VICTORY CITY INTERNATIONAL HOLDINGS LIMITED
冠華國際控股有限公司*

(Incorporated in Bermuda with limited liability)
(Stock code: 0539)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

RESULTS

The directors (the "Directors") of Victory City International Holdings Limited (the "Company") are pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 September 2013. The interim results of the Group have been reviewed by the Company's auditor in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). The interim results of the Group have also been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

		Six months ended 30 September	
	NOTES	**2013**	2012
		HK$'000	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**2,500,082**	1,993,707
Cost of sales		**(2,079,382)**	(1,599,066)
Gross profit		**420,700**	394,641
Other income		**29,114**	9,671
Other gains and losses	*4*	**9,753**	(13,758)
Distribution and selling expenses		**(74,952)**	(51,346)
General and administrative expenses		**(178,782)**	(155,553)
Share-based payment expenses		**(1,004)**	(34,343)
Interest on bank borrowings		**(46,322)**	(48,339)

	NOTES	Six months ended 30 September 2013 HK$'000 (unaudited)	2012 HK$'000 (unaudited)
Profit before taxation		**158,507**	100,973
Income tax expense	*5*	**(11,014)**	(14,606)
Profit for the period	*6*	**147,493**	86,367
Other comprehensive income (expense) that may be subsequently reclassified to profit or loss:			
Gain on fair value change of an available-for-sale investment		**130**	–
Exchange differences arising on translation of foreign operations		**651**	(44,112)
Other comprehensive income (expense) for the period		**781**	(44,112)
Total comprehensive income for the period		**148,274**	42,255
Profit for the period attributable to:			
Owners of the Company		**140,337**	84,647
Non-controlling interests		**7,156**	1,720
		147,493	86,367
Total comprehensive income for the period attributable to:			
Owners of the Company		**141,121**	40,513
Non-controlling interests		**7,153**	1,742
		148,274	42,255
Earnings per share	*8*		
Basic		**HK8.5 cents**	HK5.5 cents
Diluted		**HK8.3 cents**	HK5.5 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 SEPTEMBER 2013

	NOTES	**30 September 2013 HK$'000 (unaudited)**	31 March 2013 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*9*	**2,937,869**	2,924,111
Prepaid lease payments		**183,450**	185,366
Investment property	*9*	**32,000**	32,000
Goodwill		**6,614**	6,614
Intangible asset		**1,000**	1,000
Other assets		**26,040**	26,040
Restricted bank deposits		**116,747**	77,295
Deferred tax assets		**1,718**	1,835
Deposit paid for acquisition of property, plant and equipment		**5,826**	2,262
		3,311,264	3,256,523
Current assets			
Inventories		**2,122,397**	2,061,165
Trade and bills receivables	*10*	**1,308,613**	1,232,526
Deposits, prepayments and other receivables		**244,072**	288,034
Prepaid lease payments		**4,702**	4,694
Derivative financial instruments		**14,994**	19,044
Available-for-sale investment		**1,222**	–
Taxation recoverable		**285**	737
Bank balances and cash		**1,669,732**	1,692,922
		5,366,017	5,299,122
Current liabilities			
Trade payables	*11*	**498,647**	510,574
Other payables and accruals		**154,801**	150,456
Dividend payable		**41,570**	105
Taxation payable		**94,883**	89,651
Bank borrowings – amount due within one year		**1,903,748**	1,772,064
Derivative financial instruments		**17,052**	10,807
		2,710,701	2,533,657
Net current assets		**2,655,316**	2,765,465
Total assets less current liabilities		**5,966,580**	6,021,988

	30 September 2013 *HK$'000* (unaudited)	31 March 2013 *HK$'000* (audited)
Capital and reserves		
Share capital	**16,616**	16,228
Reserves	**4,781,353**	4,645,745
Equity attributable to owners of the Company	**4,797,969**	4,661,973
Non-controlling interests	**260,528**	249,231
Total equity	**5,058,497**	4,911,204
Non-current liabilities		
Bank borrowings – amount due after one year	**821,420**	1,023,912
Deferred tax liabilities	**86,663**	86,872
	908,083	1,110,784
	5,966,580	6,021,988

NOTES:

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with the Hong Kong Accounting Standard ("HKAS") 34 *Interim Financial Reporting* issued by the HKICPA.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2013 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

Available-for-sale financial assets

Available-for-sale ("AFS") financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. During the six months ended 30 September 2013, the Group invested in an unlisted investment fund issued by a financial institution. It is designated as AFS financial assets on initial recognition.

Changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In the current interim period, the Group has applied, for the first time, the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

HKFRS 10	Consolidated Financial Statements;
HKFRS 11	Joint Arrangements;
HKFRS 12	Disclosure of Interests in Other Entities;
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interest in Other Entities: Transition Guidance;
HKFRS 13	Fair Value Measurement;
HKAS 19 (as revised in 2011)	Employee Benefits;
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures;
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities;
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income;
Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle; and
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine

The application of the above new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements. The Directors considered that the application of HKFRS 13 does not have any impact on the Group's fair value measurement. However, it results in additional disclosures of fair value information of the restricted bank deposits, derivative financial instruments and available-for-sale investment. In accordance with the transitional provisions of HKFRS 13, the Group has applied the disclosure requirements prospectively.

3. SEGMENT INFORMATION

The Group's operations used to be organised into two operating segments, information of which is used by the executive Directors for the purpose of performance evaluation and resources allocation. In 2012, the Group ventured into the resin manufacturing business by making use of its existing relevant licenses and certain infrastructure facilities in the manufacturing plant in Xinhui. Details of the Group's three reportable segments are as follows:

(i) Knitted fabric and dyed yarn – Production and sale of knitted fabric and dyed yarn and provision of related subcontracting services

(ii) Garment products – Production and sale of garment products and provision of quality inspection services

(iii) Resin manufacturing – Production and sales of resin

The following is an analysis of the Group's revenue and results by operating and reportable segments for the periods under review:

	Knitted fabric and dyed yarn *HK$'000*	Garment products *HK$'000*	Resin manufacturing *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
Six months ended 30 September 2013					
REVENUE					
External sales	**1,745,227**	**549,876**	**204,979**	**–**	**2,500,082**
Inter-segment sales	**23,018**	**–**	**–**	**(23,018)**	**–**
Segment revenue	**1,768,245**	**549,876**	**204,979**	**(23,018)**	**2,500,082**
RESULTS					
Segment results	**185,272**	**16,001**	**5,052**		**206,325**
Unallocated corporate income and gain					**8,678**
Unallocated corporate expenses and loss					**(10,174)**
Finance costs					**(46,322)**
Profit before taxation					**158,507**

	Knitted fabric and dyed yarn	Garment products	Eliminations	Consolidated
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Six months ended 30 September 2012				
REVENUE				
External sales	1,404,554	589,153	–	1,993,707
Inter-segment sales	58,311	–	(58,311)	–
Segment revenue	1,462,865	589,153	(58,311)	1,993,707
RESULTS				
Segment results	142,616	23,802		166,418
Unallocated corporate income and gain				3,303
Unallocated corporate expenses and loss				(20,409)
Finance costs				(48,339)
Profit before taxation				100,973

Segment profit represents the profit earned by each segment without allocation of rental income, gain on fair value change of an investment property, net gain (loss) on fair value changes of derivative financial instruments and restricted bank deposits, central administration costs and finance costs. This is the measure reported to the executive directors for the purposes of resource allocation and performance evaluation.

4. OTHER GAINS AND LOSSES

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Net foreign exchange loss	**(254)**	(10,039)
Net gain (loss) on fair value changes of derivative financial instruments	**9,451**	(6,102)
Loss on disposal of property, plant and equipment	**(871)**	(62)
Gain on fair value change of restricted bank deposits	**1,427**	1,445
Gain on fair value change of an investment property	**–**	1,000
	9,753	(13,758)

5. INCOME TAX EXPENSE

	Six months ended 30 September 2013 HK$'000	2012 HK$'000
Current tax:		
Hong Kong Profits Tax	**6,457**	5,541
Enterprise income tax in the People's Republic of China (the "PRC") attributable to the subsidiaries	**4,591**	7,756
Overseas income tax	**66**	515
	11,114	13,812
Deferred tax:		
Current period	**(100)**	794
	11,014	14,606

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Pursuant to the relevant laws and regulations in the PRC, one of the PRC subsidiaries of the Group is exempted from PRC enterprise income tax for two years starting from its first profit-making year, followed by a 50% reduction for the next three years. Accordingly, the profit of that PRC subsidiary is subject to PRC enterprise income tax at a reduced rate of 12.5% for the six months ended 30 September 2012. Such tax concession expired on 31 December 2012 and the tax rate became 25% for the six months ended 30 September 2013.

Other PRC subsidiaries are subject to PRC statutory tax rate of 25%.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

6. PROFIT FOR THE PERIOD

	Six months ended 30 September 2013 HK$'000	2012 HK$'000
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**131,492**	129,132
Release of prepaid lease payments	**2,192**	2,129
Interest income	**(14,156)**	(7,433)

7. DISTRIBUTION

On 20 August 2013, the Company approved a final dividend of approximately HK$41,465,000 representing HK2.5 cents per share in respect of the financial year ended 31 March 2013. The amount of final dividend approved was in cash with a scrip option.

The Directors have determined that an interim dividend of approximately HK$51,193,000 representing HK3.0 cents per share for the six months ended 30 September 2013 (six months ended 30 September 2012: approximately HK$31,752,000 representing HK2.0 cents per share), in cash with a scrip option, to be paid to the shareholders of the Company (the "Shareholders").

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 30 September	
	2013	2012
	HK$'000	*HK$'000*
Earnings		
Profit for the period attributable to owners of the Company for the purpose of basic earnings per share	**140,337**	84,647
Effect of dilutive potential ordinary shares:		
Adjustment to the share of profit of a subsidiary on dilution of its earnings per share	**(269)**	(57)
Profit for the period attributable to owners of the Company for the purpose of diluted earning per share	**140,068**	84,590
	'000	'000
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	**1,643,080**	1,547,356
Effect of dilutive potential shares:		
– Share options of the Company	**34,797**	2,193
– Unlisted warrants	**2,324**	–
Weighted average number of shares for the purpose of diluted earnings per share	**1,680,201**	1,549,549

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

During the current interim period, the Group has approximately HK$130 million (six months ended 30 September 2012: HK$252 million) additions to property, plant and equipment.

The Group's investment property as at the end of the current interim period was fair valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent firm of valuers not connected with the Group. The valuation was determined by reference to recent market prices for similar properties in similar locations and conditions. The fair value of the investment property has not changed for the six months ended 30 September 2013 (six months ended 30 September 2012: increase in fair value of HK$1,000,000).

10. TRADE AND BILLS RECEIVABLES

The Group allows an average credit period ranging between 30-150 days to its trade customers.

The following is an aged analysis of trade and bills receivables net of allowance for doubtful debts, presented based on the invoice date at the end of each reporting period:

	30 September 2013	31 March 2013
	HK$'000	*HK$'000*
0-60 days	**918,053**	890,262
61-90 days	**210,997**	179,201
91-120 days	**136,727**	115,237
Over 120 days	**42,836**	47,826
	1,308,613	1,232,526

11. TRADE PAYABLES

The following is aged analysis of trade payables presented based on the invoice date at the end of each reporting period.

	30 September 2013	31 March 2013
	HK$'000	*HK$'000*
0-60 days	**345,651**	466,216
61-90 days	**99,539**	26,048
Over 90 days	**53,457**	18,310
	498,647	510,574

INTERIM DIVIDEND

The board (the "Board") of Directors has resolved to declare an interim dividend of HK3.0 cents (2012: HK2.0 cents) per share of the Company (the "Share") for the period ended 30 September 2013. The interim dividend will be payable on or about 6 March 2014 to Shareholders whose names appear on the register of members of the Company on 30 December 2013 with a scrip alternative to offer the right to Shareholders to elect to receive such interim dividend wholly or partly by allotment of new Shares credited as fully paid in lieu of cash.

A circular containing details of the scrip dividend scheme together with an election form will be sent to the Shareholders as soon as practicable. The scrip dividend scheme is subject to the following conditions: (a) the issue price of a new Share to be issued pursuant thereto being not less than the nominal value of a Share; and (b) the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited the listing of and permission to deal in the new Shares to be issued pursuant thereto.

BUSINESS REVIEW

Following a tough year in 2012, the operating environment for the world's textile and garment industry has showed signs of recovery since the beginning of 2013. Demand in export and domestic markets in the PRC stayed positive. From January to September 2013, the export value of the PRC's textile products amounted to approximately US$215.3 billion, representing an increase of approximately 11.7% over the same period last year according to the Ministry of Industry and Information Technology of the PRC. Domestically, the Chinese Government has set an annual gross domestic product growth target of 7.5% for 2013, which would be the PRC's weakest pace in the past 23 years, signaling a modest slowdown in the domestic market. Against the backdrop of such unstable operating environment, the Group, however, has been well-prepared to grasp the recovery of order book in its textile business during the reporting period. Together with the newly established resin operations, the Group has successfully achieved an encouraging growth for the reporting period.

For the six months ended 30 September 2013, the Group's unaudited consolidated revenue was approximately HK$2,500 million, representing a growth of approximately 25.4% as compared with that of the previous corresponding period (1H2012: approximately HK$1,994 million); gross profit was approximately HK$420.7 million, representing an increase of approximately 6.6% from previous corresponding period (1H2012: approximately HK$394.6 million). Profit attributable to owners of the Company for the reporting period amounted to approximately HK$140.3 million, which included share option expenses of approximately HK$1.0 million, net gain on fair value change of derivative financial instruments of approximately HK$9.5 million and net gain on fair value change of restricted bank deposits of approximately HK$1.4 million. Profit from normal operations for the six months ended 30 September 2013 after adjusting the above-mentioned non-operating gains and losses was approximately HK$131.2 million, representing a year-on-year increase of approximately 14.7% (1H2012: approximately HK$114.4 million). Basic earnings per share were HK8.5 cents (1H2012: HK5.5 cents).

Textile Business

Production and sales of knitted fabric and dyed yarn are the Group's principal operations, accounted for approximately 70% of the Group's consolidated revenue for the reporting period; the remaining of approximately 22% and 8% were from the garment business and resin business respectively.

During the reporting period, the Group's sales growth of the knitted fabric and dyed yarn business was mainly driven by the increased orders exported to the United States (the "US"), while the domestic markets remained soft. The sales volume of the knitted fabric and dyed yarn recorded an approximately 20% year-on-year growth, whereas the average selling price stayed steady given that the prices of major raw materials (cotton and yarn) had been stabilised since late 2012. For the six months ended 30 September 2013, the Group's production facilities had been operating in nearly full capacity to accommodate the recovered orders. As a result, the production efficiency had been further improved under the economies of scale, thus achieving a margin enhancement for the textile business.

Garment Business

For the six months ended 30 September 2013, revenue generated from the Group's garment arm, Ford Glory Group Holdings Limited, decreased by approximately 6.7% on a year-on-year basis to approximately HK$549.9 million (1H2012: approximately HK$589.2 million). The Group's sourcing business grew by approximately 6.1% year-on-year due to the development of some new major branded customers. Such initiative has called for higher quality requirement and shipment punctuality that can be better controlled and delivered by the Group's in-house production bases. On the other hand, revenue contributed from garment manufacturing business decreased by approximately 8.1% mainly due to the slowdown in orders from the PRC domestic market. Because of the Group's ability to provide quality products with competitive prices in different production bases, the Group has successfully captured the recovering orders from the US and Canada during the period. Garments manufactured in Jordan enjoy duty free export to the US whereas garments manufactured in Cambodia enjoy preferential tariff to Europe and Canada. Such competitive advantages allowed the Group to grasp greater market shares and became a strategic partner of some major brand names in North America and Europe. With the Group's flexibility and capability to allocate orders between different production bases, the Group is capable to serve its customers with competitive price, fast lead time and sophisticated workmanship.

Resin Business

The new resin operation is situated in the Group's flagship production base in Xinhui, the PRC, and it commenced production in April 2013 with an annual capacity of 100,000 tons. Following the trial production starting in March 2013, the resin business picked up a satisfactory amount of orders. Though operating at only half of its capacity, the resin business had already contributed decent revenue to the Group in the early operational phase. During this ramp-up period, the resin arm has been working on the product customisation for different customers from the local artificial marble manufacturing market, as to prepare for larger-sized orders in the near future. In view of the certain and positive order book for the second half of the fiscal year, the resin arm is expected to lift up the utilisation to approximately 80% of the capacity and make a bigger contribution in terms of profitability to the Group.

PROSPECTS

The economy is facing a complex and uncertain domestic and international environment. In October 2013, the National Bureau of Statistics of the PRC announced that the gross domestic product ("GDP") grew by approximately 7.7% in the first nine months of 2013, mainly pulled by the approximately 7.8% GDP growth year-on-year in the third quarter which reflected the recovery in China's industrial growth that started in July. However, the General Administration of Customs announced that the PRC's exports had fallen approximately 0.3% in September 2013 when compared to corresponding period last year and ended two consecutive months of growth.

The global and domestic recovery is soft and fragile, and the textile and garment industry is no exception and is expected to undergo another round of consolidation. Only those well-established manufacturers with reputation of quality and service, stable clientele and certain order book and significant cost advantages, would be able to weather the ups and downs. The Group has been prepared to grasp every market opportunity and is rewarded with a positive and assured order book toward the first quarter in 2014 from its existing and new customers in the textile and garment business. To cope with the growth, the Group has already expanded the capacity of knitted fabric by approximately 20% in November 2013. Furthermore, the Group is also expanding the garment capacity in Jordan and Cambodia in the second half to support the organic growth of its customers in the US and Canada.

By fully utilising the unused space and the existing chemical licenses of our flagship production site in Xinhui, the PRC, the resin business has already reached a breakeven point in only six months after launching. Further improvement in the utilisation will be well-timed in the second half of the fiscal year especially in view of the securing of a number of bulk purchase orders, and thus the Group is positive that the resin business will make a significant contribution to the Group.

The Group remains prudent and optimistic to its business growth and outlook. The Board is confident that the expanded production capability and timely market response will sustain the Group's growth momentum, thus ensuring the healthy development of its business in the long run.

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 30 September 2013, the Group had total assets of approximately HK$8,677 million (31 March 2013: HK$8,556 million) which were financed by current liabilities of approximately HK$2,711 million (31 March 2013: HK$2,534 million), long term liabilities of approximately HK$908 million (31 March 2013: HK$1,111 million) and shareholders' equity of approximately HK$4,798 million (31 March 2013: HK$4,662 million). The current ratio was approximately 2.0 (31 March 2013: 2.1) and the gearing ratio, being defined as net debt (representing by total bank borrowings net of cash and cash equivalents) to shareholders' funds was approximately 19.6% (31 March 2013: 22.0%). All of the Group's borrowings were at floating rate basis.

The Group services its debts primarily through cash earned from its operations. The Directors believe that the Group has maintained sufficient working capital for its operation and future expansion. Should other opportunities arise requiring additional funding, the Directors believe that the Group is in a good position to obtain financing on favourable terms.

Foreign Exchange and Interest Rate Risks

The Group continued to adopt a strict and prudent policy in managing its interest rate and currency exchange risks. The major interest-bearing bank borrowings of the Group were HIBOR-based Hong Kong dollar borrowings with maturity due within five years. To reduce the interest rate risks, the Group had entered into derivative financial instrument contracts with international banks.

The Group's monetary assets and liabilities were principally denominated in Hong Kong dollars, Renminbi and US dollars. The fluctuations in the US dollars and Renminbi have always been the concern of the Group. In order to mitigate the foreign currency risk, the Group had entered into appropriate hedging arrangements in accordance with the Group's risk management policies.

Capital Expenditure

During the period, the Group invested approximately HK$130 million on additions to property, plant and equipment.

As at 30 September 2013, the Group had capital commitments of approximately HK$36 million in respect of acquisition of new machinery and construction of new factory plants, which are financed by long-term bank borrowings.

Charges on Assets

As at 30 September 2013, certain property, plant and equipment, prepaid lease payments and investment property of the Group with net book value of approximately HK$408 million (31 March 2013: approximately HK$413 million) were pledged to banks to secure banking facilities granted.

Employee Information

As at 30 September 2013, the total number of employees of the Group were approximately 1,230 in Cambodia, approximately 1,230 in Jordan, approximately 890 in Indonesia, approximately 5,950 in the PRC and approximately 160 in Hong Kong, Macau, and other places. Remuneration packages are generally structured with reference to market terms and individual qualifications. Salaries and wages are normally reviewed on an annual basis based on performance appraisals and other relevant factors. Bonuses are normally paid to management staff based on individuals' merits as well as the results of the Group. Other benefits to the staff include a provident fund scheme as well as medical insurance.

The Company maintains a share option scheme, pursuant to which share options are granted to selected eligible executives, with a view to provide senior management with an appropriate incentive interest for the growth of the Group.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to the interim dividend for the period ended 30 September 2013, the register of members of the Company will be closed from 27 December 2013 to 30 December 2013 (both days inclusive), during which period no transfer of Shares can be registered. In order to qualify for the interim dividend for the period ended 30 September 2013, all share transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 24 December 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company had complied throughout the six months ended 30 September 2013 with the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct (the "Code of Conduct") regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Code of Conduct during the six months ended 30 September 2013.

By Order of the Board of
Victory City International Holdings Limited

Li Ming Hung
Chairman

Hong Kong, 29 November 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*