

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



VICTORY CITY INTERNATIONAL HOLDINGS LIMITED

冠華國際控股有限公司*

(Joint provisional liquidators appointed)

(For restructuring purposes only)

(Incorporated in Bermuda with limited liability)

(Stock Code: 539)

ANNOUNCEMENT

PRESS RELEASE ISSUED BY THE FINANCIAL REPORTING COUNCIL

References are made to the announcements of Victory City International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated (i) 22 February 2021 (the “**First Announcement**”) and 9 March 2021 (the “**Second Announcement**”, together with the First Announcement, the “**Announcements**”) respectively in relation to, among other things, the Credit Facility and the Borrowings; and (ii) 22 March 2021 in relation to the trading suspension in the shares (the “**Shares**”) of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) pending the release of this announcement and fulfilment of any resumption guidance that may be set by the Stock Exchange. Capitalised terms used herein shall have the same meanings as those defined in the First Announcement.

THE PRESS RELEASE

On 19 March 2021, the Financial Reporting Council (the “**FRC**”) issued a press release (the “**Press Release**”) pursuant to which the FRC announced the initiation of (i) an enquiry into the financial statements of the Company for the year ended 31 March 2020 (the “**Annual Accounts**”) and six months ended 30 September 2020 (the “**Interim Accounts**”); and (ii) an investigation into the audit of the Annual Accounts by Deloitte Touche Tohmatsu (“**Deloitte**”).

In the Press Release, among other things, the FRC mentioned (i) about the Announcements made by the Company in relation to the Borrowings, which might not have been included in the Annual Accounts and the Interim Accounts; (ii) that Deloitte was the auditor of and expressed an unmodified audit opinion on the Annual Accounts, and expressed an unmodified review conclusion on the Interim Accounts; and (iii) that it received a complaint from a member of the public on 23 February 2021, which *“raised concerns about the generic nature of the information provided about possible unrecorded borrowings in the First Announcement and questioned whether the audit work on bank borrowings had been carried out properly”*.

The FRC has initiated the enquiry into the Annual Accounts and Interim Accounts and the investigation into the audit conducted by Deloitte, which would address public questions and uncertainty about (i) whether, and if so to what extent, the Annual Accounts and Interim Accounts have been materially misstated with respect to unrecorded borrowings (if any); and (ii) whether the audit of the Annual Accounts has been conducted in accordance with the relevant auditing standards.

The Company will cooperate with the FRC’s investigation into the audit conducted by Deloitte to the fullest extent. As disclosed in the Announcements, the Board and the Audit Committee have been in the continuing process of obtaining the relevant information and documents to ascertain the factual position with respect to the Credit Facility and the Borrowings, and reviewing the matters and the Group’s financial position jointly with the Joint Provisional Liquidators. The Board will take appropriate actions and measures as and when appropriate and necessary to preserve the interests of the Company and its shareholder as a whole.

The Company will make further announcements(s) in relation to any material updates regarding the above matters as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 10:24 a.m. on Monday, 22 March 2021 and will remain suspended until further notice.

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

By order of the Board
Victory City International Holdings Limited
(Joint provisional liquidators appointed)
(For restructuring purposes only)
Li Ming Hung
Chairman and executive director

Hong Kong, 23 March 2021

As at the date of this announcement, the executive directors of the Company 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 of the Company are Mr. Kan Ka Hon and Mr. Phaisalakani Vichai.

* *for identification purposes only*