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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)**

### **PROPOSED AMENDMENT TO THE TERMS AND CONDITIONS OF CONVERTIBLE BONDS**

#### **PROPOSED AMENDMENTS TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE BONDS**

On 23 October 2020 (after trading hours), the Company entered into the Deed of Amendment A with Mr. Wang pursuant to which the Company and Mr. Wang have conditionally agreed to change the conversion price under the Convertible Bonds A from the initial conversion price of HK\$0.640 per Conversion Share (which has been adjusted to HK\$0.631 per Conversion Share due to rights issue) to the Adjusted Conversion Price of HK\$0.120 per Conversion Share. All other principal terms of the Convertible Bonds A shall remain unchanged and valid.

On 23 October 2020 (after trading hours), the Company entered into the Deed of Amendment B with Mr. Wong pursuant to which the Company and Mr. Wong have conditionally agreed to change the conversion price under the Convertible Bonds B from the initial Conversion Price of HK\$0.650 per Conversion Share (which has been adjusted to HK\$0.641 per Conversion Share due to rights issue) to the Adjusted Conversion Price of HK\$0.120 per Conversion Share. All other principal terms of the Convertible Bonds B shall remain unchanged and valid.

As at the date of this announcement, no Conversion Shares have been issued pursuant to the Convertible Bonds A or Convertible Bonds B. Assuming the Convertible Bonds are converted in full based on the Adjusted Conversion Price of HK\$0.120 per Conversion Share, 533,333,333 Shares and 541,666,666 Shares will be issued to Mr. Wang and Mr. Wong respectively, representing (i) approximately 22.88% and 23.24% of the issued share capital of the Company as at the date of this announcement, respectively; and (ii) approximately 15.66% and 15.90% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares, respectively. The Conversion Shares will be issued under the Specific Mandate.

### **IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company will apply to the Stock Exchange for its approval of the Proposed Amendment pursuant to the requirements under the Listing Rules.

### **GENERAL**

The SGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things, (i) the Deeds of Amendment and the transactions contemplated thereunder; and (ii) the issue and allotment of the Conversion Shares upon full conversion of the Convertible Bonds (as amended by the Deeds of Amendment) under the Specific Mandate.

A circular containing, among other things, (i) details of the Deeds of Amendment; and (ii) the notice of the SGM and a form of proxy will be despatched to the Shareholders on or before 16 November 2020.

**Warnings: the Proposed Amendment is subject to the fulfilment of a number of conditions, including but not limited to the approval of the Deeds of Amendment by the Shareholders at the SGM. As such, the Proposed Amendment may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

### **INTRODUCTION**

Reference is made to (i) the announcements of the Company dated 1 August 2019 and 13 August 2019 in relation to the issue of the Convertible Bonds A to Mr. Wang; and (ii) the announcements of the Company dated 14 October 2019 and 23 October 2019 in relation to the issue of the Convertible Bonds B to Mr. Wong. The Convertible Bonds A with the

principal amount of HK\$64,000,000 had been issued to Mr. Wang on 13 August 2019 and the Convertible Bonds B with the principal amount of HK\$65,000,000 had been issued to Mr. Wong on 23 October 2019.

On 23 October 2020, the Company entered into the Deeds of Amendment with each of Mr. Wang and Mr. Wong to amend the conversion price per Conversion Share of the Convertible Bonds.

## **PRINCIPAL TERMS OF THE CONVERTIBLE BONDS**

The current principal terms of the Convertible Bonds have been summarised in the announcements of the Company dated 1 August 2019 and 14 October 2019. A summary of the major terms of the respective Convertible Bonds which will not be amended by the respective Deeds of Amendment is as follows:

Issuer:	The Company
Principal amount:	Convertible Bonds A: HK\$64,000,000 Convertible Bonds B: HK\$65,000,000
Issue price:	100% of the principal amount of the respective Convertible Bonds
Interest rate:	5% per annum on the outstanding principal amount of the Convertible Bonds, which shall be payable in arrears on 30 June and 31 December of each year from the date of issue until the maturity date of the respective Convertible Bonds
Maturity Date:	The date falling two years (which can, by agreement between the bondholder(s) and the Company, be extended to five years) after the date of issue or, if that is not a business day, the first business day thereafter
Conversion period:	The holder(s) of the respective Convertible Bonds shall have the right to convert the whole or part of the principal amount of the respective Convertible Bonds into Conversion Shares for the period commencing from the date of issue up to 4:00 p.m. on the maturity date of the respective Convertible Bonds

Conversion rights: If the issue of Conversion Shares following the exercise by a bondholder of the conversion rights relating to any of the bonds held by such bondholder would result in:

- (a) such bondholder and parties acting in concert with it (within the meaning of the Takeovers Code), taken together, directly or indirectly controlling or being interested in 30% or more of the entire issued voting share capital of the Company (or such other percentage as may from time to time be specified in the Takeovers Code as being the level of triggering a mandatory general offer) as at the date of conversion; or
- (b) the shareholding of Mr. Li Ming Hung, Mr. Chen Tien Tui, and companies directly or indirectly, controlled or interested in by any of them would, in aggregate, fall to equal or less than 20% of the entire issued share capital of the Company (the “**Shareholding Level Requirement**”); or
- (c) the Company not meeting the Public Float Requirement immediately after the conversion,

then the number of Conversion Shares to be issued pursuant to such conversion shall be limited to the maximum number of Shares issuable by the Company which would not in the reasonable opinion of the Company result in a breach of the Public Float Requirement or a breach of the Shareholding Level Requirement or mandatory general offer being triggered under the Takeovers Code (as the case may be) and the balance of the conversion rights attaching to the respective Convertible Bonds which the bondholder sought to convert shall be suspended until such time when the Company is able to issue additional Shares in satisfaction of the exercise of the said balance of conversion rights attaching to the respective Convertible Bonds and at the same time comply with the Public Float Requirement or without triggering a mandatory general offer under the Takeovers Code or breach the Shareholding Level Requirement (as the case may be).

Redemption upon maturity: Any Convertible Bonds which remains outstanding by 4:00 p.m. (Hong Kong time) on the maturity date of the respective Convertible Bonds shall be redeemed by the Company at a redemption amount equal to the principal amount of the outstanding Convertible Bonds together with interest accrued thereon

## **PROPOSED AMENDMENTS TO THE CONVERTIBLE BONDS**

### **The Deed of Amendment A**

On 23 October 2020 (after trading hours), the Company entered into the Deed of Amendment A with Mr. Wang pursuant to which the Company and Mr. Wang have conditionally agreed to change the conversion price under the Convertible Bonds A from the initial conversion price of HK\$0.640 per Conversion Share (which has been adjusted to HK\$0.631 per Conversion Share due to rights issue) to the Adjusted Conversion Price of HK\$0.120 per Conversion Share. All other principal terms of the Convertible Bonds A shall remain unchanged and valid.

### **The Deed of Amendment B**

On 23 October 2020 (after trading hours), the Company entered into the Deed of Amendment B with Mr. Wong pursuant to which the Company and Mr. Wong have conditionally agreed to change the conversion price under the Convertible Bonds B from the initial Conversion Price of HK\$0.650 per Conversion Share (which has been adjusted to HK\$0.641 per Conversion Share due to rights issue) to the Adjusted Conversion Price of HK\$0.120 per Conversion Share. All other principal terms of the Convertible Bonds B shall remain unchanged and valid.

### **Conditions Precedent**

The respective Deeds of Amendment is conditional upon the following conditions:

- (a) the obtaining of all necessary Shareholders' approval of the Company (as required), among other matters, approving the respective Deeds of Amendment, transactions contemplated thereunder in compliance with the applicable requirements under the Listing Rules;
- (b) the Stock Exchange has granted its approval for the amendment as set out in the respective Deeds of Amendment pursuant to Rule 28.05 of the Listing Rules; and
- (c) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Shares to be issued upon the exercise of the conversion rights attaching to the respective Convertible Bonds as amended by the amendment as set out in the respective Deeds of Amendment.

None of the above conditions are waivable. If any of the conditions above are not fulfilled by the Longstop Date or such other date as the parties to the respective Deeds of Amendment shall agree in writing, the parties to the respective Deeds of Amendment will not be bound to proceed with the transactions contemplated under the respective Deeds of Amendment and the respective Deeds of Amendment will cease to have any effect. In such case, the respective Convertible Bonds will continue to take effect under the existing terms and conditions without the Proposed Amendment.

## **Adjusted Conversion Price**

The Adjusted Conversion Price of HK\$0.120 per Conversion Share represents:

- (a) a premium of approximately 15.38% over the closing price of the Shares of HK\$0.104 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a premium of approximately 15.16% over the average closing price of the Shares of approximately HK\$0.1042 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (c) a premium of approximately 12.99% over the average closing price of the Shares of approximately HK\$0.1062 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day; and
- (d) a discount of approximately 95.76% to the audited net asset value per Share of approximately HK\$2.831 as at 31 March 2020, calculated based on the Group's audited consolidated net assets of approximately HK\$6,598.0 million as at 31 March 2020 and the 2,330,735,943 Shares in issue as at the date of this announcement.

## **Conversion Shares**

As at the date of this announcement, no Conversion Shares have been issued pursuant to the Convertible Bonds A or Convertible Bonds B.

Assuming the Convertible Bonds are converted in full based on the current adjusted conversion price of HK\$0.631 per Conversion Share for the Convertible Bonds A and HK\$0.641 per Conversion Share for the Conversion Bonds B, and there is no other change in the issued share capital of the Company from the date of this announcement and up to Completion, 101,426,307 Shares and 101,404,056 Shares will be issued to Mr. Wang and Mr. Wong respectively, representing (i) approximately 4.35% and 4.35% of the issued share capital of the Company as at the date of this announcement, respectively; and (ii) approximately 4.00% and 4.00% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares, respectively.

Assuming the Convertible Bonds are converted in full based on the Adjusted Conversion Price of HK\$0.120 per Conversion Share, 533,333,333 Shares and 541,666,666 Shares will be issued to Mr. Wang and Mr. Wong respectively, representing (i) approximately 22.88% and 23.24% of the issued share capital of the Company as at the date of this announcement, respectively; and (ii) approximately 15.66% and 15.90% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares, respectively. The Conversion Shares will be issued under the Specific Mandate.

## APPLICATION FOR LISTING

No application has been or will be made by the Company for the listing of the Convertible Bonds. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares that may be issued by the Company under the terms and conditions of each of the Convertible Bonds A (as amended by the Deed of Amendment A) and Convertible Bonds B (as amended by the Deed of Amendment B) under the Specific Mandate.

## FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

Apart from the fund raising activities set out below, the Company had not conducted any other fund raising activities in the past 12 months immediately preceding the date of this announcement:

Date of announcement/ circular/prospectus	Event	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds
14 October 2019 and 23 October 2019	Issue of convertible bonds	HK\$64.7 million	All net proceeds reserved for the Group's plan to construct of a manufacturing base in Bangladesh for fabric production (the "Expansion").	All net proceeds will be used for the Expansion.
18 December 2019, 7 February 2020 and 13 March 2020	Rights issue	HK\$412.5 million	Approximately HK\$206.2 million for the Expansion; and approximately HK\$206.3 million for the repayment of bank loans.	Such rights issue was not approved by the independent Shareholders and was not completed.
11 May 2020, 18 June 2020, 23 July 2020 and 13 August 2020	Rights issue	HK\$212.2 million	Approximately HK\$200.0 million for the repayment of the syndicated loan; and approximately HK\$12.2 million as general working capital of the Group.	All net proceeds have been used as intended.

## REASONS FOR THE DEEDS OF AMENDMENT

Since January 2020, the Company's share price has been on a downward trend from approximately HK\$0.250 per Share to HK\$0.104 per Share as at the date of this announcement. The Company's closing share price was below HK\$0.120 per Share for the past month since 24 September 2020, and the average closing share price from 1 October 2020 up to this announcement is approximately HK\$0.107 per Share. In view of the recent drop in the share price of the Company, the Company has negotiated with Mr. Wang and Mr. Wong to amend the conversion price of the Convertible Bonds with reference to the prevailing market price of the Shares so that it is more feasible for each of them to exercise the conversion rights attaching to the respective Convertible Bonds at the Adjusted Conversion Price. Due to the outbreak of COVID-19, the Group's operation has been disrupted with a decrease in revenue for the six months ended 30 September 2020 as compared to that of the corresponding period in 2019 and delay in repayment of the Group's receivables by the Group's customers, which has affected the working capital of the Group. As the extension of the Convertible Bonds for further three years is subject to the consent of holder of the respective Convertible Bonds, in the event such consent is not granted, the Company is obliged to redeem the Convertible Bonds A in August 2021 and the Convertible Bonds B in October 2021, which will greatly reduce the working capital of the Group. As at 31 March 2020, the total amount of bank borrowings due within one year and all the convertible bonds issued by the Company amounted to approximately HK\$2,983 million. Despite the Group has completed a rights issue on 14 August 2020, the bank balances and cash as at 31 March 2020, as adjusted by the net proceeds of such rights issue of approximately HK\$212 million, amounted to approximately HK\$1,503 million. The bank balances and cash as at 30 September 2020 has further dropped as a result of the impact of the COVID-19 pandemic and the repayment of bank borrowings. As such, there is a shortfall in cash in repaying the Group's bank borrowings due within one year and convertible bonds (if extension is not granted) when they fall due. The reduction in conversion price of the Convertible Bonds can provide a more realistic alternative to holders of the respective Convertible Bonds to capitalise the debt owed by the Company. Given the financial pressure and economic uncertainty brought about by the COVID-19 pandemic, the management considers it is prudent to negotiate with the holders of the Convertible Bonds at an earlier stage since (i) the Proposed Amendment are subject to approval of the Shareholders, and the Proposed Amendment is expected to be completed only in December 2020, which is less than one year prior to the maturity date of the Convertible Bonds if extension for a further three years is not granted; and (ii) the Proposed Amendment, if being approved, the Group needs time to further negotiate with the holders of the Convertible Bonds to either convert the Convertible Bonds or extend the Convertible Bonds. Given (i) the financial impact brought by COVID-19 pandemic, including the decrease in inflow of cash due to drop in revenue and delay in repayment by the Group's customers; (ii) the comparatively low cash position of the Group as compared to its bank borrowings due within one year and convertible bonds issued by the Company; and (iii) the recurring overheads and expenses incurred to maintain operation during the COVID-19 pandemic leading to the increase in operating cash outflow, the management considers that more working capital



is required to be maintained. When each of the respective Convertible Bonds holders exercise his conversion rights for issue of the Conversion Shares, it allows the Company to free up financial resources from repayment of the Convertible Bonds which can be used for other working capital and operating purposes and to strengthen the capital base of the Company.

Given the recent unpredictability of the global economy and the financial pressure brought by the COVID-19 pandemic, the management is of the view that more working capital has to be reserved for the Group's operation. Accordingly, the Expansion has been deferred. As at the date of this announcement, the Expansion has not been implemented and no commitment in respect of the Expansion has been reached or entered into by the Company. The management will closely monitor the economic impact caused by the COVID-19 pandemic and will assess the viability of the Expansion when the COVID-19 pandemic is contained.

The Proposed Amendment is arrived at after arm's length negotiation between the Company and each of Mr. Wang and Mr. Wong. The Directors consider that the terms and conditions of the Deeds of Amendment are fair and reasonable, and the Proposed Amendment is in the interests of the Company and the Shareholders as a whole.

## EFFECT ON THE SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; (ii) upon full conversion of the Convertible Bonds A (based on the Adjusted Conversion Price); (iii) upon full conversion of the Convertible Bonds B (based on the Adjusted Conversion Price); and (iv) upon full conversion of the Convertible Bonds (based on the Adjusted Conversion Price); assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to Completion, is as follows:

	As at the date of this announcement		Upon full conversion of the Convertible Bonds A		Upon full conversion of the Convertible Bonds B		Upon full conversion of the Convertible Bonds	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
	<i>(Note 1)</i>		<i>(Note 1)</i>		<i>(Note 1)</i>		<i>(Note 1)</i>	
Pearl Garden Pacific Limited <i>(Note 2)</i>	313,702,200	13.46	313,702,200	10.95	313,702,200	10.92	313,702,200	9.21
Madian Star Limited <i>(Note 3)</i>	313,702,200	13.46	313,702,200	10.95	313,702,200	10.92	313,702,200	9.21
Mr. Chen Tien Tui <i>(Note 4)</i>	1,647,000	0.07	1,647,000	0.06	1,647,000	0.06	1,647,000	0.05
Mr. Choi Lin Hung <i>(Note 4)</i>	6,300,000	0.27	6,300,000	0.22	6,300,000	0.22	6,300,000	0.18
Mr. Phaisalakani Vichai <i>(Note 5)</i>	3,744,000	0.16	3,744,000	0.13	3,744,000	0.13	3,744,000	0.11
FMR LLC <i>(Note 6)</i>	234,436,898	10.06	234,436,898	8.19	234,436,898	8.16	234,436,898	6.88
Other public Shareholders	1,457,203,645	62.52	1,457,203,645	50.88	1,457,203,645	50.73	1,457,203,645	42.80
Mr. Wang	—	—	533,333,333	18.62	—	—	533,333,333	15.66
Mr. Wong	—	—	—	—	541,666,666	18.86	541,666,666	15.90
<b>Total:</b>	<b>2,330,735,943</b>	<b>100.00</b>	<b>2,864,069,276</b>	<b>100.00</b>	<b>2,872,402,609</b>	<b>100.00</b>	<b>3,405,735,942</b>	<b>100.00</b>

*Notes:*

1. Certain percentages above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
2. These Shares were held by Pearl Garden Pacific Limited. Pearl Garden Pacific Limited is wholly owned by Cornice Worldwide Limited, the entire issued share capital of which is held by Fiducia Suisse SA as discretionary trustee for the family members of Mr. Li Ming Hung, an executive Director.
3. These Shares were held by Madian Star Limited. Madian Star Limited is wholly owned by Yonice Limited, the entire issued share capital of which is held by Fiducia Suisse SA as discretionary trustee for the family members of Mr. Chen Tien Tui, an executive Director.
4. Mr. Chen Tien Tui and Mr. Choi Lin Hung are executive Directors.
5. Mr. Phaisalakani Vichai is an independent non-executive Director.
6. Based on the disclosure of interests form filed by FMR LLC on 25 August 2020, these Shares were held by companies controlled by FMR LLC.

## **IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to Rule 28.05 of the Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. The Company will apply to the Stock Exchange for its approval of the Proposed Amendment pursuant to the requirements under the Listing Rules.

## **GENERAL**

The SGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things, (i) the Deeds of Amendment and the transactions contemplated thereunder; and (ii) the issue and allotment of the Conversion Shares upon full conversion of the Convertible Bonds (as amended by the Deeds of Amendment) under the Specific Mandate.

A circular containing, among other things, (i) details of the Deeds of Amendment; and (ii) the notice of the SGM and a form of proxy will be despatched to the Shareholders on or before 16 November 2020.

**Warnings: the Proposed Amendment is subject to the fulfilment of a number of conditions, including but not limited to the approval of the Deeds of Amendment by the Shareholders at the SGM. As such, the Proposed Amendment may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Adjusted Conversion Price”	HK\$0.120, being the adjusted conversion price per Conversion Share at which Conversion Shares will be issued upon exercise of the conversion rights attaching to the respective Convertible Bonds pursuant to the respective Deeds of Amendment, subject to adjustments pursuant to the terms and conditions of the respective Convertible Bonds
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	board of the Directors
“Company”	Victory City International Holdings Limited, a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Proposed Amendment pursuant to the Deeds of Amendment
“connected persons”	has the meaning ascribed thereto in the Listing Rules
“Conversion Share(s)”	new Share(s) to be allotted and issued by the Company pursuant to the exercise of the conversion rights attached to the Convertible Bonds pursuant to the terms and conditions of the respective Convertible Bonds
“Convertible Bonds”	collectively, Convertible Bonds A and Convertible Bonds B
“Convertible Bonds A”	the convertible bonds in the amount of HK\$64,000,000 issued by the Company to Mr. Wang on 13 August 2019
“Convertible Bonds B”	the convertible bonds in the amount of HK\$65,000,000 issued by the Company to Mr. Wong on 23 October 2019
“COVID-19”	a coronavirus identified as the cause of an outbreak of respiratory illness that was first detected in 2019 and declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020
“Deed of Amendment A”	the deed of amendment dated 23 October 2020 and entered into between the Company and the Mr. Wang in relation to the Proposed Amendment

“Deed of Amendment B”	the deed of amendment dated 23 October 2020 and entered into between the Company and Mr. Wong in relation to the Proposed Amendment
“Deeds of Amendment”	collectively, the Deed of Amendment A and the Deed of Amendment B
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	an independent third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons
“Last Trading Day”	23 October 2020, being the last trading day for the Shares before the entering into of the Deeds of Amendment
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	31 January 2021 or such later date as the Company and each of the subscribers in each of the Convertible Bonds shall agree in writing
“Mr. Wang”	Mr. Wang Chia Po, being the subscriber under the Subscription Agreement A and an Independent Third Party
“Mr. Wong”	Mr. Wong Shu Fat, being the subscriber under the Subscription Agreement B and an Independent Third Party
“Proposed Amendment”	the proposed amendment of certain terms and conditions of the Convertible Bonds pursuant to the respective Deeds of Amendment
“Public Float Requirement”	the requirement under the Listing Rules applicable to the Company that not less than a specified percentage of the Shares which are listed on the Stock Exchange shall be held by the public for the purpose of the Listing Rules

“SGM”	a special general meeting of the Company to be convened and held to consider and, if thought fit, approve the Deeds of Amendment and the transactions contemplated thereunder (or any adjournment thereof)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Specific Mandate”	the specific mandate to be granted to the Directors by the Shareholders at the SGM to allot and issue the Conversion Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement A”	the conditional subscription agreement dated 1 August 2019 and entered into between the Company and Mr. Wang in relation to the subscriptions of the Convertible Bonds A and was completed on 13 August 2019
“Subscription Agreement B”	the conditional subscription agreement dated 14 October 2019 and entered into between the Company and Mr. Wong in relation to the subscriptions of the Convertible Bonds B and was completed on 23 October 2019
“Subscriptions Agreements”	collectively, the Subscription Agreement A and the Subscription Agreement B
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 23 October 2020

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

\* *for identification purposes only*