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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
THE RIGHTS ISSUE OF NOT LESS THAN 341,831,666 RIGHTS SHARES
AND NOT MORE THAN 342,831,666 RIGHTS SHARES
OF HK\$0.01 EACH AT HK\$0.439 PER RIGHTS SHARE
PAYABLE IN FULL ON ACCEPTANCE
(IN THE PROPORTION OF 1 RIGHTS SHARE
FOR EVERY 2 EXISTING SHARES HELD
ON THE RECORD DATE)**

RESULTS OF THE RIGHTS ISSUE

The Directors are pleased to announce that as at 4:00 p.m. on Friday, 9 January 2009, being the latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares, (a) a total of 49 valid acceptances in respect of 270,144,473 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 79.03% of the total number of the Rights Shares available under the Rights Issue, and (b) a total of 35 valid applications for 47,349,971 excess Rights Shares have been received, representing approximately 13.85% of the total number of the Rights Shares available under the Rights Issue. In aggregate, a total of 84 valid acceptances and applications in respect of 317,494,444 Rights Shares have been received and 24,337,222 Rights Shares, representing approximately 7.12% of the total number of Rights Shares available under the Rights Issue, were unsubscribed.

UNDERWRITING AGREEMENT

The Underwriting Agreement became unconditional at 4:00 p.m. on Tuesday, 13 January 2009. As a result of the under-subscription of the Rights Shares and pursuant to the terms and conditions of the Underwriting Agreement, the Underwriter had performed its obligation under the Underwriting Agreement and had procured the taking up of the Shortfall Rights Shares and will settle the subscription monies for the Rights Shares on or before 15 January 2009.

* *For identification purposes only*

On 12 January 2009, the Underwriter had procured the Sub-underwriters to subscribe for all the Shortfall Rights Shares. As at the date of this announcement, none of the Sub-underwriters had become a substantial Shareholder (as defined in the Listing Rules).

DESPATCH OF SHARE CERTIFICATES

It is expected that the share certificates for the Rights Shares, in their fully-paid form, will be posted to the allottees by ordinary post at their own risk on or before Friday, 16 January 2009.

COMMENCEMENT OF DEALINGS IN THE RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:30 a.m. on Tuesday, 20 January 2009.

BACKGROUND

Reference is made to the prospectus of the Company dated 23 December 2008 (the “**Prospectus**”) in relation to the Rights Issue of not less than 341,831,666 Rights Shares and not more than 342,831,666 Rights Shares of HK\$0.01 each at HK\$0.439 per Rights Share payable in full on acceptance in the proportion of 1 Rights Share for every 2 existing Shares held on the Record Date. Terms used herein shall have the same meanings as those defined in the Prospectus unless otherwise expressly stated or the context otherwise requires.

Results of the Rights Issue

The Directors are pleased to announce that as at 4:00 p.m. on Friday, 9 January 2009, being the latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares, (a) a total of 49 valid acceptances in respect of 270,144,473 Rights Shares provisionally allotted under the Rights Issue have been received, representing approximately 79.03% of the total number of the Rights Shares available under the Rights Issue, and (b) a total of 35 valid applications for 47,349,971 excess Rights Shares have been received, representing approximately 13.85% of the total number of the Rights Shares available under the Rights Issue. In aggregate, a total of 84 valid acceptances and applications in respect of 317,494,444 Rights Shares have been received and 24,337,222 Rights Shares (the “**Shortfall Rights Shares**”), representing approximately 7.12% of the total number of Rights Shares available under the Rights Issue, were unsubscribed.

Excess Rights Shares

35 valid applications were received in respect of 47,349,971 excess Rights Shares. Given the under-subscription, the Directors consider that it is fair and reasonable to accept all applications and allot the Rights Shares to such applicants in full.

Underwriting Agreement

All of the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter on or before 4:00 p.m. on Tuesday, 13 January 2009. Accordingly, the Underwriting Agreement became unconditional at 4:00 p.m. on Tuesday, 13 January 2009.

As a result of the under-subscription of the Rights Shares and pursuant to the terms and conditions of the Underwriting Agreement, the Underwriter had performed its obligation under the Underwriting Agreement and had procured the taking up of the Shortfall Rights Shares and will settle the subscription monies for the Rights Shares on or before 15 January 2009.

On 12 January 2009, the Underwriter had procured the sub-underwriters (“**Sub-underwriters**”) to subscribe for all the Shortfall Rights Shares. Each of the Sub-underwriters is not a connected person (as defined in the Listing Rules) of the Company and is independent from and not connected with the Company and its connected persons (as defined in the Listing Rules). As at the date of this announcement, none of the Sub-underwriters had become a substantial Shareholder (as defined in the Listing Rules).

SHAREHOLDING STRUCTURE OF THE COMPANY

The following is a table showing the changes in the shareholding structure of the Company immediately before and upon completion of the Rights Issue, to the best knowledge of the Directors:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
Directors and substantial Shareholders⁽¹⁾				
<i>Committed Shareholders</i>				
– Pearl Garden Pacific Limited	111,252,000	16.27	166,878,000	16.27
– Madian Star Limited	111,252,000	16.27	166,878,000	16.27
– Mr. Li Ming Hung	9,160,000	1.34	13,740,000	1.34
– Mr. Chen Tien Tui	10,274,000	1.50	15,411,000	1.50
Mr. Choi Lin Hung	3,320,000	0.49	4,980,000	0.49
Mr. Phaisalakani Vichai	240,000	0.04	360,000	0.04
Templeton Asset Management Ltd. ⁽¹⁾⁽²⁾	88,212,381	12.90	–	–

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Shares	%	Shares	%
Public				
– Sub-underwriters	–	–	24,337,222	2.37
– Templeton Asset Management Ltd. ⁽¹⁾⁽²⁾	–	–	88,212,381	8.60
– Other public	349,952,952	51.19	544,698,396	53.12
Sub-total of Public	349,952,952	51.19	657,247,999	64.09
Total:	<u>683,663,333</u>	<u>100.00</u>	<u>1,025,494,999</u>	<u>100.00</u>

Notes:

- (1) As regards interest of the substantial Shareholders, the figures are based on the information disclosed in relation to the interests and short positions of persons (not being a Director or chief executive of the Company) in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the date of this announcement (the “**Substantial Shareholders’ Filing**”).
- (2) Immediately upon completion of the Rights Issue, if Templeton Asset Management Ltd. holds less than 10% of the issued share capital of the Company, it will be regarded as public.

Shareholders should note that the above shareholding table may not reflect the final shareholding structure of the Company upon completion of the Rights Issue as it is compiled based on the Substantial Shareholders’ Filing received by the Company as at the date of this announcement, which might not have reflected the shareholding interest of the substantial Shareholders after their subscription of the Rights Shares.

DESPATCH OF SHARE CERTIFICATES

It is expected that the share certificates for the Rights Shares, in their fully-paid form, will be posted to the allottees by ordinary post at their own risk on or before Friday, 16 January 2009.

COMMENCEMENT OF DEALINGS IN THE RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:30 a.m. on Tuesday, 20 January 2009.

On behalf of the Board
Victory City International Holdings Limited
Li Ming Hung
Chairman

Hong Kong, 13 January 2009

As at the date of this announcement, the Board comprises the following members:

Executive Directors:

Li Ming Hung (*Chairman*)
Chen Tien Tui (*Chief Executive Officer*)
So Kam Wah
Lee Yuen Chiu, Andy
Choi Lin Hung

Independent non-executive Directors:

Kan Ka Hon
Phaisalakani Vichai
Kwok Sze Chi