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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: 0539)

SCRIP DIVIDEND SCHEME

Reference is made to the Announcement dated 28 June 2013 and the Circular dated 22 July 2013 and the AGM Notice dated 22 July 2013.

By the Announcement, it was announced that the Directors had resolved to recommend the Final Dividend by way of the Scrip Dividend Scheme to the Qualifying Shareholders.

The Board is pleased to announce that the Final Dividend and the Scrip Dividend Scheme were approved by the Shareholders at the Annual General Meeting held on 20 August 2013.

This announcement serves to advise the Qualifying Shareholders as to how the entitlements under the Scrip Dividend Scheme are arrived at.

Reference is made to the announcement (“**Announcement**”) of Victory City International Holdings Limited (“**Company**”) dated 28 June 2013, the circular (“**Circular**”) of the Company dated 22 July 2013 and the notice (“**AGM Notice**”) dated 22 July 2013 convening the Annual General Meeting. Terms used in this announcement have the same meanings as those defined in the Circular, unless the context otherwise requires.

SCRIP DIVIDEND SCHEME

By the Announcement, it was announced that the Directors had resolved to recommend a final dividend (“**Final Dividend**”) for the year ended 31 March 2013 of HK2.5 cents per Share by way of the Scrip Dividend Scheme to the Qualifying Shareholders whose names appear on the register of members of the Company on 6 September 2013. At the Annual General Meeting held on 20 August 2013, the Final Dividend and the Scrip Dividend Scheme were approved by the Shareholders.

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

- (a) by way of cash payment; or
- (b) by way of an allotment and issue of the 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 with reference to the amount arrived at by dividing the total amount of the Final Dividend which he/she/it elects to be made payable to him/her/it by way of Scrip Shares by the average closing price of the Shares on the Stock Exchange for the five consecutive trading days ended 6 September 2013 less a discount of five per cent. of such average closing price or the par value of the Shares, whichever is 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 Final 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, the Final Dividend or any other distribution in respect of the year ending 31 March 2014.

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\$1.0089 per Share after taking into account a five per cent. discount to HK\$1.062, being the average closing price of the Shares on the Stock Exchange for the five consecutive trading days ended 6 September 2013.

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 the Final Dividend wholly or partly in Scrip Shares should complete the form of election and lodge it 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 Friday, 11 October 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. 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 to them on or about **Friday, 25 October 2013**.

A circular containing further details of the Scrip Dividend Scheme and the basis of allotment of the Scrip Shares pursuant to the Scrip Dividend Scheme and a form of election (to be sent to the Qualifying Shareholders only) will be despatched to the Shareholders.

By order of the Board
Victory City International Holdings Limited
Lee Chung Shing
Company Secretary

Hong Kong, 6 September 2013

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*