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VICTORY CITY INTERNATIONAL HOLDINGS LIMITED

冠華國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 539)

INSIDE INFORMATION

This announcement is made by Victory City International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.19 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

Each of the Company and several subsidiaries of the Company, namely Victory City Company Limited (“**VC Company**”), Best Linkage (Macao Commercial Offshore) Limited (“**Best Linkage**”), Victory City Overseas Limited (“**VC Overseas**”) and Global Honour Investments Limited (“**Global Honour**”) received a statutory demand dated 22 December 2020 (collectively, the “**Statutory Demands**”) pursuant to section 178(1)(a) or section 327(4)(a) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), in relation to, among others, each of the facility agreements dated 6 June 2016, 20 December 2018, 27 December 2019 and 22 June 2020 (collectively, the “**Facility Agreements**”) entered into by, among others, VC Company and Best Linkage (as borrowers) and Chong Hing Bank Limited (as lender).

It is stated in the Statutory Demands that the Company, VC Company, Best Linkage, VC Overseas and Global Honour are being demanded to pay, secure or compound for in the sum of HK\$304,172,789.10 (the “**Debt**”), together with further interest accruing on the principal sums at the contractual interest rates starting from 19 December 2020 until the date of full repayment of the Debt.

As at the date of this announcement, in light of such circumstances, the board of directors of the Company have been currently assessing the impact of the above and will make their best endeavours to discuss and negotiate with Chong Hing Bank Limited with a view to reach on arrangements which will facilitate the Group to meet its repayment obligations, including but not limited to the Facility Agreements. The Directors have also been actively seeking, and are in talks with banks in the People's Republic of China, for refinancing arrangements, and taking steps to devise a debt restructuring plan.

As at the date of this announcement, the Group had not received any winding-up petition against the Group and the business of the Group is under normal operation. The Company confirms that, save as disclosed in this announcement and the announcement of the Company dated 14 December 2020, it is currently not aware of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance. The Company will issue further announcement(s) to provide updates on the above matters as and when required pursuant to the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Victory City International Holdings Limited
Li Ming Hung
Chairman

Hong Kong, 23 December 2020

As at the date of this announcement, the executive Directors are Mr. Li Ming Hung (Chairman), Mr. Chen Tien Tui (Chief Executive Officer) and Mr. Lee Yuen Chiu Andy, and the independent non-executive Directors are Mr. Kan Ka Hon, Mr. Phaisalakani Vichai and Mr. Kwok Sze Chi.

** for identification purposes only*