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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)

RESULTS OF ANNUAL GENERAL MEETING AND SCRIP DIVIDEND SCHEME

Reference is made to the Announcement dated 20 July 2007, the Circular dated 31 July 2007 and the AGM Notice dated 31 July 2007.

The Board is pleased to announce that all the resolutions contained in the AGM Notice were duly passed by way of poll (as demanded by the chairman of the Annual General Meeting) at the Annual General Meeting held on 30 August 2007, including the resolution approving the Final Dividend and the Scrip Dividend Scheme.

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.

This announcement also serves to advise the Qualifying Shareholders as to how the entitlements under the Scrip Dividend Scheme were arrived at.

Reference is made to the announcement (“**Announcement**”) of Victory City International Holdings Limited (“**Company**”) dated 20 July 2007, the circular (“**Circular**”) of the Company dated 31 July 2007 and the notice (“**AGM Notice**”) dated 31 July 2007 convening the Annual General Meeting. Terms used in this announcement have the same meanings as defined in the Circular, unless the context otherwise requires.

RESULTS OF ANNUAL GENERAL MEETING

The Board is pleased to announce that all the resolutions contained in the AGM Notice were duly passed by way of poll (as demanded by the chairman of the Annual General Meeting) at the Annual General Meeting as ordinary resolutions. The voting results are as follows:

Resolution		Number of votes (%)	
		For	Against
1.	To receive and approve the audited consolidated financial statements and the reports of the directors and of the auditors of the Company for the year ended 31 March 2007	390,469,895 (100.00%)	0 (0.00%)
2.	To approve the declaration of a final dividend for the year ended 31 March 2007 by way of a scrip dividend scheme with an option to receive the allotment and issue of shares credited as fully paid in lieu of cash payment	391,091,895 (100.00%)	0 (0.00%)
3.	(a) To re-elect Mr Lee Yuen Chiu, Andy as director	391,091,895 (100.00%)	0 (0.00%)
	(b) To re-elect Mr Kan Ka Hon as director	391,091,895 (100.00%)	0 (0.00%)
	(c) To re-elect Mr So Kam Wah as director	391,091,895 (100.00%)	0 (0.00%)
	(d) To authorise the board of directors to fix the remuneration of directors	391,091,895 (100.00%)	0 (0.00%)
4.	To re-appoint the Company's auditors and to authorise the board of directors to fix their remuneration	391,091,895 (100.00%)	0 (0.00%)
5.	To grant a general and unconditional mandate to the directors of the Company to allot and issue or otherwise deal with unissued shares	380,790,679 (97.37%)	10,301,216 (2.63%)
6.	To grant a general and unconditional mandate to the directors of the Company to purchase shares	391,091,895 (100.00%)	0 (0.00%)
7.	To add the nominal amount of shares repurchased by the Company to the mandate granted to the directors under resolution no. 5	380,790,679 (97.37%)	10,301,216 (2.63%)

Note: The numbers of votes and percentages set out in the above table are based on the total number of Shares held by the Shareholders who attended and voted at the Annual General Meeting in person or by proxy or corporate representative in respect of each resolution.

The total number of Shares entitling the holder to attend and vote for or against the resolutions at the Annual General Meeting is 661,553,899. As at the date of the Annual General Meeting there is no share of the Company in issue entitling the holder to attend and vote only against any resolution at the Annual General Meeting. Tricor Secretaries Limited, the Hong Kong branch share registrar of the Company, acted as scrutineer for the vote-taking at the Annual General Meeting.

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 2007 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 30 August 2007. At the Annual General Meeting, 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 30 August 2007 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, the Final Dividend or any other distribution in respect of the year ending 31 March 2008.

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\$2.356 per Share after taking into account a five per cent. discount to HK\$2.48, being the average closing price of the Shares on the Stock Exchange for the five consecutive trading days ended 30 August 2007.

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, 5 October 2007.**

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 **Thursday, 18 October 2007.**

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, 30 August 2007

* *For identification purposes only*