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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)

### **SCRIP DIVIDEND SCHEME**

Reference is made to the Announcement dated 22 July 2008, the Circular dated 31 July 2008 and the AGM Notice dated 31 July 2008.

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 28 August 2008.

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 22 July 2008, the circular (“**Circular**”) of the Company dated 31 July 2008 and the notice (“**AGM Notice**”) dated 31 July 2008 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 2008 of HK6.8 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 28 August 2008. At the Annual General Meeting held on 28 August 2008, 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 28 August 2008 less a discount of five per cent. of such average closing price or the par value of the Shares, whichever is the 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.

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\$1.8259 per Share after taking into account a five per cent. discount to HK\$1.922, being the average closing price of the Shares on the Stock Exchange for the five consecutive trading days ended 28 August 2008.

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 have a registered address outside Hong Kong as appear 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.

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, 3 October 2008.**

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, 17 October 2008**.

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 shortly.

*As at the date of this announcement, the Board comprises five executive Directors, namely, Li Ming Hung, Chen Tien Tui, So Kam Wah, Lee Yuen Chiu, Andy and Choi Lin Hung, and three independent non-executive Directors, namely, Kan Ka Hon, Phaisalakani Vichai and Kwok Sze Chi.*

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

Hong Kong, 28 August 2008

\* *For identification purposes only*