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## **VICTORY CITY INTERNATIONAL HOLDINGS LIMITED**

**冠華國際控股有限公司\***

*(In Liquidation)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 539)**

### **QUARTERLY UPDATE ON STATUS OF RESUMPTION**

This announcement is made by Victory City International Holdings Limited (In Liquidation) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 26 April 2021 and 10 May 2021 (collectively, the “**Announcements**”). Capitalised terms herein shall bear the same meanings as defined in the Announcements, unless stated otherwise.

#### **UPDATE ON THE FINANCIAL POSITION OF THE GROUP**

As at the date of this announcement, the JPLs have not been able to obtain the access to the books and records of certain major operating subsidiaries of the Group in the PRC due to a lack of cooperation from the relevant management. The JPLs are currently taking steps to ascertain the latest affairs of the Group.

References are made to the announcements of the Company dated 9 March 2021, 23 March 2021 and 30 March 2021 in relation to, among others, the position with respect to the Credit Facility and the Borrowings of the Group. As at the date of this announcement, the JPLs had, among others, started engaging with the significant creditors of the Group to understand the debt position of the Group, and requested for supporting documentations in respect of the debts of the Group and, if available, reviewed such documentations.

Further announcement(s) will be made by the Company as and when appropriate if there is any material progress regarding the development of business operations of the Group.

#### **UPDATE ON THE RESUMPTION PLAN**

Reference is made to the Company's announcement dated 10 May 2021 regarding the resumption conditions imposed by the Stock Exchange on the Company.

The JPLs have been assessing the financial position of the Group and considering the opportunity of a possible restructuring of the Company and/or its subsidiaries. Further announcements will be made by the Company to update the shareholders of the Company and the public on the development of restructuring of the Group as and when appropriate.

## **UPDATE ON STATUS OF SUBSIDIARIES**

### **1) APPOINTMENT OF PROVISIONAL LIQUIDATORS OVER A HONG KONG SUBSIDIARY**

On 30 April 2021, a winding up petition (the “**Winding-up Petition**”) was filed with the Court of First Instance of the High Court of the Hong Kong Special Administrative Region (the “**High Court**”) against Victory City Company Limited (“**VCCL**”), an indirectly owned subsidiary of the Company. The Winding-up Petition was issued by The Hongkong and Shanghai Banking Corporation Limited (as Agent for the other Finance Parties) (the “**Petitioner**”), and concerns sums of HK\$1,904,603,826.32 and US\$36,470,818.67 said to be loans due by VCCL to the Petitioner. The Winding-up Petition will be heard at the High Court on 21 July 2021.

On 25 May 2021, the High Court ordered that Mr. Patrick Cowley and Ms. Lui Yee Man, both of KPMG Advisory (Hong Kong) Limited, 8<sup>th</sup> Floor, Prince’s Building, 10 Chater Road, Central, Hong Kong, be appointed as the joint and several provisional liquidators of VCCL under the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong).

### **2) APPOINTMENT OF JOINT AND SEVERAL LIQUIDATORS OVER A HONG KONG SUBSIDIARY**

By a special resolution of the sole shareholder of Billion Colour Investment Limited (“**BCIL**”), BCIL was voluntarily wound up, and Mr. Patrick Cowley and Ms. Lui Yee Man, both of KPMG Advisory (Hong Kong) Limited were nominated as Joint and Several Liquidators. Their appointment was subsequently confirmed by a resolution duly passed at the creditors' meeting held on 10 June 2021.

### **3) APPOINTMENT OF JOINT LIQUIDATORS OVER SEVEN BVI SUBSIDIARIES**

By a special resolution of the respective sole shareholders of Victory City Holdings Limited (“**VCHL**”), Victory City Overseas Limited (“**VCOL**”), Global Honour Investments Limited (“**GHIL**”), Sun Glory Developments Limited (“**SGDL**”), Victory City (China) Holdings Limited (“**VCCHL**”), Victory City Investments Limited (“**VCIL**”) and Golden Zone Enterprises Limited (“**GZEL**”) (collectively referred to as the “**BVI Subsidiaries**”), the BVI Subsidiaries were wound up. Mr. Russell Crumpler, Mr. Patrick Cowley and Mr. Charles Thresh were appointed as the Joint Liquidators of VCHL, SGDL, VCCHL, VCIL and GZEL. The appointments of Mr. Russell Crumpler, Mr. Patrick Cowley and Ms. Lui Yee Man as Joint Liquidators of VCOL and GHIL were subsequently confirmed by resolutions duly passed at the respective creditors’ meetings held on 18 May 2021.

### **4) BANKRUPTCY REORGANISATION PROCEEDINGS IN JIANGMEN, PRC**

The JPLs have learned that bankruptcy reorganisation applications have been filed with the Jiangmen Intermediate People’s Court (“**Jiangmen Court**”) against four of the Company’s

PRC subsidiaries, being Jiangmen Xinhui Victory City Co. Ltd (“**JXVC**”), 江門豐華針織廠有限公司, 江門錦豐科技纖維有限公司 and 江門市冠達化工科技有限公司 (collectively referred to as the “**PRC Subsidiaries**”). The JPLs understand that the bankruptcy reorganisation applications were filed by a creditor of these companies, Hunan Rongbaohua Chemical Products Co., Ltd., and that the Jiangmen Court announced on 15 June 2021 that it has now accepted the petition in respect of JXVC, and appointed an Administrator to oversee the efforts to reorganize JXVC’s business and financial affairs.

The JPLs are currently working to make contact with the Administrator and to understand the Administrator’s plans for any possible restructuring.

## **5) INFORMATION ABOUT VCCL, BCIL, THE BVI SUBSIDIARIES AND THE PRC SUBSIDIARIES**

VCCL is one of the key subsidiaries in the Group and is principally engaged in the trading of knitted fabric. BCIL is primarily engaged in property holding activities. The BVI Subsidiaries are investment holding companies and their subsidiaries are principally engaged in the production and sales of garment apparels, knitted fabric and dyed yarn in the PRC. The PRC subsidiaries are the Group’s main operating entities, undertaking knitting, dyeing and finishing of textiles, fabrics and yarns.

Further announcement(s) will be made by the Company as and when appropriate if there is any material progress regarding VCCL, BCIL, the BVI Subsidiaries and the PRC Subsidiaries.

## **DELAY IN PUBLICATION OF THE ANNUAL RESULTS**

Pursuant to Rule 13.49(1) and Rule 13.46(2)(a) of the Listing Rules, the Company is required to publish the annual results for the year ended 31 March 2021 (the “**Annual Results**”) not later than three months after the end of the financial year, and to despatch the corresponding annual report to the shareholders not later than four months after the end of the financial year, respectively. As at the date of this announcement, given the current status of the Group as mentioned above, it is expected that there will be delays in the publication of the Annual Results and accordingly the despatch of the corresponding annual report.

Further announcement(s) will be made by the Company to provide updates to the shareholders on the publication of the Annual Results and the despatch of the corresponding annual report, as and when appropriate.

## **CONTINUED SUSPENSION OF TRADING**

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

**Shareholders and potential investors are advised to exercise caution when dealing with the Shares of the Company.**

For and on behalf of  
**Victory City International Holdings Limited**  
(In Liquidation)  
**Patrick Cowley**  
**Lui Yee Man**  
**Charles Thresh**  
**Mike Morrison**  
*Joint Provisional Liquidators*  
*acting as agents of the Company only and*  
*without personal liability*

Hong Kong, 29 June 2021

*As at the date of this announcement, the executive Director is Mr. Chen Tien Tsui (Chief Executive Officer), and the independent non-executive Directors are Mr. Leung Kim Hung, Mr. Liew Swee Yean and Mr. Ng Kwok Hung Perry.*

*\* for identification purposes only*