



VICTORY CITY INTERNATIONAL HOLDINGS LIMITED

冠華國際控股有限公司*

(incorporated in Bermuda with limited liability)

(stock code: 539)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of Victory City International Holdings Limited (“**Company**”) will be held at Unit D, 3rd Floor, Winfield Industrial Building, 3 Kin Kwan Street, Tuen Mun, Hong Kong on Friday, 25 August 2006 at 10:00 a.m. to transact the following ordinary businesses:

1. to receive and approve the audited consolidated financial statements and the reports of the directors of the Company and the Company’s auditors for the year ended 31 March 2006;
2. to declare a final dividend for the year ended 31 March 2006 of HK\$0.06 per share (each a “**Share**”) of HK\$0.01 each in the capital of the Company by way of a scrip dividend (“**Scrip Dividend Scheme**”) with an option to elect to receive an allotment and issue of Shares credited as fully paid in lieu of cash payment;
3. to consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) to re-elect Mr Li Ming Hung as a director;
 - (b) to re-elect Mr Chen Tien Tui as a director;
 - (c) to re-elect Mr Choi Lin Hung as a director;
 - (d) to re-elect Mr Kwok Sze Chi as a director; and
 - (e) to authorise the board of directors to fix the directors’ remuneration;
4. to re-appoint the Company’s auditors and to authorise the board of directors to fix their remuneration;

and, as special businesses, to consider and, if thought fit, pass the following resolutions as special resolution or ordinary resolutions:

SPECIAL RESOLUTION

5. **“THAT** the Bye-laws of the Company (**“Bye-laws”**) be and are hereby amended in the following manner:

(a) New Bye-law 11A

(i) by inserting the following as new Bye-law 11A immediately after Bye-law 11:

“11A. Subject to the Act, the power of the Company to purchase or otherwise acquire its shares (including its redeemable shares) and warrants or other securities for the subscription or purchase of its own shares (including redeemable shares) shall be exercisable by the Directors upon such terms and subject to such conditions as they think fit provided that, in respect of a purchase of redeemable shares:

(a) the price per share for purchases proposed to be made otherwise than by tender in the manner prescribed in (b) below or on or through a stock exchange on which such shares are listed with the consent of the Company shall not exceed one hundred (100) per cent. of the average closing prices for dealings in one or more board lots of such shares on the Designated Stock Exchange on which the shares are traded for the five (5) trading days immediately before the date on which the purchase is made (whether conditionally or otherwise); and

(b) where any such purchase is proposed to be made by tender, tenders shall be made available to all holders of such shares on the same terms.”; and

(ii) by inserting the heading **“PURCHASE OF OWN SECURITIES”** between Bye-law 11 and the new Bye-law 11A mentioned in sub-paragraph (a)(i) above;

(b) Bye-law 66

(i) by inserting the following words immediately after the words **“on a show of hands unless”** in the last sentence of the opening paragraph of the existing Bye-law 66:

“voting by way of a poll is required by the rules of the Designated Stock Exchange or”;

(ii) by deleting the full-stop at the end of the existing Bye-law 66(d) and substituting a semi-colon therefor and thereafter the word **“or”**; and

(iii) by inserting the following new Bye-law 66(e) immediately after the existing Bye-law 66(d):

“(e)if required by the rules of the Designated Stock Exchange, by the chairman of such meeting and/or the Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights of all Members having right to vote at such meeting.”;

(c) Bye-law 67

by deleting Bye-law 67 in its entirety and substituting the following therefor:

“Unless a poll is so required or demanded and, in the latter case, not withdrawn, the chairman of the meeting should indicate to the meeting of the Company the level of proxies lodged on each resolution and the balance for and against the resolution, after it has been dealt with on a show of hands.”;

(d) Bye-law 68

by replacing the sentence “There shall be no requirement for the chairman to disclose the voting figures on a poll.” with the following sentence:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”;

(e) Bye-law 86(2)

by deleting the sentence “Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.” and substituting the following sentence therefor:

“Any Director so appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of the filling of casual vacancy on the Board), or until the next following annual general meeting of the Company (in the case of an addition to the existing Board), and shall then be eligible for re-election at that meeting but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting.”;

(f) Bye-law 86(4)

by deleting the word “special” immediately before the words “resolution remove a Director at any time before the expiration of his period of office” and substituting the word “ordinary” therefor;

(g) Bye-law 87

by inserting the words “and shall continue to act as a Director throughout the meeting at which he retires” after the word “re-election” at the end of the first sentence of paragraph (2);

(h) Bye-law 103

by inserting the following new Bye-law 103(5) immediately after the existing Bye-laws 103(4):

“(5) Where a substantial shareholder (within the meaning of the rules of the Designated Stock Exchange) or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should not be dealt with by way of circulation of board resolutions pursuant to this Bye-law or by a committee (except an appropriate board committee set up for that purpose pursuant to a resolution

passed in a board meeting) but a board meeting should be held with the presence of the independent non-executive Directors who, and whose associates, have no material interest in the transaction.”; and

(i) Bye-law 115

by deleting the existing Bye-law 115 in its entirety and substituting the following therefor:

“115. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. A notice thereof shall be given in writing or by telephone or by facsimile, telex or telegram at the address or telephone, facsimile or telex number from time to time notified to the Company by such Director, or in such manner as the Board may from time to time determine, as may be accepted by the Designated Stock Exchange and permitted under the rules of the Designated Stock Exchange. At least 14 days’ notice shall be given to each Director for any regular meeting of the Board, provided that notice need not be given to any Director or alternate Director for the time being absent from Hong Kong and irrespective of the length of notice given, and unless all Directors unanimously waive such notice either prospectively or retrospectively. A Director’s attendance at the meeting shall be deemed to be a waiver of the requisite length of notice of the meeting by the Director.”

ORDINARY RESOLUTIONS

6. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue or otherwise deal with unissued shares in the capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for shares in the Company, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under all share option schemes of the Company adopted from time to time in accordance with the Listing Rules; or (iii) any scrip dividend or similar arrangements including the Scrip Dividend Scheme (as defined in resolution numbered 2 set out in the notice convening this meeting) providing for the allotment and issue of shares in the Company in lieu of the whole or part of a dividend on shares in the Company in accordance with the bye-laws of the Company in force from time to time; or (iv) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into shares in the Company shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
and

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and

(iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares in the Company open for a period fixed by the directors of the Company to holders of shares in the Company on the Company’s register of members on a fixed record date in proportion to their then holdings of shares in the Company (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

7. “**THAT:**

(a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which shares in the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act 1981 of Bermuda (“**Companies Act**”) and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares in the Company which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company, the Companies Act or any other applicable law of Bermuda to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
8. “**THAT** conditional on the passing of resolutions number 6 and 7 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution no. 6 above be and it is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution no. 7 above.”

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

Hong Kong, 31 July 2006

* *For identification purpose only*

Registered office:
Clarendon House
Church Street
Hamilton HM11
Bermuda

*Head office and principal place
of business in Hong Kong:*
Unit D, 3rd Floor
Winfield Industrial Building
3 Kin Kwan Street
Tuen Mun
New Territories
Hong Kong

Notes:

- 1 A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the bye-laws of the Company, vote in his stead. A proxy need not be a member of the Company.
- 2 To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the offices of the Company's Hong Kong branch registrar, Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time of the meeting or any adjourned meeting.
- 3 In relation to proposed resolutions numbered 6 and 8 above, approval is being sought from the shareholders for the grant to the directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The directors have no immediate plans to issue any new shares of the Company other than shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme including the Scrip Dividend Scheme (as defined in proposed resolution numbered 2 contained in this notice) which may be approved by the shareholders.
- 4 In relation to proposed resolution numbered 7 above, the directors wish to state that they will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be set out in a separate document to be despatched to the shareholders.
- 5 Delivery of an instrument appointing a proxy should not preclude member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- 6 In the case of joint holders of a share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he/she/it were solely entitled thereto. If more than one of such joint holders are present at the above meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
- 7 As at the date of this notice, the board of directors of the Company comprises Mr Li Ming Hung, Mr Chen Tien Tui, Mr So Kam Wah, Mr Lee Yuen Chiu, Andy and Mr Choi Lin Hung as executive directors and Mr Kan Ka Hon, Mr Phaisalakani Vichai and Mr Kwok Sze Chi as independent non-executive directors.

Please also refer to the published version of this announcement in The Standard.