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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)

PROPOSED SPIN-OFF OF THE GARMENT MANUFACTURING BUSINESS

This announcement is made pursuant to Rule 13.09(2)(a) of the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors of Victory City International Holdings Limited (the "**Company**") would like to announce that the Company is exploring the possibility of a separate listing on the Main Board of the Stock Exchange by way of a spin-off (the "**Proposed Spin-off**") of its garment manufacturing business.

The Proposed Spin-off, if it proceeds, may constitute a notifiable transaction under Chapter 14 of the Listing Rules. The Board is pleased to announce that on 15 October 2015, the Stock Exchange has granted approval to proceed with the Proposed Spin-off pursuant to Practice Note 15 of the Listing Rules.

As the Proposed Spin-off is at its early stage, no application for such listing has been made and approval by the relevant regulatory authority has yet to be obtained. The Proposed Spin-off and listing may or may not materialise and the Stock Exchange may or may not grant its approval. Accordingly, shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off will take place or if it does, the timing thereof. The Company will make further announcement(s) in relation to the Proposed Spin-off as and when appropriate in compliance with the Listing Rules.

Shareholders and potential investors of the Company should note that the Proposed Spin-off is subject to, among others, the final decisions of the Board and the approval from the Stock Exchange, and may or may not proceed. Accordingly, shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 16 October 2015

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*