HK$1,741,905 per month)
Other Fees and Charges	The current Monthly Management Fee and AC Charge payable by the Group is HK$318,710, which is subject to adjustments from time to time. The Group is required to pay the Monthly Management Fee and AC Charge during the fitting-out licence period and tenancy term (including the rent-free period) of the Premises. The Group is entitled to have a licence in respect of the use of the Roof for non-domestic purpose at a monthly Licence Fee of HK$10,000 during the Fixed Term for the Premises. By giving Asia Success not less than six months written notice prior to expiration of the Fixed Term for the Premises, the Group may request for the renewal of the licence for a further term of three years.	
Government rent and rates	The Group is required to pay government rent and rates in respect of the Crystal Tower Leases during the fitting-out licence period and tenancy term (including the rent-free and licence-fee free periods), which is subject to adjustments from time to time.	
Security deposit	HK$6,122,472 as security deposit is payable by the Group to Asia Success in two instalments.	

Pricing Policy

The monthly rentals under the Crystal Tower Leases reflect prevailing market rates, based on (i) valuations made by the independent property valuer of the Company and (ii) the expected increase in open market rent of Crystal Tower considering the rental index of properties of comparable size, type and quality situated in vicinity to Crystal Tower in recent years, which shall be payable in cash on a monthly basis and in advance on the first day of each calendar month. The total rent payable during the terms under the Crystal Tower Leases is expected to be no more than HK$109,740,015.

The Company will recognise the leased assets under the Crystal Tower Leases as acquisitions of right-of-use assets amounting to HK$88,446,000. The lease liabilities will be remeasured by discounting the revised lease payments if there is a change in future lease payments to reflect changes in market rental rates following a market rent review in the 4th to 6th rental years.

The Other Fees and Charges also reflect the unified rates of the management fee, air-conditioning charge and licence fee chargeable for other independent third party tenants of Crystal Tower, as well as the prevailing market rates of these fees and charges charged by properties of comparable size, type and quality situated in vicinity to Crystal Tower.

The rental payment and the payments of the Other Fees and Charges under the Crystal Tower Leases are expected to be satisfied by internal resources of the Group.

Annual Caps for Other Fees and Charges

As the payments of the Other Fees and Charges under the Crystal Tower Leases constitute continuing connected transactions of the Company, the Company is required to set annual caps for the Other Fees and Charges payable to Asia Success thereunder.

The proposed annual caps for the Other Fees and Charges payable to Asia Success for the following periods are set out below:

Period	**Proposed Annual Cap** *(HK$)*
From 3 November 2026 to 31 December 2026	700,000
From 1 January 2027 to 31 December 2027	4,200,000
From 1 January 2028 to 31 December 2028	4,500,000
From 1 January 2029 to 31 December 2029	4,900,000
From 1 January 2030 to 31 December 2030	5,400,000
From 1 January 2031 to 31 December 2031	5,900,000
From 1 January 2032 to 31 December 2032	6,500,000
From 1 January 2033 to 31 March 2033	1,700,000

The above annual caps were determined with reference to the current Monthly Management Fee and AC Charge of HK$318,710 per month (taking into account the expected annual increment of approximately 10% due to inflation, as well as other possible adjustments from time to time) and the agreed Licence Fee of HK$10,000 per month, which were all arrived at on normal commercial terms after arm's length negotiation between the parties. There is no historical amount under the Crystal Tower Leases between the Group and Asia Success.

Taking into account the above factors and other relevant factors set out in the sub-section headed "Crystal Tower Leases – Pricing Policy" above, the directors (including the independent non-executive directors) of the Company consider that the above proposed annual caps for the Other Fees and Charges are fair and reasonable and on normal commercial terms.

Internal Control Measures

In order to further safeguard the interests of the shareholders of the Company as a whole, the Group will implement the following internal control measures in relation to the proposed continuing connected transactions regarding the Other Fees and Charges:

(a) the statutory audit reporting team of the Group will regularly monitor the payment of the Other Fees and Charges to ensure that the proposed annual caps will not be exceeded;

(b) the Head of Administration (Hong Kong) of the Group will supervise and monitor that the execution of the Crystal Tower Leases is in line with its principal terms;

(c) the Head of Administration (Hong Kong) of the Group will conduct regular reviews to keep abreast of the prevailing open market rents, the market conditions, and the charging rates of the management service fee and air-conditioning charge of Crystal Tower and nearby properties of comparable size, type and quality, for the purpose of considering and assessing whether the amounts of the Other Fees and Charges are fair and reasonable;

(d) the audit committee of the Company will meet at least twice a year to review the implementation of the above measures for the continuing connected transactions of the Group;

(e) the Company will provide information and supporting documents to its independent non-executive directors and auditor of the Company to conduct annual review of the continuing connected transactions of the Group;

(f) the independent non-executive directors of the Company will provide an annual confirmation in accordance with Rule 14A.55 of the Listing Rules as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of the Group, are on normal commercial terms or better, and are conducted in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and

(g) the auditor of the Company will be engaged to report on the continuing connected transactions of the Group in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company will issue a letter containing their conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

Reasons for the Transactions

The directors of the Company are of the view that the business operations, expansion plan and development of the Group require the entering into of the Crystal Tower Leases for the use of the Premises as its offices and the Car Parking Spaces. Taking into account the renovation and moving expenses, and in order to prevent incurring expensive removal and reinstatement costs when the leases expire, the Group believes that it is beneficial and sustainable to lease the Premises for six years.

In addition, having considered that the rentals and the Other Fees and Charges payable under the Crystal Tower Leases reflect prevailing market rates and, where applicable, the opinion of the Independent Financial Adviser as set out below in this announcement, the directors (including the independent non-executive directors) of the Company consider that the transactions contemplated under the Crystal Tower Leases have been entered into in the ordinary and usual course of the Group's business on normal commercial terms, and the terms of the Crystal Tower Leases are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Since the relevant entities as landlords under the 2027 Leases and the Crystal Tower Leases are controlled by connected persons of the Company, these landlords are connected persons of the Company.

In accordance with International Financial Reporting Standard 16 "Leases" applicable to the Company, the Rental Payments and the payments of the Other Fees and Charges are subject to different accounting treatments.

The Rental Payments will be recognised as acquisitions of right-of-use assets, constituting one-off connected transactions of the Company under Chapter 14A of the Listing Rules. Since the transactions under the 2027 Leases and the Crystal Tower Leases are of a similar nature and the parties are connected, such transactions will be aggregated and treated as if they are one transaction, pursuant to Rules 14A.81 and 14A.82(1) of the Listing Rules. Since one or more of the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the aggregated value of right-of-use assets relating to the 2027 Leases and the Crystal Tower Leases are expected to be more than 0.1% but less than 5%, the Rental Payments and the transactions contemplated thereunder are exempt pursuant to Rule 14A.76(2) of the Listing Rules from the circular (including independent financial adviser review) and independent shareholders' approval requirements but are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The payments of the Other Fees and Charges will be recognised as expenses of the Group in its ordinary and usual course of business, constituting continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since the highest applicable percentage ratio in respect of the highest annual cap for the Other Fees and Charges during the lease term is less than 0.1%, the payments of the Other Fees and Charges constitute de minimis transactions pursuant to Rule 14A.76(1) of the Listing Rules and are fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Crystal Tower Leases for the Premises exceeds three years, the Company has appointed Centurion Corporate Finance Limited as the Independent Financial Adviser to explain the reasons for a longer period and to confirm that it is normal business practice for agreements of this type to be of such duration. Given that the term of the 2027 Leases does not exceed three years, the Company is not required to appoint an independent financial adviser in respect of the 2027 Leases under Rule 14A.52 of the Listing Rules.

In assessing the reasons for the term of the Crystal Tower Leases for the Premises to be longer than three years, the Independent Financial Adviser has formulated its opinion based on, among other things, its independent research and analysis, the information set out in this announcement and its discussion with the management of the Company are as follows:

(1) It is intended that the Premises will be used for the head office purpose of the Group;

(2) Upon expiry or early termination of the Crystal Tower Leases, the Group is required at its sole costs and expenses, to remove "all fixtures, fittings, alterations, additions, partitions, floor coverings, wall finishes, false ceilings, building services installations and wirings" in the Premises and to reinstate the Premises into a bare shell condition to the satisfaction of Asia Success with the standard landlord's provisions as set out in the relevant lease agreement (i.e. building finishes, electrical installation, air-conditioning, fire services system and tele-communication), with fair wear and tear excepted;

(3) The directors of the Company are of the view that the business operations, expansion plan and development of the Group require the entering into of the Crystal Tower Leases for the use of the Premises as its offices and the Car Parking Spaces. Taking into account the renovation and moving expenses, and in order to prevent incurring expensive removal and reinstatement costs when the leases expire, the Group believes that it is beneficial and sustainable to lease the Premises for a fixed term of six years;

(4) Pursuant to the Crystal Tower Leases, the Group is required to fit out the Premises at the Group's expense in accordance with such plans and specifications as shall have been first submitted to and approved by the property manager in a good and proper workmanlike fashion and in all respects in a style and manner appropriate to a commercial building in Hong Kong and in accordance with all the requirements as set out in the "Fit-Out Control and Guideline" of the property manager;

(5) In view of the aforesaid, the Independent Financial Adviser takes the view that when determining the six years tenancy term for the Premises, the Company has taken into account, among other factors, (i) the high capital expenditure requirement by the Group in its initial fitting out of the Premises for the Group's head office purpose, the custom-built nature of the Premises for the Group's business operations etc. which call for a longer tenancy term to avoid possible relocation upon expiry of a shorter tenancy term; and (ii) the purpose of a longer tenancy term to reduce unnecessary uncertainties and disruptions to the Group's operations. In this regard, the Independent Financial Adviser noted that the existing tenancy agreement for the Group's office at AXA Tower, Landmark East also has a six years tenancy term with an option to renew for a further term of three years;

(6) The Company has commissioned a market rental valuation report by its independent property valuer in respect of the Premises under the Crystal Tower Leases and based on the valuation report, the rents and lengths of the tenancy term for the Premises are fair and reasonable as compared to the prevailing market rates and comparable tenancy terms (in which terms for selected comparable transactions are between three to five years). The market rental valuation of the Premises was undertaken by the independent property valuer of the Company using a "market approach", assuming leasing of the Premises in its existing state with the benefit of immediate vacant possession and by making reference to comparable rental transactions as available in the relevant market;

(7) The Independent Financial Adviser has further reviewed the announcements of comparable connected and continuing connected transactions arising from leasing of premises published by several Hong Kong listed issuers which are engaged in various businesses in Hong Kong and the greater China area, and noted that those comparable precedents also have lease duration of longer than three years and in some cases, comparable to the tenancy term for the Premises under the Crystal Tower Leases; and

(8) The Independent Financial Adviser also takes the view that the building of Crystal Tower was reportedly completed in July 2026 and marketing materials of Crystal Tower described it as a Grade A commercial landmark in the heart of Kowloon East, with high standards of premium office space, seamlessly integrating cutting-edge technology with sustainable design. The Crystal Tower Leases enable the Group to lease all seven floors of the highest floors (together with the reception area at the main lobby) of Crystal Tower, with exclusive use of the Roof, thus enhancing the Group's corporate image and presence in a brand new and presentable building at a sustainable market rent in Kowloon East. This kind of "anchor" tenant arrangement would have been difficult to secure in the Kowloon East marketplace, had it not been because of the Group's relationship with Asia Success.

Based on the foregoing, the Independent Financial Adviser is of the view that the tenancy term of six years under the Crystal Tower Leases for the Premises is necessary and it is normal business practice for lease agreements of this type to be of such duration.

GENERAL INFORMATION

The Company is an investment holding company. The Group is principally engaged in the manufacturing and trading of garments. Crystal Knitters Limited is a wholly-owned subsidiary of the Company and it is principally engaged in the provision of corporate services.

The relevant entities as landlords in the 2027 Leases and the Crystal Tower Leases, being Joint Access Limited, Happy Field Company Limited, Tanbo Development Limited and Asia Success, are limited liability companies incorporated in Hong Kong and all of them are principally engaged in investment holding and property letting. To the best of the directors' knowledge, information and belief, having made all reasonable enquiries, at the date of this announcement, the issued share capital of Happy Field Company Limited is owned as to 50% by Mr. LO and 50% by Mrs. LO, the issued share capital of each of Tanbo Development Limited and Asia Success is directly owned as to 50% by Mr. LO and 50% by Mrs. LO, and the issued share capital of Joint Access Limited is indirectly owned as to 50% by Mr. Andrew LO and 50% by his spouse, Mrs. LO LAM So Lai Irene.

By Order of the Board
Crystal International Group Limited
LO Lok Fung Kenneth
Chairman

Hong Kong, 3 November 2026

At the date of this announcement, the Board comprises Mr. LO Lok Fung Kenneth, Mrs. LO CHOY Yuk Ching Yvonne, Mr. LO Ching Leung Andrew, Mr. WONG Sing Wah and Mr. LO Howard Ching Ho, as executive directors; Mr. WONG Chi Fai and Mr. LEE Kean Phi Mark, as non-executive directors; and Mr. CHANG George Ka Ki, Mr. MAK Wing Sum Alvin, Mr. WONG Siu Kee and Mrs. MAK TANG Pik Yee Agnes, as independent non-executive directors.