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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)**

**FORMATION OF INDEPENDENT BOARD COMMITTEE  
AND  
APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;  
WAIVER FROM DISCLOSURE OF REQUIRED FINANCIAL INFORMATION;  
AND  
DELAY IN DESPATCH OF CIRCULAR  
IN RELATION TO  
(1) DISCLOSEABLE AND CONNECTED TRANSACTION  
AND  
(2) WHITEWASH WAIVER APPLICATION**

The Board announces the Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the Acquisition and the Whitewash Waiver.

Quam Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Acquisition and the Whitewash Waiver.

The Stock Exchange has granted a waiver from strict compliance with Rules 14.58(6) and 14.58(7) of the Listing Rules to the Company, subject to the following conditions: (1) the Required Financial Information is to be included in the Circular; and (2) a valuation report of the property held by Nanjing Synergy is to be included in the Circular.

\* For identification purposes only

The Company has applied to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code such that the despatch date of the Circular is to be postponed from 4 May 2011 to a date not later than 27 May 2011 and the Executive has indicated that it is minded to grant the consent to the postponement.

## INTRODUCTION

Reference is made to the announcement of the Company dated 13 April 2011 in relation to, among others, the Acquisition and the Whitewash Waiver (“**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

## FORMATION OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising Mr. Kan Ka Hon, Mr. Phaisalakani Vichai and Mr. Kwok Sze Chi, being all the independent non-executive Directors, has been formed to advise the Independent Shareholders in connection with the Acquisition and the Whitewash Waiver. The Independent Board Committee has approved the appointment of Quam Capital Limited as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Acquisition and the Whitewash Waiver.

## WAIVER FROM RULES 14.58(6) AND 14.58(7) OF THE LISTING RULES

Rules 14.58(6) and 14.58(7) of the Listing Rules require the disclosure in the Announcement of the asset value of and the net profits or losses attributable to the assets that are the subject of the Acquisition (“**Required Financial Information**”) for the two financial years immediately preceding the date of the Acquisition Agreement. The Company has applied to the Stock Exchange for a waiver from strict compliance with Rules 14.58(6) and 14.58(7) of the Listing Rules on the grounds that:

- (i) the Required Financial Information is unaudited and unpublished figures and if disclosed in the Announcement, would constitute profit forecasts within the meaning of Rule 10 of the Takeovers Code which would need to be reported on by an auditor;
- (ii) time is required for the Company to engage an auditor to report on the relevant unaudited figures of the Target Group;
- (iii) it would be unduly burdensome for the Company to withhold the Announcement until such reports are available; and
- (iv) the Consideration was arrived at after arm’s length negotiations between the Purchaser and the Vendor after taking into account, among others, the preliminary valuation of the property held by Nanjing Synergy performed by an independent property valuer of approximately HK\$364 million.

The Stock Exchange has granted a waiver from strict compliance with Rules 14.58(6) and 14.58(7) of the Listing Rules to the Company, subject to the following conditions:

- (i) the Required Financial Information is to be included in the Circular (as defined below); and
- (ii) a valuation report of the property held by Nanjing Synergy is to be included in the Circular.

#### **DELAY IN DESPATCH OF CIRCULAR**

Pursuant to Rule 8.2 of the Takeovers Code, the Company shall arrange for the publication of a circular (“**Circular**”) containing, among other things, (i) further information on the Acquisition and the Whitewash Waiver; (ii) information required under Chapters 14 and 14A of the Listing Rules in relation to the Acquisition; (iii) a letter from the Independent Board Committee to the Independent Shareholders, (iv) an advice from the independent financial adviser to the Independent Board Committee; and (v) a notice of the SGM, within 21 days of the date of the Announcement, which is on or before 4 May 2011.

As more time is required for finalisation of certain information of the Circular, including the financial information of the Target Group and the advice from the independent financial adviser, the Company has applied to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code such that the despatch date of the Circular is to be postponed from 4 May 2011 to a date no later than 27 May 2011 and the Executive has indicated that it is minded to grant the consent to the postponement.

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

Hong Kong, 29 April 2011

*As at the date of this announcement, the Board comprises Mr. Li Ming Hung, Mr. Chen Tien Tui, Mr. Lee Yuen Chiu, Andy and Mr. Choi Lin Hung as executive Directors and Mr. Kan Ka Hon, Mr. Phaisalakani Vichai and Mr. Kwok Sze Chi as independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.*