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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)

- (1) PROPOSED SHARE CONSOLIDATION;**
- (2) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;**
- (3) PROPOSED AMENDMENT TO THE BYE-LAWS;**
- (4) PROPOSED FURTHER AMENDMENT TO THE TERMS AND CONDITIONS OF THE INDEPENDENT CONVERTIBLE BONDS; AND**
- (5) TERMINATION OF CONNECTED TRANSACTION: PROPOSED AMENDMENT TO THE TERMS AND CONDITIONS OF THE CONNECTED CONVERTIBLE BONDS**

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.1 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$1.0 each.

Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 4,000 Consolidated Shares.

The Share Consolidation is conditional upon, among other things, the approval of Shareholders at the SGM.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As disclosed in the Announcement for Connected CB, the Board proposed that the authorised share capital of the Company be increased from HK\$400,000,000 divided into 4,000,000,000 Existing Shares to HK\$1,000,000,000 divided into 10,000,000,000 Existing Shares by the creation of an additional 6,000,000,000 Existing Shares.

As the Board proposes to implement the Share Consolidation, the Board proposes that, subject to the Share Consolidation having become effective, the authorised share capital of the Company be increased from HK\$400,000,000 divided into 400,000,000 Consolidated Shares to HK\$1,000,000,000 divided into 1,000,000,000 Consolidated Shares by the creation of an additional 600,000,000 Consolidated Shares instead.

The Increase in Authorised Share Capital is subject to the approval of Shareholders at the SGM.

PROPOSED AMENDMENT TO THE BYE-LAWS

The Board proposes to make certain amendments to the Bye-Laws in order to extend the subscription right reserve to convertible securities by allowing accumulated profits of the Company be used to pay up the balance of the par value for the Shares which are allotted and issued at a conversion price below the par value of the Shares upon conversion of convertible securities.

The Amendment to Bye-Laws is subject to the approval of Shareholders at the SGM.

PROPOSED FURTHER AMENDMENT TO THE TERMS AND CONDITIONS OF THE INDEPENDENT CONVERTIBLE BONDS — THE SUPPLEMENTAL DEED A AND THE SUPPLEMENTAL DEED B

On 29 January 2021 (after trading hours), the Company entered into the Supplemental Deed A with Mr. Wang and the Supplemental Deed B with Mr. Wong pursuant to which the parties thereto have conditionally agreed to (i) further change the conversion price under the Independent Convertible Bonds from the proposed adjusted conversion price of HK\$0.120 per Existing Conversion Share to the Adjusted Conversion Price of HK\$0.060 per Existing Conversion Share (assuming the Share Consolidation does not become effective) or HK\$0.60 per Consolidated Conversion Share (assuming the Share Consolidation becomes effective); (ii) extend the Longstop Date to 30 April 2021; and (iii) amend the conditions precedent of the respective Deeds of Amendment for Independent CB.

As at the date of this announcement, no Existing Conversion Shares have been issued pursuant to the Convertible Bonds A or Convertible Bonds B. Assuming the Share Consolidation becomes effective and the Independent Convertible Bonds are converted in full based on the Adjusted Conversion Price of HK\$0.60 per Consolidated Conversion Share, 106,666,666 Consolidated Shares and 108,333,333 Consolidated Shares will be issued to Mr. Wang and Mr. Wong respectively, representing (i) approximately 45.77% and 46.48% of the issued Consolidated Shares upon the Share Consolidation becoming effective, respectively; and (ii) approximately 23.81% and 24.18% of the issued Consolidated Shares as enlarged by the issue and allotment of the Consolidated Conversion Shares, respectively. The Conversion Shares will be issued under the Specific Mandate.

TERMINATION OF CONNECTED TRANSACTION: PROPOSED FURTHER AMENDMENT TO THE TERMS AND CONDITIONS OF THE CONNECTED CONVERTIBLE BONDS — TERMINATION DEED

On 29 January 2021 (after trading hours), the Company entered into the Termination Deed with Pearl Garden and Madian Star, pursuant to which the Company, Pearl Garden and Madian Star have agreed to terminate the Deed of Amendment C with immediate effect, and the Connected Convertible Bonds will continue to take effect under the existing terms and conditions without the proposed amendment under the Deed of Amendment C.

GENERAL

As disclosed in the Announcement for Connected CB, the Company entered into the Deed of Amendment C and proposed the Increase in Authorised Share Capital. Following the entering into the Termination Deed, it is expected that the Circular will not contain any information in relation to the Deed of Amendment C.

A circular containing, among other things, (i) details of the Share Consolidation, the Increase in Authorised Share Capital, the Amendment to Bye-Laws and Deeds of Amendment for Independent CB (as amended by the respective Supplemental Deeds); and (ii) the notice of the SGM and a form of proxy will be despatched to the Shareholders on or before 23 February 2021.

The SGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things, (i) the Share Consolidation; (ii) the Increase in Authorised Share Capital; (iii) the Amendment to Bye-Laws; and (iv) the Deeds of Amendment for Independent CB (as amended by the respective Supplemental Deeds) and the transactions contemplated thereunder.

Warnings: Shareholders and potential investors should take note that the Share Consolidation is conditional upon satisfaction of conditions set out in the sub-paragraph headed “Conditions of the Share Consolidation”. Therefore, the Share Consolidation may or may not proceed.

The Proposed Amendment is also subject to the fulfilment of a number of conditions, including but not limited to approval of the respective Deeds of Amendment for Independent CB (as amended by the respective Supplemental Deeds) by the Shareholders at the SGM and the Amendment to Bye-Laws taking effect. As such, the Proposed Amendment may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Existing 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.

Reference is made to (i) the Announcement for Independent CB in relation to, among other things, the Deed of Amendment A and Deed of Amendment B; (ii) the Announcement for Connected CB in respect of, amongst others, the Deed of Amendment C, the Whitewash Waiver and the Increase in Authorised Share Capital; and (iii) the Update Announcement in respect of the updates on the Deed of Amendment C.

As the current share price of the Company falls below the nominal value of the Existing Share of HK\$0.1 and the current value of each board lot of 4,000 Existing Shares is below HK\$2,000, the Board proposes to implement the Share Consolidation.

On 29 January 2021 (after trading hours), the Company entered into (i) the Supplemental Deed A with Mr. Wang; and (ii) the Supplemental Deed B with Mr. Wong to, among others, further change the conversion price of the Independent Convertible Bonds, which will be subject to, among others, the Amendment to Bye-Laws become effective.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares of HK\$0.1 each in the share capital of the Company be consolidated into one (1) Consolidated Share of HK\$1.0 each.

Conditions of the Share Consolidation

The Share Consolidation is conditional on:

- (1) the passing of an ordinary resolution by the Shareholders at the SGM to approve the Share Consolidation; and
- (2) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Consolidated Shares arising from the Share Consolidation, and the Consolidated Shares which may fall to be allotted and issued under the Share Option Scheme and the Convertible Bonds.

Subject to the satisfaction of all the above conditions, it is expected that the Share Consolidation will become effective on the next business day immediately following the date of the SGM.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$400,000,000 divided into 4,000,000,000 Existing Shares of HK\$0.1 each, of which 2,330,735,943 Existing Shares have been issued and are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the authorised share capital of the Company shall become HK\$400,000,000 divided into 400,000,000 Consolidated Shares of HK\$1.0 each and, on the basis that the Company does not allot, issue or repurchase any Existing Shares prior thereto, of which 233,073,594 Consolidated Shares will be in issue.

Status of the Consolidated Shares

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights of the Shareholders.

Listing Application

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation and the Consolidated Shares which may fall to be allotted and issued under the Share Option Scheme and the Convertible Bonds.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Board lot size

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 4,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 4,000 Consolidated Shares.

Based on the closing price of HK\$0.055 per Existing Share as quoted on the Stock Exchange at the date of this announcement, the value for each board lot of 4,000 Shares was HK\$220 and the theoretical market value for each board lot of 4,000 Consolidated Shares assuming the Share Consolidation had become effective, would be HK\$2,200.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares, if any, will be disregarded and will not be issued to Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of board lots or share certificates held by such holder.

Shareholders who are concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling the Existing Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Details of the odd lot arrangement will be set out in the circular in relation to the Share Consolidation and the convening of the SGM to be despatched to the Shareholders. Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Free exchange of share certificates

Subject to the Share Consolidation becoming effective, Shareholders may, on or after Monday, 22 March 2021 until Friday, 30 April 2021 (both days inclusive), submit share certificates for the Existing Shares (in green colour) to the Hong Kong branch share registrar of the Company, Tricor Secretaries Limited of Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange at the expense of the Company, for new share certificates of the Consolidated Shares (on the basis of ten (10) Existing Shares for one (1) Consolidated Share). It is expected that the new share certificates for the

Consolidated Shares will be available for collection within 10 business days after submission of the existing share certificates to the Hong Kong branch share registrar of the Company for exchange. Thereafter, share certificates of Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher. After close of business on Wednesday, 28 April 2021, share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

The colour of the new share certificates for the Consolidated Shares will be announced by the Company in due course.

Reasons for the Share Consolidation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 has further stated that (i) market price of the Shares at a level less than HK\$0.1 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

Since 29 October 2020, the share price of the Company has been constantly below HK\$0.1 per Existing Share. The proposed Share Consolidation will increase the nominal value of the Shares and would bring about a corresponding upward adjustment in the expected value per board lot. As such, it would enable the Company to comply with the trading requirements under the Listing Rules. Further, the Share Consolidation would reduce the overall transaction and handling costs of dealings in the shares of the Company as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade.

In addition, as illustrated in the sub-paragraph headed “No change in board lot size” above, the current value of each board lot of 4,000 Existing Shares is below HK\$2,000. The Share Consolidation will also allow the value of each board lot of 4,000 Consolidated Shares to be increased to more than HK\$2,000.

The Board considers that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Expected timetable

The expected timetable for implementation of the Share Consolidation is set out below:

Event	2021
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Announcement of the Share Consolidation	Friday, 29 January
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Expected date of despatch of circular with notice and form of proxy of the SGM	Tuesday, 23 February
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Latest date and time for lodging transfer documents in order to qualify for attending and voting at the SGM	4:30 p.m. on Thursday, 11 March
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Closure of register of members for determining the entitlement to attend and vote at the SGM (both dates inclusive) . .	Friday, 12 March to Thursday, 18 March
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Latest date and time for lodging forms of proxy for the SGM	10:00 a.m. on Tuesday, 16 March
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Expected date and time of the SGM	10:00 a.m. on Thursday, 18 March
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Publication of announcement of results of the SGM.	Thursday, 18 March
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The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation:

Effective date of the Share Consolidation	Monday, 22 March
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First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares commences	Monday, 22 March
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Commencement of dealings in the Consolidated Shares	9:00 a.m. on Monday, 22 March
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Original counter for trading in the Existing Shares in board lots of 4,000 Existing Shares (in the form of existing share certificates) temporarily closes . .	9:00 a.m. on Monday, 22 March
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Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Monday, 22 March
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Event**2021**

Original counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of new share certificates) re-opens 9:00 a.m. on Thursday, 8 April

Parallel trading in the Consolidated Shares (in form of new share certificates and existing share certificates) commences 9:00 a.m. on Thursday, 8 April

Designated broker starts to provide matching services for odd lots of the Consolidated Shares 9:00 a.m. on Thursday, 8 April

Temporary counter for trading in the Consolidated Shares in board lots of 400 Consolidated Shares (in the form of existing share certificates) closes 4:10 p.m. on Wednesday, 28 April

Parallel trading in Consolidated Shares (in form of new share certificates and existing share certificates) ends 4:10 p.m. on Wednesday, 28 April

Designated broker ceases to provide matching services for odd lots of the Consolidated Shares 4:00 p.m. on Wednesday, 28 April

Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares Friday, 30 April

All times and dates specified in the timetable above refer to Hong Kong times and dates.

This timetable is indicative only and any subsequent change to the expected timetable will be announced by the Company.

Adjustments in relation to other securities of the Company

As at the date of this announcement, there were 64,193,788 share options granted under the Share Option Scheme entitling the holders thereof to subscribe for up to 64,193,788 Existing Shares. Under the relevant terms and conditions thereof, the Share Consolidation may lead to adjustments to the exercise price and/or the number of shares of the Company falling to be issued upon exercise of the share options pursuant to the terms thereof. Assuming there is no other adjustment event under the Share Option Scheme other than the Share Consolidation becoming effective, the share options will entitle the holders thereof to subscribe for up to 6,419,378 Consolidated Shares in aggregate.

As at the date of this announcement, there were (i) the Connected Convertible Bonds in the aggregate amount of HK\$400,000,000, which 382,775,120 Existing Shares will be issued upon exercise of the conversion rights under the Connected Convertible Bonds in full at the current adjusted conversion price of HK\$1.045 per Existing Conversion Share; (ii) the Convertible Bonds A in the amount of HK\$64,000,000, which 101,426,307 Existing Shares will be issued upon exercise of the conversion rights under the Convertible Bonds A in full at the current adjusted conversion price of HK\$0.631 per Existing Conversion Share; and (iii) the Convertible Bonds B in the amount of HK\$65,000,000, which 101,404,056 Existing Shares will be issued upon exercise of the conversion rights under the Convertible Bonds B in full at the current adjusted conversion price of HK\$0.641 per Existing Conversion Share. Under the relevant terms and conditions of the Convertible Bonds, the Share Consolidation may lead to adjustments to the exercise price and/or the number of shares of the Company falling to be issued upon exercise of the Convertible Bonds pursuant to the terms thereof. Assuming the Proposed Amendment does not take effect, and there is no other adjustment event under the terms of the Convertible Bonds other than the Share Consolidation becoming effective, (i) the Connected Convertible Bonds will entitle the bondholders to convert into 38,277,512 Consolidated Shares at the conversion price of HK\$10.45 per Consolidated Conversion Share; (ii) the Convertible Bonds A will entitle the bondholders to convert into 10,142,630 Consolidated Shares at the conversion price of HK\$6.31 per Consolidated Share; and (iii) the Convertible Bonds B will entitle the bondholders to convert into 10,140,405 Consolidated Shares at the conversion price of HK\$6.41 per Consolidated Conversion Share.

In the event the Proposed Amendment takes effect, the conversion price of the Independent Convertible Bonds will be changed to the Adjusted Conversion Price of HK\$0.060 per Existing Conversion Share (assuming the Share Consolidation does not become effective) or HK\$0.60 per Consolidated Conversion Share (assuming the Share Consolidation becomes effective). Please refer to the paragraph headed “The Supplemental Deed A and the Supplemental Deed B” of this announcement for further details.

Further announcement will be made by the Company in respect of the above adjustments as and when appropriate.

Save as aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Existing Shares as at the date of this announcement.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As disclosed in the Announcement for Connected CB, the Board proposed that the authorised share capital of the Company be increased from HK\$400,000,000 divided into 4,000,000,000 Existing Shares to HK\$1,000,000,000 divided into 10,000,000,000 Existing Shares by the creation of an additional 6,000,000,000 Existing Shares.

As the Board proposes to implement the Share Consolidation, the Board proposes that, subject to the Share Consolidation having become effective, the authorised share capital of the Company be increased from HK\$400,000,000 divided into 400,000,000 Consolidated Shares to HK\$1,000,000,000 divided into 1,000,000,000 Consolidated Shares by the creation of an additional 600,000,000 Consolidated Shares instead.

The Increase in Authorised Share Capital of the Company is conditional upon (i) the Share Consolidation becoming effective; and (ii) the passing of an ordinary resolution by the Shareholders approving the Increase in Authorised Share Capital at the SGM.

PROPOSED AMENDMENT TO THE BYE-LAWS

The Board proposes to make certain amendments to the Bye-Laws in order to extend the subscription right reserve to convertible securities by allowing accumulated profits of the Company be used to pay up the balance of the par value for the Shares which are allotted and issued at a conversion price below the par value of the Shares upon conversion of convertible securities.

The Amendment to Bye-Laws is to delete existing Bye-Law 150 in its entirety and replacing it with the following new Bye-law 150:

Bye-Law 150

The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Act:

- (1) If, so long as any of the rights attached to any shares, options, warrants, derivatives, notes, bonds or other securities carrying rights of conversion or exchange into, or subscription for, shares of the Company (collectively, “**Relevant Securities**”) issued by the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the Relevant Securities, would reduce the subscription price to below the nominal value of a share, then the following provisions shall apply:
 - (a) as from the date of the adoption of this Bye-law or such act or transaction the Company shall establish and thereafter (subject as provided in this Bye-law) maintain in accordance with the provisions of this Bye-law a reserve (the “**Subscription Rights Reserve**”) the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;

- (b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by law;
- (c) upon the exercise of all or any of the subscription rights represented by any Relevant Securities, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such Relevant Securities is required to pay on exercise of the subscription rights represented thereby (or, as the case may be the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising holder of such Relevant Securities (the “**Relevant Holder**”), credited as fully paid, such additional nominal amount of shares as is equal to the difference between:
 - (i) the said amount in cash which the holder of such Relevant Securities is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and
 - (ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the Relevant Securities, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par

and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising Relevant Holders; and

- (d) if, upon the exercise of the subscription rights represented by any Relevant Securities, the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising Relevant Holder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by law, share premium account or amounts standing to the contributed surplus account of the Company) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising Relevant Holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights

represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising Relevant Holder upon the issue of such certificate.

- (2) Shares allotted pursuant to the provisions of this Bye-law shall rank *pari passu* in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the Relevant Securities concerned. Notwithstanding anything contained in paragraph (1) of this Bye-law, no fraction of any share shall be allotted on exercise of the subscription rights.
- (3) The provision of this Bye-law as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating the provisions for the benefit of any Relevant Holder or class of Relevant Holders under this Bye-law without the sanction of a special resolution of such Relevant Holders or class of Relevant Holders.
- (4) A certificate or report by the auditors for the time being of the Company as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising Relevant Holders credited as fully paid, and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all Relevant Holders and shareholders.

The Amendment to Bye-Laws are subject to the approval of Shareholders at the SGM.

THE SUPPLEMENTAL DEED A AND THE SUPPLEMENTAL DEED B

On 29 January 2021 (after trading hours), the Company entered into the Supplemental Deed A with Mr. Wang and the Supplemental Deed B with Mr. Wong pursuant to which the parties thereto have conditionally agreed to (i) further change the conversion price under the Independent Convertible Bonds from the proposed adjusted conversion price of HK\$0.120 per Existing Conversion Share to the Adjusted Conversion Price of HK\$0.060 per Existing Conversion Share (assuming the Share Consolidation does not become effective) or HK\$0.60 per Consolidated Conversion Share (assuming the Share Consolidation become effective); (ii) extend the Longstop Date to 30 April 2021; and (iii) amend the conditions precedent of the respective Deeds of Amendment for Independent CB.

As the share price of the Company as at the date of this announcement is HK\$0.055 per Existing Share is below the nominal value of Existing Share of HK\$0.1 and a company may not issue shares at a discount to the nominal value of such shares under the laws of Bermuda, the Proposed Adjustment will therefore be subject to the Amendment to the Bye-Laws becoming effective. The amended conditions precedent of the Deed of Amendment A and Deed of Amendment B are as follow:

Amended Conditions Precedent

The respective Deeds of Amendment for Independent CB (as amended by respective Supplemental Deeds) 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 for Independent CB (as amended by respective Supplemental Deeds) and 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 for Independent CB (as amended by respective Supplemental Deeds) pursuant to Rule 28.05 of the Listing Rules;
- (c) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Conversion Shares to be issued upon the exercise of the conversion rights attaching to the Independent Convertible Bonds as amended by the amendment as set out in the respective Deeds of Amendment for Independent CB (as amended by respective Supplemental Deeds); and
- (d) the Amendment to Bye-Laws becoming effective.

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 for Independent CB shall agree in writing, the parties to the respective Deeds of Amendment for Independent CB will not be bound to proceed with the transactions contemplated under the respective Deeds of Amendment for Independent CB (as amended by respective Supplemental Deeds) and the respective Deeds of Amendment for Independent CB (as amended by respective Supplemental Deeds) will cease to have any effect. In such case, the respective Independent Convertible Bonds will continue to take effect under the existing terms and conditions without the Proposed Amendment.

Save for the amendment as set out in the respective Supplemental Deeds, all other terms and conditions of the Deeds of Amendment for Independent CB remain unchanged.

Consolidated Conversion Shares

As at the date of this announcement, no Existing Conversion Shares have been issued pursuant to the Convertible Bonds A or Convertible Bonds B. Assuming the Share Consolidation becomes effective and the Independent Convertible Bonds are converted in full based on the Adjusted Conversion Price A of HK\$0.60 per Consolidated Conversion Share, 106,666,666 Consolidated Shares and 108,333,333 Consolidated Shares will be issued to Mr. Wang and Mr. Wong respectively, representing (i) approximately 45.77% and 46.48% of the issued Consolidated Shares upon the Share Consolidation becoming effective, respectively; and (ii) approximately 23.81% and 24.18% of the issued Consolidated Shares as enlarged by the issue and allotment of the Consolidated Conversion Shares, respectively. The Conversion Shares will be issued under the Specific Mandate.

Adjusted Conversion Price

Assuming the Share Consolidation becomes effective, the Adjusted Conversion Price of HK\$0.60 per Consolidated Conversion Share represents:

- (a) a premium of approximately 9.09% over the adjusted closing price of HK\$0.55 per Consolidated Shares based on the closing price of the Existing Shares as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (b) a premium of approximately 8.30% over the adjusted average closing price of approximately HK\$0.554 per Consolidated Share based on the closing prices of the Existing Shares as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (c) a premium of approximately 14.72% over the adjusted average closing price of approximately HK\$0.523 per Consolidated Share based on the closing prices of the Existing Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation; and

- (d) a discount of approximately 98.04% to the audited net asset value per Consolidated Share of approximately HK\$30.61 as at 30 September 2020, calculated based on the Group's audited consolidated net assets of approximately HK\$7,134.5 million as at 30 September 2020 and the 233,073,594 Consolidated Shares upon the Share Consolidation becoming effective.

Application of listing

No application has been or will be made by the Company for the listing of the Independent Convertible Bonds. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Consolidated Conversion Shares that may be issued by the Company under the terms and conditions of the Independent Convertible Bonds (as amended by the respective Deeds of Amendment for Independent CB and the Supplemental Deeds).

THE TERMINATION DEED

On 29 January 2021 (after trading hours), the Company entered into the Termination Deed with Pearl Garden and Madian Star, pursuant to which the Company, Pearl Garden and Madian Star have agreed to terminate the Deed of Amendment C with immediate effect, and the Connected Convertible Bonds will continue to take effect under the existing terms and conditions without the proposed amendment under the Deed of Amendment C.

EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; (ii) upon the Share Consolidation becoming effective; (iii) upon full conversion of the Independent Convertible Bonds (based on the Adjusted Conversion Price of HK\$0.60 per Consolidated Conversion Share); (iv) upon full conversion of the Connected Convertible Bonds (based on the adjusted conversion price of HK\$10.45 per Consolidated Conversion Share); and (v) upon full conversion of the Independent Convertible Bonds (based on the Adjusted Conversion Price of HK\$0.60 per Consolidated Conversion Share) and the Connected Convertible Bonds (based on the adjusted conversion price of

HK\$10.45 per Consolidated Conversion Share), assuming there is no other change in the issued share capital of the Company as at the date of this announcement and up to Completion apart from the Share Consolidation, is as follows:

	As at the date of this announcement		Upon the Share Consolidation becoming effective		Upon full conversion of the Independent Convertible Bonds		Upon full conversion of the Connected Convertible Bonds		Upon full conversion of the Independent Convertible Bonds and the Connected Convertible Bonds	
	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %	Number of Shares	Approx. %
	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Notes 1 and 7)	(Notes 1 and 7)	(Notes 1 and 8)	(Notes 1 and 8)	(Note 1)	(Note 1)
Directors and substantial Shareholders										
Pearl Garden (Note 2)	313,702,200	13.46	31,370,220	13.46	31,370,220	7.00	50,508,975	18.61	50,508,975	10.39
Madian Star (Note 3)	313,702,200	13.46	31,370,220	13.46	31,370,220	7.00	50,508,975	18.61	50,508,975	10.39
Mr. Chen (Note 4)	1,647,000	0.07	164,700	0.07	164,700	0.04	164,700	0.06	164,700	0.03
Mr. Phaisalakani Vichai (Note 5)	3,744,000	0.16	374,400	0.16	374,400	0.08	374,400	0.14	374,400	0.08
FMR LLC (Note 6)	234,436,898	10.06	23,443,689	10.06	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Wang	N/A	N/A	N/A	N/A	106,666,666	23.81	—	—	106,666,666	21.93
Mr. Wong	N/A	N/A	N/A	N/A	108,333,333	24.18	—	—	108,333,333	22.27
Sub-total	867,232,298	37.21	86,723,229	37.21	278,279,539	62.11	101,557,050	37.42	316,557,049	65.09
Public Shareholders										
FMR LLC (Note 6)	N/A	N/A	N/A	N/A	23,443,689	5.23	23,443,689	8.64	23,443,689	4.82
Mr. Wang	—	—	—	—	N/A	N/A	—	—	N/A	N/A
Mr. Wong	—	—	—	—	N/A	N/A	—	—	N/A	N/A
Other public Shareholders	1,463,503,645	62.79	146,350,365	62.79	146,350,365	32.66	146,350,365	53.94	146,350,365	30.09
Sub-total	1,463,503,645	62.79	146,350,365	62.79	169,794,054	37.89	169,794,054	62.58	169,794,054	34.91
Total	2,330,735,943	100.00	233,073,594	100.00	448,073,593	100.00	271,351,104	100.00	486,351,103	100.00

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. Pearl Garden 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. Madian Star 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, an executive Director.
4. Mr. Chen is an executive Director.
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.

7. This scenario is for illustrative purpose only. Pursuant to the conversion restrictions under the terms and conditions of the Independent Convertible Bonds (as amended by the respective Deeds of Amendment for Independent CB and the Supplemental Deeds), Mr. Wang and Mr. Wong shall not exercise the conversion rights to the extent that, upon such conversion, the shareholding of Mr. Li, Mr. Chen, 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.
8. This scenario is for illustrative purpose only. Pursuant to the conversion restrictions under the terms and conditions of the Connected Convertible Bonds, Pearl Garden and Madian Star shall not exercise the conversion rights to the extent that, upon such conversion, the Concert Group will, in aggregate, control or be interested in 30% or more of the voting rights of the Company.

Save for (i) the Independent Convertible Bonds; (ii) the Connected Convertible Bonds; (iii) 25,918,310 outstanding share options, which are exercisable during the period from 12 October 2016 to 11 October 2021 at an adjusted exercise price of HK\$3.668 per Existing Share; (iv) 38,275,478 outstanding share options, which are exercisable during the period from 18 April 2019 to 17 April 2024 at an adjusted exercise price of HK\$0.988 per Existing Share, there are no other outstanding convertible securities issued by the Company as at the date of this announcement.

REASONS FOR THE SUPPLEMENTAL DEED A, THE SUPPLEMENTAL DEED B AND THE TERMINATION DEED

Since the entering into the Deeds of Amendment, the Company's share price has substantially dropped from HK\$0.104 per Existing Share on 23 October 2020 by approximately 50% to HK\$0.055 per Existing Share as at the date of this announcement, which makes the proposed adjusted conversion price of HK\$0.120 per Existing Conversion Share for the Independent Convertible Bonds and HK\$0.135 per Existing Conversion Share for the Connected Convertible Bonds pursuant to the Deeds of Amendment not realistic for the respective bondholders to convert the Convertible Bonds.

As disclosed in the announcements of the Company dated 14 December 2020 and 23 December 2020, the Group has been affected by, among others, the trade war between the United States of America and the People's Republic of China and the on-going COVID-19. The Group has experienced gradual cancellation of orders as well as delay in shipment of goods due to suspension of business operation of corporations and closure of shops across the world. Several banks have also tighten their credit policy and have taken a more cautious and prudent approach in granting new bank facilities to the Group or refinancing the Group's existing bank borrowings. In some occasions, the Group has even experienced withdrawal, reduction and cancellation of banking facilities by the banks, which has led to deterioration of the cashflow of the Group. As a result, the Group was unable to repay some of its bank borrowings by its due date.

As the extension of the Convertible Bonds for further three years is subject to the consent of holders of the Convertible Bonds, in the event such consent is not granted, the Company is obliged to redeem the Convertible Bonds in 2021. Given the tight cashflow of the Group, the Company has further negotiated with Mr. Wang and Mr. Wong to further change the conversion price to HK\$0.060 per Existing Conversion Share (assuming Share Consolidation does not take effect) or HK\$0.60 per Consolidated Conversion Share (assuming Share Consolidation takes effect) with reference to the prevailing market price of the Existing Shares so that it is more feasible for each of them to exercise the conversion rights attaching to the respective Independent Convertible Bonds at the Adjusted Conversion Price. Each of Mr. Wang and Mr. Wong has indicated that, upon the Proposed Amendment taking effective and that there is no substantial change in the share price of the Company, they have the intention to convert their respective Independent Convertible Bonds partially or in full, subject to the terms of the Independent Convertible Bonds (as amended by the Deeds of Amendment for Independent CB and the Supplemental Deeds). When each of the respective Independent Convertible Bonds holders exercises their conversion rights for issue of the Conversion Shares, it allows the Company to free up financial resources from repayment of the Independent Convertible Bonds which can be used for other working capital and operating purposes and to strengthen the capital base of the Company.

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

In respect of the Connected Convertible Bonds, after arm's length negotiation between the Company and each of Pearl Garden and Madian Star, each of Pearl Garden and Madian Star indicates that it does not have intention to exercise its rights to convert the Connected Convertible Bonds into Shares. Thus, it was agreed that it is no longer necessary to change the conversion price as per the Deed of Amendment C, and the parties have mutually agreed to enter into the Termination Deed. The Group will negotiate with Pearl Garden and Madian Star as to the arrangement of the Connected Convertible Bonds based on the financial conditions of the Group. The Directors consider the terms and conditions of the Termination Deed are fair and reasonable, and the termination of the Deed of Amendment C is in the interests of the Company and the Shareholders as a whole.

GENERAL

As disclosed in the Announcement for Connected CB, the Company entered into the Deed of Amendment C and proposed the Increase in Authorised Share Capital. Following the entering into the Termination Deed, it is expected that the Circular will not contain any information in relation to the Deed of Amendment C.

A circular containing, among other things, (i) details of the Share Consolidation, the Increase in Authorised Share Capital, the Amendment to Bye-Laws and Deeds of Amendment for Independent CB (as amended by the respective Supplemental Deeds); and (ii) the notice of the SGM and a form of proxy will be despatched to the Shareholders on or before 23 February 2021.

The SGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things, (i) the Share Consolidation; (ii) the Increase in Authorised Share Capital; (iii) the Amendment to Bye-Laws; and (iv) the Deeds of Amendment for Independent CB (as amended by the respective Supplemental Deeds) and the transactions contemplated thereunder.

Warnings: Shareholders and potential investors should take note that the Share Consolidation is conditional upon satisfaction of conditions set out in the sub-paragraph headed “Conditions of the Share Consolidation”. Therefore, the Share Consolidation may or may not proceed.

The Proposed Amendment is also subject to the fulfilment of a number of conditions, including but not limited to approval of the respective Deeds of Amendment for Independent CB (as amended by the respective Supplemental Deeds) by the Shareholders at the SGM and the Amendment to Bye-Laws taking effect. As such, the Proposed Amendment may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Existing 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\$0.060 per Existing Conversion Share (assuming the Share Consolidation does not take effect) or HK\$0.60 per Consolidated Conversion Share (assuming the Share Consolidation takes effect), being the adjusted conversion price at which Conversion Shares will be issued upon exercise of the conversion rights attaching to the Independent Convertible Bonds (as amended by the respective Deeds of Amendment for Independent CB and the Supplemental Deeds), subject to adjustments pursuant to the terms and conditions contained therein
“Amendment to Bye-Laws”	proposed amendment to the Bye-Laws as described in the paragraph headed “Proposed Amendment to the Bye-Laws”

“Announcement for Connected CB”	the announcement of the Company dated 23 October 2020, in respect of, amongst others, the Deed of Amendment C, the Whitewash Waiver and the Increase in Authorised Share Capital
“Announcement for Independent CB”	the announcement of the Company dated 23 October 2020 in relation to, among other things, the Deed of Amendment A and Deed of Amendment B
“Board”	the board of Directors from time to time
“BVI”	the British Virgin Islands
“Bye-Laws”	the bye-laws of the Company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Victory City International Holdings Limited, a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange
“Concert Group”	Pearl Garden and Madian Star, their ultimate beneficial owners and parties acting in concert with any of them, including but not limited to Mr. Li and Mr. Chen
“Connected Convertible Bonds”	the convertible bonds in the aggregate amount of HK\$400,000,000 issued by the Company to Pearl Garden and Madian Star on 28 June 2019 under specific mandate
“connected person(s)”	the meaning ascribed thereto in the Listing Rules
“Consolidated Conversion Share(s)”	new Consolidated 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 Convertible Bonds
“Consolidated Share(s)”	ordinary share(s) of HK\$1.0 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Conversion Share(s)”	the Existing Conversion Share(s) or the Consolidated Conversion Share(s), as the case may be
“Convertible Bonds”	collectively, the Connected Convertible Bonds and the Independent Convertible Bonds

“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 the Mr. Wong in relation to the Proposed Amendment
“Deed of Amendment C”	the deed of amendment dated 23 October 2020 and entered into among the Company, Pearl Garden and Madian Star in relation to the proposed amendment of certain terms and conditions of the Connected Convertible Bonds
“Deeds of Amendment”	collectively, the Deed of Amendment A, the Deed of Amendment B and the Deed of Amendment C
“Deeds of Amendment for Independent CB”	collectively, the Deed of Amendment A and the Deed of Amendment B
“Director(s)”	director(s) of the Company
“Existing Conversion Share(s)”	new Existing 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 Convertible Bonds
“Existing Share(s)”	ordinary share(s) of HK\$0.1 each in the existing share capital of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Authorised Share Capital”	the proposed increase in authorised share capital of the Company from HK\$400,000,000 divided into 400,000,000 Consolidation Shares to HK\$1,000,000,000 divided into 1,000,000,000 Consolidated Shares by the creation of an additional 600,000,000 Consolidated Shares
“Independent Convertible Bonds”	collectively, the Convertible Bonds A and the Convertible Bonds B
“Independent Third Party(ies)”	party(ies), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is/are independent of, and not connected with the Company and its connected persons
“Last Trading Day”	29 January 2021, being the last trading day for the Existing Shares before the entering into of the Supplemental Deeds
“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”	30 April 2021 or such later date as the Company and each of the subscribers in each of the Connected Convertible Bonds shall agree in writing
“Madian Star”	Madian Star Limited, an investment holding company incorporated in the BVI with limited liability, and 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 of Mr. Chen, being the subscriber under the Subscription Agreement
“Mr. Chen”	Mr. Chen Tien Tui, an executive Director of the Company
“Mr. Li”	Mr. Li Ming Hung, an executive Director of the Company
“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

“Pearl Garden”	Pearl Garden Pacific Limited, an investment holding company incorporated in the BVI with limited liability, and 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 of Mr. Li, being the subscriber under the Subscription Agreement
“Proposed Amendment”	the proposed amendment of certain terms and conditions of the Independent Convertible Bonds (as amended by the respective Deeds of Amendment for Independent CB and the Supplemental Deeds)
“SGM”	a special general meeting of the Company to be convened and held to consider and, if thought fit, approve the the Share Consolidation, the Increase in Authorised Share Capital, the Amendment to Bye-Laws and Deeds of Amendment for Independent CB (as amended by the respective Supplemental Deeds) and the transactions contemplated thereunder, (or any adjournment thereof)
“Share Consolidation”	the proposed consolidation of every 10 issued and unissued Existing Shares into 1 Consolidated Share
“Share Option Scheme”	the share option scheme of the Company adopted on 15 March 2011
“Share(s)”	the Existing Share(s) or the Consolidated Share(s), as the case may be
“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 pursuant to the respective Independent Convertible Bonds (as amended by the respective Deeds of Amendment for Independent CB and Supplemental Deeds)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Deed A”	the supplemental deed dated 29 January 2021 and entered into among the Company and Mr. Wang to (i) further change the conversion price; (ii) extend the Longstop Date; and (iii) amend the conditions precedent of the Deed of Amendment A

“Supplemental Deed B”	the supplemental deed dated 29 January 2021 and entered into among the Company and Mr. Wong to (i) further change the conversion price; (ii) extend the Longstop Date; and (iii) amend the conditions precedent of the Deed of Amendment B
“Supplemental Deeds”	collectively, the Supplemental Deed A and the Supplemental Deed B
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Termination Deed”	the deed of termination dated 29 January 2021 and entered into among the Company, Pearl Garden and Madian Star to terminate the Deed of Amendment C
“Update Announcement”	the announcement of the Company dated 30 October 2020 in respect of the updates on the Deed of Amendment C
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of the obligations of Pearl Garden and Madian Star, being holders of the Connected Convertible Bonds to make a mandatory general offer for all the securities of the Company not already owned or acquired by Pearl Garden and Madian Star and parties acting in concert with any of them under Rule 26 of the Takeovers Code which would otherwise arise as a result of the issue of Conversion Shares to Pearl Garden and Madian Star, pursuant to the conversion of the Connected Convertible Bonds (as amended by the Deed of Amendment C) during the first two-year term of the Connected Convertible Bonds (as amended by the Deed of Amendment C), which is no longer applied for as at the date of this announcement
“%”	per cent.

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

Hong Kong, 29 January 2021

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*