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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**

Reference is made to the announcement (the “**Announcement**”) of Crystal International Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) dated 15 December 2022 regarding the renewal of existing connected transactions. Terms defined in the Announcement shall have the same meanings when used in this announcement.

2024 LEASES

In 2022, the Group entered into various leases (the “**2023 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**”). Pursuant to the 2023 Leases, the Connected Landlords agreed to lease certain premises to the Group for warehouse and living quarters purposes.

All the lease agreements under the 2023 Leases will expire on 31 December 2023. The Board announces that on 14 December 2023, among the 2023 Leases, all lease agreements are to be renewed for terms of one year (collectively, the “**2024 Leases**”).

LISTING RULES IMPLICATIONS

The 2024 Leases constitute connected transactions of the Company. Since one or more of the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the 2024 Leases are expected to be more than 0.1% but less than 5%, the transactions 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, annual review and announcement requirements under Chapter 14A of the Listing Rules.

* For identification purposes only

2024 LEASES

In 2022, the Group entered into the 2023 Leases with the Connected Landlords controlled by connected persons, specifically Mr. Lo, Mrs. Lo and Mr. Andrew Lo. Pursuant to the 2023 Leases, the Connected Landlords agreed to lease certain premises to the Group for warehouse and living quarters' purposes.

All the 2023 Leases will expire on 31 December 2023. The Board announces that on 14 December 2023, among the 2023 Leases, all lease agreements are to be renewed for a term of one year.

Each of Mr. Lo (executive director), Mrs. Lo (executive director) and Mr. Andrew Lo (executive director), who control the Connected Landlords, has a material interest in the connected transactions under the 2024 Leases and, therefore, abstained from voting on the resolutions of the Board in respect of the approval of the 2024 Leases.

The major terms of the 2024 Leases are listed below:

Lease period	Landlord	Tenant	Size <i>Sq.m.</i>	Use	Payment schedule	Rent per month <i>(HK\$)</i>	Right-of-use assets <i>(HK\$)</i>
1 January 2024 to 31 December 2024	Joint Access Limited	Crystal Knitters Limited	389	Living quarters	Monthly	350,000	4,052,000
1 January 2024 to 31 December 2024	Happy Field Company Limited	Crystal Knitters Limited	1,012	Living quarters	Monthly	450,000	5,209,000
1 January 2024 to 31 December 2024	Tambo Development Limited	Crystal Knitters Limited	350	Warehouse	Monthly	45,000	521,000

Pricing Policy: The monthly rentals under the 2024 Leases reflect prevailing market rates, based on valuations made by the 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 2024 Leases is HK\$10,140,000. The Company will recognise the leased assets under the 2024 Leases as acquisitions of right-of-use assets amounting to HK\$9,782,000.

Reasons for the Transactions

The directors are of the view that the business operations and development of the Company require the entering into of the 2024 Leases for the use of the warehouse and the living quarters.

In addition, the directors (including the independent non-executive directors) consider that the transactions contemplated under the 2024 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 2024 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 landlord under the 2024 Leases are controlled by connected persons of the Company, the relevant entities as landlords in the 2024 Leases are connected persons of the Company.

In accordance with International Financial Reporting Standard (IFRS) 16 “Leases” applicable to the Company, the transactions under the 2024 Leases 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 2024 Leases are of a similar nature, 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 transactions contemplated under the 2024 Leases are expected to be more than 0.1% but less than 5%, the transactions 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, annual review and announcement requirements under Chapter 14A of the Listing Rules.

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.

The relevant entities as landlords in the 2024 Leases, being Joint Access Limited, Happy Field Company Limited and Tanbo Development Limited, 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 indirectly wholly-owned by Mr. Lo and Mrs. Lo, the issued share capital of Tanbo Development Limited is directly wholly-owned by Mr. Lo and 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, 14 December 2023

At the date of this announcement, the board of directors of the Company 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.