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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 1,397,914,735 RIGHTS SHARES OF HK\$0.01 EACH AT HK\$0.250 PER RIGHTS SHARE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO SHARES HELD ON THE RECORD DATE

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 28 December 2016, the latest time for acceptance of, and payment for, the Rights Shares and for application and payment for the excess Rights Shares, the Company received a total of 92 valid acceptances and applications for a total of 1,282,010,152 Rights Shares, which comprise:

- (i) 57 valid acceptances of the provisional allotment under the PALs in respect of a total of 1,175,006,996 Rights Shares; and
- (ii) 35 valid applications for excess Rights Shares under the EAFs in respect of a total of 107,003,156 Rights Shares.

In aggregate, they represented approximately 91.71% of the total number of 1,397,914,735 Rights Shares available for subscription under the Rights Issue. As such, the Rights Issue was under-subscribed. Accordingly, the Shareholders who have applied for the excess Rights Shares will be allocated with such numbers of the Rights Shares which they applied for in full.

UNDERWRITING AGREEMENT

The Rights Issue and the Underwriting Agreement became unconditional after 4:00 p.m. on Wednesday, 4 January 2017. As a result of the under-subscription of the Rights Issue by 115,904,583 Rights Shares, the Underwriter has procured subscribers to subscribe for such Rights Shares pursuant to its obligations under the Underwriting Agreement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the subscribers procured by the Underwriter is a third party independent of the Company and its connected persons.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for all fully-paid Rights Shares in respect of valid acceptances of the Rights Shares on PALs and excess Rights Shares on EAFs will be posted to those entitled thereto by ordinary mail to their registered addresses at their own risk on Friday, 6 January 2017.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Monday, 9 January 2017.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

As a result of the Rights Issue, adjustments to the exercise price of the outstanding Share Options and the number of Shares to be allotted and issued upon the exercise of such Share Options shall be made in accordance with the terms of the Share Option Scheme.

Reference is made to the prospectus issued by the Company on 12 December 2016 (the “**Prospectus**”) in relation to the Rights Issue. Unless otherwise defined, all capitalised terms used herein shall have the respective meanings ascribed to them in the Prospectus.

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SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue:

Name of Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate % (Note 1)</i>	<i>Number of Shares</i>	<i>Approximate % (Note 1)</i>
Committed Shareholders				
Pearl Garden (Note 2)	428,488,000	15.33	642,732,000	15.33
Madian Star (Note 3)	428,488,000	15.33	642,732,000	15.33
Mr. Chen (Note 4)	2,250,000	0.08	3,375,000	0.08
Mr. Choi (Note 4)	<u>8,500,000</u>	<u>0.30</u>	<u>12,750,000</u>	<u>0.30</u>
Sub-total of Committed Shareholders	<u>867,726,000</u>	<u>31.04</u>	<u>1,301,589,000</u>	<u>31.04</u>
Mr. Li (Note 4)	—	—	—	—
Mr. Lee Yuen Chiu Andy (Note 4)	—	—	—	—
Mr. Phaisalakani Vichai (Note 4)	824,000	0.03	1,236,000	0.03
Public				
Subscribers procured by the Underwriter and other public Shareholders	<u>1,927,279,470</u>	<u>68.93</u>	<u>2,890,919,205</u>	<u>68.93</u>
Total	<u><u>2,795,829,470</u></u>	<u><u>100.00</u></u>	<u><u>4,193,744,205</u></u>	<u><u>100.00</u></u>

Notes:

1. The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.
2. Pearl Garden is wholly owned by Cornice Worldwide Limited, the entire issued share capital of which is held by Fiducia Suisse SA as discretionary trustee for Mr. Li's family members.
3. Madian Star is wholly owned by Yonice Limited, the entire issued share capital of which is held by Fiducia Suisse SA as discretionary trustee for Mr. Chen's family members.
4. Mr. Chen, Mr. Choi, Mr. Li and Mr. Lee Yuen Chiu Andy are executive Directors, and Mr. Phaisalakani Vichai is an independent non-executive Director.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for all fully-paid Rights Shares in respect of valid acceptances of the Rights Shares on PALs and excess Rights Shares on EAFs will be posted to those entitled thereto by ordinary mail to their registered addresses at their own risk on Friday, 6 January 2017.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Monday, 9 January 2017.

The Board would like to thank the Shareholders for their support in this Rights Issue.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

As at the date of this announcement, there are 373,850,000 outstanding Share Options. As a result of the Rights Issue, there may be adjustments to the exercise price of the Share Options and the number of Shares to be allotted and issued in respect of the outstanding Share Options. The Company has instructed the auditors of the Company to review and certify the basis of any adjustments as soon as possible. The Company will publish further announcement(s) in respect of such adjustments as soon as practicable.

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

Hong Kong, 5 January 2017

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*