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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
CAPITAL INJECTION INTO A JOINT VENTURE

CAPITAL INJECTION

On 23 June 2016 (after trading hours), (i) OHKIL, an indirect wholly-owned subsidiary of the Company, (ii) SDOHK and (iii) the Joint Venture entered into the Capital Injection Agreement, pursuant to which OHKIL and SDOHK shall each inject capital in the amount of RMB100 million (equivalent to approximately HK\$118 million) respectively in cash into the Joint Venture. Each of OHKIL and SDOHK shall progressively contribute their portion of the Capital Injection within 5 years from the issuance date of the Joint Venture's new business licence issued by the Weifang Administration for Industry and Commerce (濰坊市工商行政管理局).

Upon completion of the Capital Injection, the registered capital of the Joint Venture shall increase from RMB200 million (equivalent to approximately HK\$236 million) to RMB400 million (equivalent to approximately HK\$472 million).

The equity interest of OHKIL and SDOHK in the Joint Venture upon completion of the Capital Injection will remain unchanged at 50% each.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the OHKIL Capital Injection exceeds 5% but all of them are below 25%, the OHKIL Capital Injection constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the notification and announcement requirements.

INTRODUCTION

Reference is made to the announcement of the Company dated 28 January 2016 in relation to, amongst other matters, the acquisition of 50% equity interest in the Joint Venture.

THE CAPITAL INJECTION AGREEMENT

The principal terms of the Capital Injection Agreement is summarised as below:

Date

23 June 2016

The Parties

(i) OHKIL

(ii) SDOHK

(iii) the Joint Venture

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, SDOHK, the Joint Venture and their respective ultimate beneficial owners are Independent Third Parties and not connected with the Company and its connected persons.

Capital Injection

As at the date of this announcement and prior to the Capital Injection, the Joint Venture has a registered capital of RMB200 million (equivalent to approximately HK\$236 million) and is owned as to 50% by OHKIL and 50% by SDOHK.

Pursuant to the Capital Injection Agreement, OHKIL and SDOHK shall each inject capital in the amount of RMB100 million (equivalent to approximately HK\$118 million) respectively in cash into the Joint Venture. Each of OHKIL and SDOHK shall progressively contribute their portion of the Capital Injection within 5 years from the issuance date of the Joint Venture's new business licence issued by the Weifang Administration for Industry and Commerce (潍坊市工商行政管理局).

Upon completion of the Capital Injection, the equity interest of OHKIL and SDOHK in the Joint Venture will remain unchanged at 50% each. The Joint Venture will continue to be accounted for as an investment in a joint venture in the consolidated financial statements of the Group.

The amount of the Capital Injection was determined after arm's length negotiation between parties to the Capital Injection Agreement with reference to funding needs of the Joint Venture for the expansion and development of Weifang Liquid Terminal at Weifang Port.

Payment of the OHKIL Capital Injection will be funded by internal resources and/or through possible equity and debt financing of the Group.

Conditions Precedent

The obligations of the parties to the Capital Injection Agreement to complete the Capital Injection is conditional upon the satisfaction of the following conditions precedent:

- (i) that each of OHKIL and SDOHK (and their respective holding companies) and the Joint Venture comply with all the requirements under the applicable laws, rules and regulations (including but not limited to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited);
- (ii) that each of OHKIL and SDOHK (and their respective holding companies) and the Joint Venture obtain all necessary consents and approvals from all relevant government and regulatory authorities;
- (iii) that each of OHKIL and SDOHK (and their respective holding companies) and the Joint Venture obtain all approvals in accordance with its article of association and respective internal approvals; and
- (iv) that the new business licence of the Joint Venture recording the registered capital of the Joint Venture as RMB400 million (equivalent to approximately HK\$472 million) has been issued by the Weifang Administration for Industry and Commerce (潍坊市工商行政管理局).

Each of OHKIL and SDOHK shall use their best endeavors to procure fulfillment of the conditions hereinabove, none of which shall be waived unless otherwise agreed between the parties in writing. If the above conditions precedent are not fulfilled within 60 business days from the date of signing of the Capital Injection Agreement (or such later date as may agreed by the Parties), OHKIL and SDOHK shall be deemed as being discharged and released from the obligations stipulated under the Capital Injection Agreement.

As at the date of this announcement, none of the above conditions have been fulfilled.

INFORMATION OF THE GROUP AND THE PARTIES TO THE CAPITAL INJECTION AGREEMENT

The Group is principally engaged in the provision of high quality and comprehensive range of petroleum and liquid chemical terminal, storage and logistic services in the PRC.

OHKIL is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company.

SDOHK is a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Sime Darby Utilities Sdn Bhd, which is a direct wholly-owned subsidiary of Sime Darby Berhad, a company whose shares are listed on Bursa Malaysia Sdn Bhd, formerly Kuala Lumpur Stock Exchange. SDOHK is principally engaged in investment holding.

The Joint Venture is principally engaged in the construction, management and operation of Weifang Liquid Terminal at Weifang Port. As at the date of this announcement, the registered capital of the Joint Venture is RMB200 million (equivalent to approximately HK\$236 million).

REASONS AND BENEFITS FOR THE CAPITAL INJECTION

The Directors are of the view that through the Capital Injection, the Group may benefit from the increased processing capacity of the Weifang Liquid Terminal after its expansion, which may enhance the profitability of the Group and increase the Shareholders' value and benefit the Company and the Shareholders as a whole.

Taking into consideration of the above, the Directors consider that the terms of the Capital Injection are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Listing Rules implications

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the OHKIL Capital Injection exceeds 5% but all of them are below 25%, the OHKIL Capital Injection constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the notification and announcement requirements.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the same meanings set out below:

“Board”	the board of Directors
“Capital Injection”	collectively, the OHKIL Capital Injection and SDOHK Capital Injection
“Capital Injection Agreement”	the letter dated 23 June 2016 issued by the Joint Venture and addressed to OHKIL and SDOHK in relation to the Capital Injection
“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 to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of and not connected with any of the Directors, chief executive, substantial Shareholders or any of its subsidiaries and their respective associates
“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
“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
“OHKIL Capital Injection”	the capital injection in the total amount of RMB100 million (equivalent to approximately HK\$118 million) by OHKIL pursuant to the Capital Injection Agreement
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“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 Utilities Sdn Bhd, which is a direct wholly-owned subsidiary of Sime Darby Berhad
“SDOHK Capital Injection”	the capital injection in the total amount of RMB100 million (equivalent to approximately HK\$118 million) by SDOHK pursuant to the Capital Injection Agreement
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

For the purpose of this announcement, conversion of RMB into HK\$ is calculated at the conversion rate of RMB1.00 to HK\$1.18. 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

Hong Kong, 23 June 2016

As at the date of this announcement, the executive Directors are Mr. NG Wai Man, Mr. TING Yian Ann, Mr. CHONG Yat Chin and Ms. CHAN Wan Ming and the independent non-executive Directors are Mr. LUO Shijie, Mr. ZHU Wujun and Mr. LAU Sik Yuen.