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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)

VOLUNTARY ANNOUNCEMENT BUSINESS DEVELOPMENT

The Board is pleased to announce that the Group has set up a new production plant for the production of resin, with a maximum monthly production capacity of approximately 10,000 tons. Subject to the obtaining of relevant approvals from the regulatory authorities in the PRC, trial production is scheduled to be commenced at the New Production Plant by the end of January 2013.

This announcement is made by Victory City International Holdings Limited on a voluntary basis.

The board of directors (the “**Board**”) of Victory City International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that the Group has set up a new production plant (“**New Production Plant**”) for the production of resin, with a maximum monthly production capacity of approximately 10,000 tons. Subject to the obtaining of relevant approvals from the regulatory authorities in the People’s Republic of China (the “**PRC**”), trial production is scheduled to be commenced at the New Production Plant by the end of January 2013.

As disclosed in the interim report of the Company, the Group had spent approximately HK\$252 million on additions to property, plant and equipment, of which approximately HK\$177 million was spent on establishment of the New Production Plant. The New Production Plant commenced construction in 2012 and set up by acquisition of machineries and utilisation of the Group’s existing infrastructure at its production facilities in Jiangmen, Guangdong Province, the PRC, including its existing chemical mixing plant, coal-fired generators and waste water treatment and recycle facilities. It is intended that the capital commitments in respect of such business development would be approximately HK\$250 million, of which approximately HK\$223 million had been invested as at the date of this announcement. It is currently expected that the target customers of such production stream comprise mainly manufacturers of artificial marble.

The Group has been proactively implementing cost control initiatives to vitalise its business. The Board considers that cost control of the Group can be enhanced through such business development as the operation of the New Production Plant would utilise the Group's existing infrastructure at its production facilities in Jiangmen, Guangdong Province, the PRC. Further, it is expected that such business development would expand the scope of business of the Group and be beneficial to the Company and the shareholders as a whole.

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

Hong Kong, 21 January 2013

As at the date of this announcement, the Board 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 purpose only*