



VICTORY CITY INTERNATIONAL HOLDINGS LIMITED

冠華國際控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 0539)

DISCLOSURE PURSUANT TO RULE 13.18

This announcement is made by Victory City International Holdings Limited (“**Company**”) in compliance with the disclosure requirements under Rule 13.18 of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited.

Victory City Company Limited (“**Borrower**”) is a wholly-owned subsidiary of the Company. By an agreement dated 2 February 2007 (“**Facility Agreement**”) entered into by, among others, the Borrower, the Company and a syndicate of banks, the banks have agreed to grant a loan facility (“**Facility**”) of up to the principal sum of HK\$1.388 billion to finance the repayment of amount outstanding under the HK\$688 million syndicated loan facility arranged in December 2004 (“**Old Facility**”) and the general corporate funding requirements of the Company and its subsidiaries (“**Group**”).

The Facility is for a term of five years commencing from the date of the Facility Agreement and is guaranteed by the Company and its two subsidiaries. Save for the guarantee, the Facility is unsecured. The amount of the Facility represents approximately 41.7% of the total amount of banking/credit facilities (including the Facility but excluding the Old Facility) presently available to the Group.

The Facility Agreement contains the usual cross default provisions and a further requirement that Mr. Li Ming Hung (“**Mr. Li**”) and Mr. Chen Tien Tui (“**Mr. Chen**”) must own (whether by themselves or through trust arrangements) not less than 30% of the voting share capital of the Company in aggregate. A breach of such requirement will constitute an event of default under the Facility Agreement, and as a result, the Facility is liable to be declared immediately due and payable. The occurrence of such circumstance may trigger the cross default provisions of other banking/credit facilities available to the Group and, as a possible consequence, these other facilities may also be declared to be immediately due and payable.

As at the date hereof, Mr. Li and his associates together own approximately 16.31% of the voting share capital of the Company whereas Mr. Chen and his associates together own approximately 16.40% of the voting share capital of the Company. Neither Mr. Li nor Mr. Chen is individually a controlling shareholder of the Company but their respective shareholdings in the Company, if aggregated, may render them together controlling shareholders for the purpose of the disclosure obligation under Rule 13.18 of the Listing Rules.

As at the date of this announcement, the board of directors of the Company comprises the following members:

Executive Directors:

Li Ming Hung (*Chairman*)
Chen Tien Tui (*Chief Executive Officer*)
So Kam Wah
Lee Yuen Chiu, Andy
Choi Lin Hung

Independent non-executive Directors:

Kan Ka Hon
Phaisalakani Vichai
Kwok Sze Chi

By order of the board of the Directors

Lee Chung Shing

Company Secretary

Hong Kong, 2 February 2007

** For identification purposes only*

Please also refer to the published version of this announcement in The Standard.