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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)

SCRIP DIVIDEND SCHEME

By the announcement dated 28 November 2012, the Directors announced the interim results of the Group for the six months ended 30 September 2012 and resolved to declare an Interim Dividend of HK2.0 cents per Share. The Interim Dividend is payable to the Qualifying Shareholders by way of cash with an option to elect to receive wholly or partly an allotment and issue of Scrip Shares, credited as fully paid, in lieu of cash payment of the Interim Dividend.

SCRIP DIVIDEND SCHEME

By the interim results announcement of the Company dated 28 November 2012, the board of directors (the “**Directors**”) of Victory City International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announced the interim results of the Group for the six months ended 30 September 2012 and resolved to declare an interim dividend (the “**Interim Dividend**”) of HK2.0 cents per share (each a “**Share**”) of HK\$0.01 each in the share capital of the Company. The Interim Dividend is payable to shareholders (the “**Qualifying Shareholders**”) of the Company whose names appeared on the register of members of the Company on 28 December 2012 (the “**Record Date**”) by way of cash with an option to elect to receive wholly or partly an allotment and issue of new Shares (the “**Scrip Shares**”), credited as fully paid, in lieu of cash payment of the Interim Dividend (the “**Scrip Dividend Scheme**”).

Under the Scrip Dividend Scheme, each Qualifying Shareholder has an option to elect to receive the Interim Dividend:

- (a) in cash payment of HK2.0 cents per Share; or
- (b) by way of an allotment and issue of Scrip Shares; or
- (c) by way of a combination of (a) and (b) above.

The number of Scrip Shares to be allotted and issued to a Qualifying Shareholder who elects either (b) or (c) above will be calculated by dividing the total amount of the Interim Dividend which he/she/it elects to be made payable to him/her/it by way of Scrip Shares by the average of the closing prices of the Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the five consecutive trading days ended 28 December 2012 less a discount of five per cent. of such average price or the par value of the Shares, whichever is the higher.

The Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Scrip Shares save that they will not be entitled to the Interim Dividend. In particular, they will rank in full for all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Scrip Shares including the final dividend (if any) for the year ending 31 March 2013.

For the purpose of calculating the number of Scrip Shares to be allotted and issued under the Scrip Dividend Scheme, the price per Scrip Share has been fixed by the Directors at HK\$0.7258 per Share, after taken into account a five per cent. discount to HK\$0.764, being the average of the closing prices of the Shares on the Stock Exchange for the five consecutive trading days ended 28 December 2012.

The number of Scrip Shares to be allotted and issued will be rounded down to the nearest whole number of Scrip Shares and no Qualifying Shareholder is entitled to be allotted and issued any fraction of a Scrip Share under the Scrip Dividend Scheme. Fractional entitlements to the Scrip Shares will be aggregated and sold for the benefit of the Company.

As at the Record Date, no Shareholders had a registered address outside Hong Kong as appeared on the register of members of the Company. Accordingly, all Shareholders whose names appear on the register of members of the Company on the Record Date fall within the definition of Qualifying Shareholders and are therefore eligible to participate in the Scrip Dividend Scheme. The Company will send the documents regarding the Scrip Dividend Scheme to all Qualifying Shareholders.

Qualifying Shareholders who wish to receive an allotment and issue of the Scrip Shares in whole or partly in cash and partly in Scrip Shares should complete the form of election and lodge the same with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong **not later than 4:30 p.m. on Wednesday, 20 February 2013.**

Application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme. Subject to the Scrip Shares being admitted to listing, it is expected that certificates for the Scrip Shares and dividend cheques will be posted at the risk of those entitled thereto on or about **Tuesday, 5 March 2013**. On this basis, dealings in the Scrip Shares are expected to commence on **Wednesday, 6 March 2013**.

A circular containing further details of the Scrip Dividend Scheme and the basis of allotment and issue of the Scrip Shares pursuant to the Scrip Dividend Scheme together with the form of election will be despatched to the Qualifying Shareholders shortly.

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

Hong Kong, 17 January 2013

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

Executive Directors:

Li Ming Hung (*Chairman*)

Chen Tien Tui (*Chief Executive Officer*)

Lee Yuen Chiu, Andy

Choi Lin Hung

Independent non-executive Directors:

Kan Ka Hon

Phaisalakani Vichai

Kwok Sze Chi

* *For identification purposes only*