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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, 10 May 2021, 29 June 2021, 15 July 2021, 28 September 2021, and 5 November 2021 (collectively, the “**Announcements**”). Capitalised terms herein shall bear the same meanings as defined in the Announcements, unless stated otherwise.

**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 Company’s announcement dated 29 June 2021 pertaining to the resumption guidance, the Company’s announcement dated 15 July 2021 regarding additional resumption guidance, the Company’s announcement dated 28 September 2021 regarding quarterly update on status of resumption and the Company’s announcement dated 5 November 2021 regarding additional resumption guidance.

The Joint and Several Liquidators (“**JLs”**) have been assessing the financial position of the Group and considering the opportunity of a possible restructuring of the 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.

**APPOINTMENT OF JOINT LIQUIDATORS AND COMMITTEE OF INSPECTION**

Reference is made to the Company’s announcement dated 5 November 2021 pertaining to the appointment of joint liquidators and committee of inspection. On 29 October 2021, the Supreme Court of Bermuda ordered that Mr. Mike Morrison and Mr. Charles Thresh of KPMG Advisory Limited in Bermuda and Mr. Patrick Cowley and Ms. Lui Yee Man of KPMG Advisory (Hong Kong) Limited, be appointed as Joint and Several Liquidators of the Company (the “Liquidators”) with the powers to act pursuant to section 175 of the Companies Act 1981 (Laws of Bermuda), and that a Committee of Inspection be formed.

**UPDATE ON STATUS OF SUBSIDIARIES**

1. **THE FIRST MEETINGS OF CONTRIBUTORIES AND CREDITORS OF A HONG KONG SUBSIDIARY**

On 5 November 2021, the first meetings of contributories and creditors of Victory City Company Limited (In Liquidation) (“**VCCL**”), an indirectly owned subsidiary of the Company, were held pursuant to Rule 106 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong).

1. **BANKRUPTCY REORGANISATION PROCEEDINGS OF A PRC SUBSIDIARY**

The Liquidators were advised that Jiangmen Intermediate People’s Court has issued a Letter of Decision dated 14 October 2021, which announced the formation of a Committee of Inspection of Jiangmen Xinhui Victory City Co. Ltd (“**JXVC**”), an indirectly owned subsidiary of the Company, after the first meeting of creditors of JXVC on 9 September 2021.

The JLs have been liaising with the Bankruptcy Administrator of JXVC in relation to the status and treatment of the various intra-group claims, as well as seeking to understand any possible plans the Bankruptcy Administrator has for a restructuring JXVC.

**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 Liquidators*

*acting as agents of the Company only and*

*without personal liability*

Hong Kong, 16 December 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. Liew Swee Yean and Mr. Ng Kwok Hung Perry.*

*\* for identification purposes only*