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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)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE AT HK\$0.098 PER RIGHTS SHARE AND ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS AND THE CONVERTIBLE BONDS

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 10 April 2019, the latest time for acceptance of, and payment for, the Rights Shares and for application and payment for the excess Rights Shares, the Company received a total of 41 valid acceptances and applications for a total of 2,023,445,533 Rights Shares, which comprise:

- (i) 24 valid acceptances of the provisional allotment under the PALs in respect of a total of 1,448,908,352 Rights Shares; and
- (ii) 17 valid applications for excess Rights Shares under the EAFs in respect of a total of 574,537,181 Rights Shares.

In aggregate, they represented approximately 78.13% of the total number of 2,589,706,603 Rights Shares available for subscription under the Rights Issue. As such, the Rights Issue was under-subscribed. Accordingly, the Shareholders who have applied for the excess Rights Shares will be allocated such numbers of the Rights Shares which they applied for in full.

UNDERWRITING AGREEMENT

The Rights Issue and the Underwriting Agreement became unconditional after 4:00 p.m. on Tuesday, 16 April 2019. As a result of the under-subscription of the Rights Issue by 566,261,070 Rights Shares, the Underwriter has subscribed for such Rights Shares pursuant to its obligations under the Underwriting Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the subscribers procured by the Underwriter is a third party independent of the Company and its connected persons.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for all fully-paid Rights Shares in respect of valid acceptances of the Rights Shares on PALs and excess Rights Shares on EAFs will be posted to those entitled thereto by ordinary mail to their registered addresses at their own risk on Thursday, 18 April 2019.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, 23 April 2019.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS AND THE CONVERTIBLE BONDS

As a result of the Rights Issue, there will be certain adjustments to (i) the exercise prices and number of new Shares to be issued upon exercise of the Share Options; and (ii) the conversion prices and number of conversion Shares to be issued upon conversion of the Convertible Bonds, respectively, details of which are set out in the paragraph headed "Adjustments to the outstanding Share Options and the Convertible Bonds" in this announcement.

Reference is made to the prospectus issued by the Company on 26 March 2019 (the "**Prospectus**") in relation to the Rights Issue. Unless otherwise defined, all capitalised terms used herein shall have the respective meanings ascribed to them in the Prospectus.

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SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue:

Name of Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate % (Note 1)</i>	<i>Number of Shares</i>	<i>Approximate % (Note 1)</i>
Committed Shareholders				
Pearl Garden (Note 2)	697,116,000	13.46	1,045,674,000	13.46
Madian Star (Note 3)	697,116,000	13.46	1,045,674,000	13.46
Mr. Chen (Note 4)	3,660,000	0.07	5,490,000	0.07
Mr. Choi (Note 4)	<u>12,750,000</u>	<u>0.25</u>	<u>21,000,000</u>	<u>0.27</u>
Sub-total of Committed Shareholders	1,410,642,000	27.24	2,117,838,000	27.26
Mr. Phaisalakani Vichai (Note 4)	2,000,000	0.04	3,000,000	0.04
Public				
Underwriter and the subscribers procured by the Underwriter	—	—	566,261,070	7.29
Others	<u>3,766,771,207</u>	<u>72.72</u>	<u>5,082,020,740</u>	<u>65.41</u>
Total	<u><u>5,179,413,207</u></u>	<u><u>100.00</u></u>	<u><u>7,769,119,810</u></u>	<u><u>100.00</u></u>

Notes:

1. The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.
2. 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 Mr. Li's family members.
3. 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 Mr. Chen's family members.
4. Mr. Chen and Mr. Choi are executive Directors, and Mr. Phaisalakani Vichai is an independent non-executive Director.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for all fully-paid Rights Shares in respect of valid acceptances of the Rights Shares on PALs and excess Rights Shares on EAFs will be posted to those entitled thereto by ordinary mail to their registered addresses at their own risk on Thursday, 18 April 2019.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Tuesday, 23 April 2019.

The Board would like to thank the Shareholders for their support in this Rights Issue.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS AND THE CONVERTIBLE BONDS

Share Options

As at the date of this announcement, there are 282,987,000 outstanding Share Options. Pursuant to the terms of the Share Option Schemes, the exercise price and the number of Shares falling to be allotted and issued in respect of the outstanding Share Options shall be adjusted (the “**Share Option Adjustments**”) in the following manner as a result of the Rights Issue with effective from Thursday, 18 April 2019, being the date on which the fully-paid Rights Shares are allotted and issued:

Date of grant	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue		Increase in the number of Shares that can be subscribed for upon exercise of the outstanding Share Options after the Share Option Adjustments
	Exercise price per Share	Number of Shares that can be subscribed for upon exercise of the outstanding Share Options	Adjusted exercise price per Share	Adjusted number of Shares that can be subscribed for upon exercise of the outstanding Share Options	
12 October 2016	HK\$0.373	282,987,000	HK\$0.372	283,949,156	962,156

Deloitte Touche Tohmatsu, the auditor of the Company, has issued a report of factual findings addressed to the Board on agreed-upon procedures performed on the calculation in respect of the adjustments to the exercise price and the number of the outstanding Share Options, stating the aforesaid calculation is mathematically accurate and in compliance with the supplemental guidance on Rule 17.03(13) of the Listing Rules issued by the Stock Exchange dated 5 September 2005.

Convertible Bonds

As at the date of this announcement, the Company has Convertible Bonds with the aggregate principal amount of HK\$400,000,000 entitling the Bondholders thereof to convert into 1,333,333,334 conversion Shares at the initial conversion price of HK\$0.30 per Share.

Pursuant to the terms and conditions of the Convertible Bonds, the conversion price of the Convertible Bonds and the number of Shares falling to be allotted and issued upon conversion of the Convertible Bonds shall be adjusted (the “**Convertible Bonds Adjustment**”) as a result of the placing of new shares completed 18 January 2018, the issue of new shares under the final dividend of HK\$1.0 cent per Share for the year ended 31 March 2018 in the form of scrip dividend and the Rights Issue. Further announcement will be made by the Company on details of the Convertible Bonds Adjustment as and when appropriate.

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

Hong Kong, 17 April 2019

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.

** for identification purposes only*