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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)

SUPPLEMENTAL AGREEMENT IN RELATION TO TOP-UP PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES

Placing Agent

 **KINGSTON SECURITIES**

Reference is made to the announcement of Victory City International Holdings Limited (“**Company**”) dated 1 February 2016 (“**Announcement**”) in relation to, among other matters, the Placing and Subscription Agreement. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Announcement.

THE SUPPLEMENTAL AGREEMENT

On 2 February 2016 (after trading hours), a supplemental agreement (“**Supplemental Agreement**”) to the Placing and Subscription Agreement was entered into between the Vendors, the Company and the Placing Agent, pursuant to which the placing price per Placing Share is reduced from HK\$0.70 to HK\$0.65 per Placing Share (“**Price Revision**”). Accordingly, the subscription price per Subscription Share, which is equivalent to the placing price per Placing Share, is also reduced from HK\$0.70 to HK\$0.65 per Subscription Share.

Other than the amendments above, all other principal terms and conditions of the Placing and Subscription Agreement shall remain unchanged and in full force and effect.

The revised price per Placing Share represents (i) a discount of approximately 2.99% to the closing price of HK\$0.67 per Share as quoted on the Stock Exchange on the date of the Supplemental Agreement; (ii) a discount of approximately 6.61% to the average closing price of HK\$0.696 per Share as quoted on the Stock Exchange for the last 5 trading days prior to the date of the Supplemental Agreement; and (iii) a discount of approximately 2.69% to the average closing price of HK\$0.668 per Share as quoted on the Stock Exchange for the last 10 trading days prior to the date of the Supplemental Agreement.

Assuming that the Placing Shares are fully placed under the Placing:

- (i) the gross proceeds from the Subscription are estimated to be reduced from approximately HK\$60.2 million to approximately HK\$55.9 million;
- (ii) the net proceeds, after deducting related professional fees and all related expenses which will be borne by the Company, from the Subscription are estimated to be reduced from approximately HK\$59.2 million to approximately HK\$54.9 million; and
- (iii) the net price per Subscription Share is expected to be reduced from approximately HK\$0.69 to approximately HK\$0.64.

Save as disclosed in this announcement, all other arrangements disclosed in the Announcement remain unchanged and continue in full force and effect.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

During the period from the date of the Announcement and up to the date of the Supplemental Agreement, the trading price of the Shares has dropped from approximately HK\$0.70 per Share to HK\$0.67 per Share, being the closing price of the Shares on the date of the Supplemental Agreement. In light of the drop in the trading price per Share and the recent volatility and sentiment of the stock market, the Company engaged into arm's length negotiation with the Vendors and the Placing Agent and agreed to a revision of the placing price per Share in order to maintain the attractiveness of the Placing to potential investors. Accordingly, the Board considers that the Price Revision is desirable due to recent changes in the stock market condition and sentiment and is of the view that the amendments under the Supplemental Agreement are in the interests of the Company and the Shareholders as a whole.

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

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.

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.

Hong Kong, 2 February 2016

* *For identification purposes only*