

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Ford Glory Group Holdings Limited and Victory City International Holdings Limited.



FORD GLORY GROUP HOLDINGS LIMITED

福源集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1682)



VICTORY CITY INTERNATIONAL HOLDINGS LIMITED

冠華國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 539)

**DESPATCH OF CIRCULARS
IN RELATION TO**

- | | |
|---|--|
| (1) ACQUISITION OF FGG SHARES BY
UNITECH ENTERPRISES; | (1) DISCLOSEABLE AND CONNECTED
TRANSACTION IN RELATION TO
THE DISPOSAL OF FGG SHARES; |
| (2) GROUP REORGANISATION; | (2) DISCLOSEABLE AND CONNECTED
TRANSACTION IN RELATION TO
THE ACQUISITION; AND |
| (3) SHARE PREMIUM CANCELLATION; | (3) PROPOSED CONNECTED
TRANSACTIONS IN RELATION TO
PROVISION OF GUARANTEES |
| (4) SPECIAL CASH DIVIDEND; | |
| (5) VERY SUBSTANTIAL DISPOSAL,
CONNECTED TRANSACTION AND
SPECIAL DEAL IN RELATION TO THE
DISPOSAL; | |
| (6) EXEMPT CONTINUING CONNECTED
TRANSACTIONS AND SPECIAL DEAL
IN RELATION TO THE HK LEASE
AGREEMENT; | |
| (7) SPECIAL DEAL IN RELATION
TO THE RETAINED EMPLOYEES
ARRANGEMENT; AND | |
| (8) PROPOSED CHANGE OF COMPANY
NAME | |

Reference is made to the joint announcement (“**Joint Announcement**”) of Ford Glory Group Holdings Limited (“**FGG**”), Victory City International Holdings Limited (“**VC**”) and Unitech Enterprises Group Limited (the “**Offeror**”) dated 7 May 2014 in relation to, among other things, the Share Sale and the Disposal. Capitalised terms used in this joint announcement shall have the same meanings defined in the Joint Announcement.

DESPATCH OF FGG CIRCULAR

The FGG Board is pleased to announce that the circular of FGG (the “**FGG Circular**”) containing, among other things, (i) further details of the Share Sale Agreement, the Disposal Agreement, the Retained Employees Arrangement, the HK Lease Agreement, the Group Reorganisation, the Share Premium Cancellation, the payment of the Special Cash Dividend, the Proposed Change of Name and the Special Deals; (ii) financial information of each of the FGG Group and the Disposal Group; (iii) unaudited pro forma financial information of the Remaining Group; (iv) the letter of recommendation from the FGG Independent Board Committee; (v) the letter of advice from FGG Independent Financial Adviser to the FGG Independent Board Committee and the FGG Independent Shareholders in respect of the Special Deals, and the transactions contemplated thereunder; (vi) valuation reports on the property interests of the FGG Group; and (vii) a notice convening the FGG SGM, has been despatched to the FGG Shareholders on 18 June 2014.

The FGG SGM will be held at 10:00 a.m. on Thursday, 10 July 2014 at Unit D, 3rd Floor, Winfield Industrial Building, 3 Kin Kwan Street, Tuen Mun, New Territories, Hong Kong, details of which are set out in the notice of FGG SGM contained in the FGG Circular.

DESPATCH OF VC CIRCULAR

The VC Board is pleased to announce that the circular of VC (the “**VC Circular**”) containing, among other things, (i) further details of the Share Sale Agreement, the Disposal Agreement, and the provision of Guarantees; (ii) the letter of recommendation from the VC Independent Board Committee; (iii) the letter of advice from the VC Independent Financial Adviser to the VC Independent Board Committee and the VC Independent Shareholders in respect of the Share Sale, the Disposal and the Proposed Connected Transactions and the respective transactions contemplated thereunder; and (iv) a notice convening the VC SGM, has been despatched to the VC Shareholders on 18 June 2014.

The VC SGM will be held at 11:30 a.m. on Thursday, 10 July 2014 at Unit D, 3rd Floor, Winfield Industrial Building, 3 Kin Kwan Street, Tuen Mun, New Territories, Hong Kong, details of which are set out in the notice of VC SGM contained in the VC Circular.

EXTENSION OF LONG STOP DATE IN SHARE SALE AGREEMENT

As disclosed in the Joint Announcement, in the event that any of the conditions precedent to the Share Sale Agreement shall not have been fulfilled (or waived by the Offeror in whole or in part in accordance with the terms of the Share Sale Agreement) at or before 12:00 noon (Hong Kong time) on the Long Stop Date (i.e. 30 June 2014 or such later date as the Vendors and the Offeror may agree in writing), the Share Sale Agreement shall lapse and be of no further effect.

Each of the FGG Board and the VC Board wishes to announce that on 17 June 2014 (after trading hours), the Offeror and the Vendors agreed in writing that the Long Stop Date in the Share Sale Agreement shall be extended to 22 July 2014 or such other date as agreed in writing by the Vendors and the Offeror.

Save and except the aforesaid change, all other terms and conditions of the Share Sale Agreement remain unchanged and shall remain in full force and effect in all respects.

EXTENSION OF LONG STOP DATE IN DISPOSAL AGREEMENT

As disclosed in the Joint Announcement, in the event that any of the conditions precedent to the Disposal Agreement shall not have been fulfilled on or before 30 June 2014 (or such later date as FGG and Sure Strategy may agree in writing) (the “**Disposal Long Stop Date**”), the Disposal Agreement shall lapse and be of no further effect.

Each of the FGG Board and the VC Board wishes to announce that on 17 June 2014 (after trading hours), FGG and Sure Strategy agreed in writing that the Disposal Long Stop Date shall be extended to 22 July 2014 or such other date as agreed in writing by FGG and Sure Strategy.

Save and except the aforesaid change, all other terms and conditions of the Disposal Agreement remain unchanged and shall remain in full force and effect in all respects.

As disclosed in the Joint Announcement, application had been made by each of FGG and VC for waivers from inclusion in the Joint Announcement of certain required financial information Rules 14.58(6), 14.58(7) and 14.60(3)(a) of the Listing Rules respectively which requires the disclosure by FGG and VC of (i) the gain or loss expected to accrue to the VC Group and the basis for calculating such gain or loss as a result of the Share Sale; (ii) the net asset value of and the net profits or loss of the Disposal Group; and (iii) the gain or loss expected to accrue to the FGG Group and the basis for calculating such gain or loss as a result of the Disposal (collectively, the “**Required Financial Information**”). Set out below is a summary of the Required Financial Information as extracted from the VC Circular and the FGG Circular.

FINANCIAL INFORMATION IN RELATION TO THE SHARE SALE

For illustrative purpose, the VC Group is expected to record a profit of approximately HK\$224,635,000 on a consolidated basis as a result of the Share Sale and the payment of Special Cash Dividend, which is calculated based on the consideration to be received by Sure Strategy and Victory City Investments from the Share Sale of approximately HK\$256,660,000, deducted by (i) Remaining Group’s unaudited net assets attributable to the VC Group of approximately HK\$26,143,000 calculated based on the unaudited net assets of the Remaining Group of approximately HK\$36,764,000 assuming the Share Sale Completion took place on 30 September 2013 as set out in Appendix II to the VC Circular multiplied by VC’s shareholding in FGG of approximately 71.1% as of 30 September 2013; (ii) estimated transaction cost of approximately HK\$2,457,000 to be incurred by the VC Group and (iii) increase in liabilities from tax indemnity of approximately HK\$3,425,000 for the VC Group. As Sure Strategy is a non-wholly owned subsidiary of VC, part of the profit of Sure Strategy is attributable to the minority shareholder

of Sure Strategy, being Merlotte Enterprise, in proportion to its shareholding in Sure Strategy. After deducting the non-controlling interest in Sure Strategy of approximately HK\$109,200,000, the profit to be recorded as a result of the Share Sale and the payment of Special Cash Dividend attributable to the shareholders of VC is expected to be approximately HK\$115,435,000.

FINANCIAL INFORMATION IN RELATION TO THE DISPOSAL

Net asset value of and the net profits of the Disposal Group

As at 31 December 2013, the Disposal Group recorded unaudited net assets of approximately HK\$278.0 million.

The unaudited profit figures of the Disposal Group set out below are extracted from Appendix II to the FGG Circular:

	For the year ended		For the nine months ended	
	31 March	31 March	31 March	31 December
	2011	2012	2013	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Profit before income tax	28,351	9,326	14,262	17,669
Profit after income tax	22,406	8,588	6,409	13,367

The unaudited profit figures of the Disposal Group have been prepared by the FGG Directors based on the unaudited consolidated management accounts of FG Holdings and its subsidiaries for each of the three years ended 31 March 2013 and the nine months ended 31 December 2013, which have been prepared on the basis consistent in all material respects with the accounting policies adopted by the FGG Directors and used in the preparation of the condensed consolidated financial statements of FGG and its subsidiaries for the six months ended 30 September 2013 (being the latest published financial statements of the FGG Group), after adjustments to exclude the results of Top Value and the results of the HK Garment Sourcing Business. As the profit figures are for periods already ended, no assumption is involved in computing them. The above unaudited consolidated profit before and after tax of the Disposal Group for the three years ended 31 March 2011, 2012 and 2013 as well as for the nine months ended on 31 December 2013 are required to be reported on under Rule 10 of the Takeovers Code.

In relation to the above compliance with Rule 10 of the Takeovers Code, please refer to Appendix IV and Appendix V to the FGG Circular for the letters from the reporting accountants of FGG and the financial adviser of FGG, respectively.

Gain or loss expected to accrue to the FGG Group in relation to the Disposal

As the Disposal is a transaction between FGG and Sure Strategy, which is a substantial shareholder of FGG, the transaction is accounted for as a transaction with equity participant and therefore, the difference between the consideration and the net asset value of the Disposal Group is adjusted to equity as deemed distribution or contribution, as appropriate. Based on the unaudited pro forma statement of financial position of the Remaining Group as set out in Appendix III of the FGG Circular, assuming the Disposal has been completed on 30 September 2013, the FGG Group would recognise a shareholders' distribution of approximately HK\$9.0 million, which represents the difference between the Disposal Consideration of HK\$270.0 million and the carrying value of the FGG Group's interest in the net assets of the Disposal Group of approximately HK\$281.3 million less the non-controlling interests of approximately HK\$2.3 million.

Based on the unaudited pro forma statement of comprehensive income of the Remaining Group as set out in Appendix III to the FGG Circular, assuming the Disposal and the payment of Special Cash Dividend took place on 1 April 2012, the FGG Group would have recorded loss attributable to FGG Shareholders of approximately HK\$8.9 million for the year ended 31 March 2013 as a result of mainly (i) the estimated expenses directly attributable to the Disposal; and (ii) the share-based payment expenses of approximately HK\$12.1 million which are borne by the Remaining Group.

Based on the unaudited pro forma statement of financial position of the Remaining Group as set out in Appendix III to the FGG Circular, assuming the Disposal and the payment of Special Cash Dividend took place on 30 September 2013, the total assets of the FGG Group as at 30 September 2013 would decrease by approximately HK\$556.6 million, the total liabilities of the FGG Group would decrease by approximately HK\$213.4 million.

Further details of in relation to the Share Sale and the Disposal are set out in the VC Circular and FGG Circular.

By order of the board of
Ford Glory Group Holdings Limited
Choi Lin Hung
Chairman and Executive Director

By order of the board of
Victory City International Holdings Limited
Li Ming Hung
Chairman and Executive Director

Hong Kong, 18 June 2014

The FGG Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement, other than that relating to the Offeror and the VC Group, and confirm that, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

The VC Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement, other than that relating to the Offeror and the FGG Group, and confirm that, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the FGG Board comprises Mr. Choi Lin Hung, Mr. Lau Kwok Wa, Stanley and Mr. Ng Tze On as executive FGG Directors; Mr. Chen Tien Tui and Mr. Li Ming Hung as non-executive FGG Directors; and Mr. Lau Chi Kit, Mr. Mak Chi Yan, Mr. Wong Wai Kit, Louis and Mr. Yuen Kin Kei as independent non-executive FGG Directors.

As at the date of this joint announcement, the VC Board comprises Mr. Li Ming Hung, Mr. Chen Tien Tui, Mr. Lee Yuen Chiu Andy and Mr. Choi Lin Hung as executive VC Directors; and Mr. Kan Ka Hon, Mr. Phaisalakani Vichai and Mr. Kwok Sze Chi as independent non-executive VC Directors.

** for identification purposes only*