
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Victory City International Holdings Limited, you should at once hand the Prospectus Documents to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong takes no responsibility as to the contents of any of the Prospectus Documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements will affect your rights and interests.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of each of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of these documents.



VICTORY CITY INTERNATIONAL HOLDINGS LIMITED

冠華國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 539)

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

Underwriter of the Rights Issue

 KINGSTON SECURITIES

Capitalised terms used in this cover shall have the same meanings as those defined in this Prospectus.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Wednesday, 28 December 2016. The procedures for acceptance and payment or transfer of the Rights Shares and application and payment for excess Rights Shares are set out on pages 15 to 18 of this Prospectus.

The Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriter by notice in writing to the Company to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 8 to 9 of this Prospectus.

Shareholders should note that the existing Shares have been dealt in on ex-rights basis from Thursday, 1 December 2016. The Rights Shares in their nil-paid form will be dealt in from Wednesday, 14 December 2016 to Wednesday, 21 December 2016 (both days inclusive). If prior to the Latest Time for Termination, the Underwriter terminates the Underwriting Agreement or if any of the other conditions of the Rights Issue as set out in the paragraphs headed "Conditions of the Rights Issue" contained in this Prospectus is not fulfilled or waived (as applicable), the Rights Issue will not proceed.

Any dealings in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases, will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing the Shares who is in any doubt about his/her/its position is recommended to consult his/her/its own professional adviser.

* for identification purposes only

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 8 November 2016 in relation to, among other things, the proposed Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Committed Shareholders”	each of Pearl Garden, Madian Star, Mr. Chen and Mr. Choi who was beneficially interested in 428,488,000 Shares, 428,488,000 Shares, 2,250,000 Shares and 8,500,000 Shares respectively, as at the Latest Practicable Date
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong, as amended or supplemented from time to time
“Company”	Victory City International Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriter
“Excluded Shareholder(s)”	those Overseas Shareholder(s) to whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Shares on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

DEFINITIONS

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected (as defined under the Listing Rules) with the Company and connected person(s) of the Company
“Irrevocable Undertakings”	the irrevocable undertakings referred to in the sub-paragraph headed “The Irrevocable Undertakings” under the paragraph headed “The Underwriting Agreement” in the section headed “Letter from the Board” dated 8 November 2016 executed by each of the Committed Shareholders in favour of the Company and the Underwriter
“Last Trading Day”	8 November 2016, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	9 December 2016, being the latest practicable date prior to the publication of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 28 December 2016 or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Wednesday, 4 January 2017, being the fourth Business Day after the Latest Time for Acceptance, or such other time as may be agreed between the Company and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Madian Star”	Madian Star Limited, a company incorporated in the British Virgin Islands and wholly owned by Yonice Limited, the entire issued share capital of which is held by Fiducia Suisse SA as discretionary trustee for the family members of Mr. Chen, an executive Director and the chief executive officer of the Company. Madian Star is a substantial shareholder of the Company

DEFINITIONS

“Mr. Chen”	Mr. Chen Tien Tui, an executive Director and the chief executive officer of the Company
“Mr. Choi”	Mr. Choi Lin Hung, an executive Director
“Mr. Li”	Mr. Li Ming Hung, an executive Director and the Chairman of the Board
“Overseas Shareholder(s)”	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Record Date) which is(are) outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Pearl Garden”	Pearl Garden Pacific Limited, a company incorporated in the British Virgin Islands and wholly owned by Cornice Worldwide Limited, the entire issued share capital of which is held by Fiducia Suisse SA as discretionary trustee for the family members of Mr. Li, an executive Director and the Chairman of the Board. Pearl Garden is a substantial shareholder of the Company
“Posting Date”	12 December 2016 or such other date as the Underwriter may agree in writing with the Company, being the date of despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan for the purposes of this Prospectus
“Prospectus”	this Prospectus issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Excluded Shareholder(s)
“Record Date”	9 December 2016 or such other date as may be agreed between the Company and the Underwriter, being the date for determining entitlements of Shareholders to participate in the Rights Issue

DEFINITIONS

“Registrar”	Tricor Secretaries Limited, the branch share registrar of the Company, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Rights Issue”	the proposed issue of the Rights Shares by way of rights on the Record Date at the Subscription Price pursuant to the Prospectus Documents and as contemplated under the Underwriting Agreement
“Rights Share(s)”	1,397,914,735 new Shares proposed to be allotted and issued by the Company to the Qualifying Shareholders for subscription pursuant to the Rights Issue
“Settlement Date”	Friday, 6 January 2017, being the date of the despatch of share certificates, or such later time as may be agreed between the Company and the Underwriter
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the issued and unissued share capital of the Company of HK\$0.01 each
“Share Options”	the share options granted by the Company pursuant to the share option scheme adopted on 15 March 2011 which give holders thereof the rights to subscribe the Shares at the exercise price determined in accordance with the rules of the share option scheme
“Shareholder(s)”	the holder(s) of the issued Shares
“Specified Event”	an event occurring or a matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which renders any of the warranties contained in the Underwriting Agreement untrue, inaccurate or misleading
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.250 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Underwriter”	Kingston Securities Limited, a corporation licensed to conduct Type 1 (dealing in securities) regulated activity under the SFO

DEFINITIONS

“Underwriting Agreement”	the underwriting agreement entered into between the Company and the Underwriter on 8 November 2016 in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	964,051,735 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement other than those Rights Shares to be taken up under the Irrevocable Undertakings
“%”	per cent

EXPECTED TIMETABLE

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Event	2016
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Wednesday, 14 December
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Friday, 16 December
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Wednesday, 21 December
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m. on Wednesday, 28 December

2017

Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Wednesday, 4 January
Announcement of results of the Rights Issue	Thursday, 5 January
Refund cheques, if any, to be despatched (if the Rights Issue is terminated or in respect of unsuccessful or partially successful application for excess Rights Shares) on or before	Friday, 6 January
Certificates for fully paid Rights Shares to be despatched on or before	Friday, 6 January
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Monday, 9 January

All times and dates in this Prospectus refer to Hong Kong local times and dates. The dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied. Should there be any changes to the above expected timetable, the Company will notify the Shareholders by way of announcement as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will be postponed if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning

- a. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- b. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the next Business Day which does not have either of abovementioned warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance is postponed in accordance with the foregoing, the dates of the events subsequent to the Latest Time for Acceptance mentioned in this section may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination,

- (A) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
- (i) the introduction of any new regulation or any change in existing laws or regulation (or the judicial interpretation thereof) after the signing of the Underwriting Agreement;
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
 - (iii) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
 - (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurring after the signing of the Underwriting Agreement;
 - (v) after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
 - (vi) there is, after signing of the Underwriting Agreement, any change or any development involving a prospective change in market conditions (including, without limitation, change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, in/on Hong Kong, the PRC or other jurisdiction relevant to any member of the Group and a change in currency conditions for this includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs; or
 - (vii) the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company,

TERMINATION OF THE UNDERWRITING AGREEMENT

which event or events is or are in the absolute opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole;
 - (b) likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or
 - (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue; or
- (B) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (C) any Specified Event comes to the knowledge of the Underwriter,

the Underwriter shall be entitled to terminate the Underwriting Agreement by notice in writing to the Company served prior to the Latest Time for Termination.

Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

If the Underwriter or the Company terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter or the Company.



VICTORY CITY INTERNATIONAL HOLDINGS LIMITED

冠華國際控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 539)

Executive Directors:

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

Registered office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Kan Ka Hon
Phaisalakani Vichai
Kwok Sze Chi

*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

12 December 2016

*To the Qualifying Shareholders and, for information purpose only,
the Excluded Shareholders*

Dear Sir or Madam,

**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**

INTRODUCTION

Reference is made to the Announcement, in relation to, among other matters, the Rights Issue. On 8 November 2016, the Board announced that the Company proposed to raise gross proceeds of approximately HK\$349.5 million on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date by issuing 1,397,914,735 Rights Shares at the Subscription Price of HK\$0.250 per Rights Share. The Subscription Price is payable in full on application. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

* *for identification purposes only*

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with, among others, further details on the Rights Issue, certain financial information and other general information on the Group.

THE RIGHTS ISSUE

The Company proposed to raise approximately HK\$349.5 million (before expenses), which amounts to approximately HK\$344.5 million after deduction of the costs and expenses which the Company will incur in the Rights Issue, details of the Rights Issue are set out as follows:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held at the close of business on the Record Date
Subscription Price	:	HK\$0.250 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	2,795,829,470 Shares
Number of Rights Shares	:	1,397,914,735 Rights Shares
Number of issued shares of the Company upon completion of the Rights Issue	:	4,193,744,205 Shares
Amount to be raised	:	Approximately HK\$349.5 million before expenses
Right of excess applications	:	Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotment

As at the Latest Practicable Date, the Company has 373,850,000 outstanding Share Options, of which 103,850,000 outstanding Share Options are exercisable during the period from 2 April 2012 to 1 April 2017 and 270,000,000 outstanding Share Options are exercisable during the period from 12 October 2016 to 11 October 2021. Subject to the confirmation of the auditors of the Company, there may be adjustment to the exercise price of the Share Options as a result of the Rights Issue. The Company will instruct 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 and when appropriate.

Save for the aforesaid, the Company does not have any options outstanding under any share option scheme of the Company or any other derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares as at the Latest Practicable Date.

LETTER FROM THE BOARD

The nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 50.00% of the Company's issued share capital as at the Latest Practicable Date and approximately 33.33% of the Company's issued share capital as enlarged by the allotment and issue of the Rights Shares immediately after completion of the Rights Issue.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder.

Qualifying Shareholders who take up their pro rata entitlements in full under the Rights Issue will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Rights of Overseas Shareholder(s)

The Prospectus Documents have not been registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will comply with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to Overseas Shareholder(s), if any. If, based on the legal opinions to be provided by the legal advisers to the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholder(s) on account either of the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholder(s).

As at the Record Date, there were no Overseas Shareholder(s).

The Company will send this Prospectus to the Excluded Shareholder(s) (if any) for their information only, but will not send any PAL and EAF to them. Receipt of a copy of this Prospectus does not and will not constitute an offer to the Excluded Shareholder(s).

LETTER FROM THE BOARD

It is the responsibility of any person (including but without limitation to nominee, custodian, agent and trustee) receiving a copy of this Prospectus or the PAL or the EAF outside Hong Kong and wishing to take up the Rights Shares or make an application for excess Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents for observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional adviser. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholder(s), to be sold in the market in their nil-paid form during the period from Wednesday, 14 December 2016 to Wednesday, 21 December 2016 if a premium (net of expenses) can be obtained. The proceeds from such sale, less expenses, of more than HK\$100 will be paid on pro-rata basis to the relevant Excluded Shareholders. In view of administrative costs, the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of Excluded Shareholder(s) to the Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholder(s) will be made available for excess applications by Qualifying Shareholders under the EAF(s).

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.250 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (a) a discount of approximately 30.56% to the closing price of HK\$0.360 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 22.60% to the theoretical ex-rights price of approximately HK\$0.323 per Share based on the closing price of HK\$0.360 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 30.36% to the average of the closing prices of approximately HK\$0.359 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (d) a discount of approximately 30.94% to the average of the closing prices of approximately HK\$0.362 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day;
- (e) a discount of approximately 5.66% to the closing price of HK\$0.265 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (f) a discount of approximately 87.56% to the unaudited net asset value per Share of approximately HK\$2.01 as at 30 September 2016.

The Subscription Price was set at a discount to the recent closing prices of the Shares aiming at lowering the further investment cost of the Shareholders so as to encourage them to take up their entitlements to maintain their shareholdings in the Company, thereby minimising dilution impact. The terms of the Rights Issue, including the Subscription Price, were determined after arm's length negotiations between the Company and the Underwriter, taking into account the following factors: (i) the prevailing share price of the Company; (ii) the current uncertainties and low market sentiment in the Hong Kong stock market; (iii) the latest business performance and financial position of the Group; and (iv) the funding and capital needs of the Company.

In determining the terms of the Rights Issue, the Company strives to set a reasonable subscription price that reflects a balance between the inherent value and the market price of the Shares. While the Rights Issue is fully underwritten by the Underwriter, an existing Shareholder may make an informed decision in electing to accept or decline part of or all of his/her/its provisional allotment of nil-paid rights. The Underwriter would be accepting the Rights Shares on the same price as any other Qualifying Shareholder.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Rights Issue is approximately 33.33%.

The Directors consider that, despite the potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms and structure of the Rights Issue are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid rights in the market, while the Qualifying Shareholders who wish to increase their shareholding in the Company through the Rights Issue are able to acquire additional nil-paid rights in the market and/or through an EAF; (ii) the Qualifying Shareholders who choose to accept their provisional entitlements in full can maintain their respective existing shareholding interests in the Company after the Rights Issue; and (iii) the Rights Issue gives the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares

LETTER FROM THE BOARD

for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares.

The net price per Rights Share (i.e. the Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.246.

Status of Rights Shares

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid, the record date of which is after the date of allotment of the Rights Shares in their fully-paid form.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares. All fractions of Rights Shares will be rounded down to the nearest whole number of the Rights Shares. Any Rights Shares created from the aggregation of fractions of the Rights Shares will be sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained. Any unsold fraction of Rights Shares will be available for excess applications by Qualifying Shareholders under the EAF(s).

Procedures for acceptance and payment or transfer

PAL — Acceptance and payment or transfer

The PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholder(s) wish to take up the provisional allotment of Rights Shares as specified in the PAL in full, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:00 p.m. on Wednesday, 28 December 2016. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Victory City International Holdings Limited — Provisional Allotment Account**" and crossed "**Account Payee Only**". No receipts will be given for such remittances.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar not later than 4:00 p.m. on Wednesday, 28 December 2016, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be

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cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of their provisional allotment and/or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 16 December 2016 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy itself/himself/herself as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the aforesaid representations and warranties. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is an Excluded Shareholder.

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If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out under the section headed “Conditions of the Rights Issue” of this Prospectus is not fulfilled and/or waived (as applicable) at or before the time and date specified in the Underwriting Agreement, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post to their respective registered addresses at their own risk by the Registrar on or before Friday, 6 January 2017.

EAF — Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Excluded Shareholders, for any Rights Shares provisionally allotted but not accepted and for any unsold Rights Shares arising out of the aggregation of fractional entitlements.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:00 p.m. on Wednesday, 28 December 2016. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**Victory City International Holdings Limited — Excess Application Account**” and crossed “**Account Payee Only**”. No receipt will be given for such remittances.

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL or the existing number of Shares held by Qualifying Shareholders. No preference will be given to topping up odd lots to whole board lots.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on Thursday, 5 January 2017. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that a cheque for the amount tendered on application will be refunded in full without interest on or before

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Friday, 6 January 2017. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, a cheque for the amount of the surplus application monies are also expected to be refunded to them without interest on or before Friday, 6 January 2017.

All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it have been, or will be, duly complied with. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

The EAF is for use only by the Qualifying Shareholder(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraphs headed "Conditions of the Rights Issue" below is not fulfilled at or before the Latest Time for Termination (or such later time or date as the Company and the Underwriter may agree in writing), the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Friday, 6 January 2017.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before Friday, 6 January 2017 by ordinary post to the allottees, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on or before Friday, 6 January 2017 by ordinary post to the applicants, at their own risk, to their registered addresses. Applicant(s) will receive one share certificate for all the Rights Shares issued to him/her/it/them.

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The first day of dealings in the Rights Shares in their fully-paid form is expected to commence at 9:00 a.m. on Monday, 9 January 2017.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid Rights Shares shall have the same board lot size as the Shares, i.e. 2,000 Shares in one board lot.

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

No part of the securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application for listing of or permission to deal in the Shares, the Rights Shares or any other securities of the Company is being made, or is proposed to be sought, on any other stock exchange.

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THE UNDERWRITING AGREEMENT

On 8 November 2016, the Underwriter and the Company entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to fully underwrite all the Rights Shares other than those agreed to be taken up by the Committed Shareholders pursuant to the Irrevocable Undertakings.

Agreement date	:	8 November 2016
Underwriter	:	Kingston Securities Limited, a corporation licensed to conduct Type 1 (dealing in securities) regulated activity under the SFO
Number of Rights Shares underwritten by the Underwriter	:	Pursuant to the Underwriting Agreement, the number of Rights Shares underwritten by the Underwriter shall be not less than 964,051,735 Rights Shares and not more than 1,150,976,735 Rights Shares. The actual Underwritten Shares is 964,051,735 Rights Shares as determined on the Record Date
Commission	:	The Underwriter will receive 1% of the aggregate Subscription Price of the maximum number of the Underwritten Shares (i.e. 1,150,976,735 Rights Shares) as underwriting commission

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Rights Issue and the current and expected market conditions.

The Directors are of the view that the terms of the Underwriting Agreement, including the commission rate, are fair and reasonable and the transactions contemplated under the Underwriting Agreement are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

The Irrevocable Undertakings

As at the Latest Practicable Date, the Committed Shareholders are beneficially interested in an aggregate of 867,726,000 Shares, representing approximately 31.04% of the existing issued share capital of the Company. Pursuant to the Irrevocable Undertakings, the Committed Shareholders have provided irrevocable and unconditional undertakings to the Company and the Underwriter, among other things, (i) to accept their entitlements to the provisional allotment of an aggregate of 433,863,000 Rights Shares, respectively; (ii) not to sell or transfer the Shares held by them in any manner before the completion or lapse of the Rights Issue; and (iii) (other than Mr. Choi) not to apply for any Rights Shares in excess of those provisionally allotted to each of them.

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Save for the Irrevocable Undertakings given by each of the Committed Shareholders, as at the Latest Practicable Date, the Board has not received any information from any other Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination,

- (A) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
- i. the introduction of any new regulation or any change in existing laws or regulation (or the judicial interpretation thereof) after the signing of the Underwriting Agreement;
 - ii. the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
 - iii. any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
 - iv. any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurring after the signing of the Underwriting Agreement;
 - v. after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
 - vi. there is, after signing of the Underwriting Agreement, any change or any development involving a prospective change in market conditions (including, without limitation, change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, in/on Hong Kong, the PRC or other jurisdiction relevant to any member of the Group and a change in currency conditions for this includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs; or

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- vii. the Prospectus when published contains information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company,

which event or events is or are in the absolute opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole;
 - (b) likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or
 - (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue; or
- (B) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (C) any Specified Event comes to the knowledge of the Underwriter,

the Underwriter shall be entitled to terminate the Underwriting Agreement by notice in writing to the Company served prior to the Latest Time for Termination.

Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

If the Underwriter or the Company terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made by the Company if the Underwriting Agreement is terminated by the Underwriter or the Company.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;

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- (b) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Posting Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus for information only to the Excluded Shareholders, if any, by no later than the Posting Date;
- (d) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 10 trading days at any time prior to the Latest Time for Acceptance;
- (e) compliance with the requirements under the applicable laws and regulations of Hong Kong and Bermuda;
- (f) each of the Committed Shareholders complying with his/its obligations under their respective Irrevocable Undertaking;
- (g) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination; and
- (h) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement at the Latest Time for Termination.

The conditions precedent set out in paragraphs (a) to (g) above are incapable of being waived by the Underwriter and the Company. The Underwriter may waive the condition precedent set out in paragraph (h) in whole or in part by written notice to the Company.

If the conditions precedent set out in above paragraphs are not satisfied (or in respect of paragraph (h), waived in whole or in part by the Underwriter) on or before the Latest Time of Acceptance (or such later time and/or date as the Company and the Underwriter may determine in writing), and/or paragraph (h) does not remain fulfilled (unless waived by the Underwriter) up to the Latest Time for Termination, the Underwriting Agreement shall terminate (save in respect of the provisions in relation to fees and expenses, indemnity, notices and governing law and any rights or obligations which have accrued under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for costs, damages, compensation or otherwise, and the Rights Issue will not proceed. The Irrevocable Undertakings shall lapse upon the termination of the Underwriting Agreement.

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SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 2,795,829,470 Shares in issue. On the assumption that there is no change in the shareholding structure of the Company from the Latest Practicable Date to completion of the Rights Issue other than the allotment and issue of Rights Shares pursuant to the Rights Issue, the table below depicts, for illustrative purposes only, the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the Qualifying Shareholders; and (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than the Committed Shareholders who have provided Irrevocable Undertakings:

Name of Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the Qualifying Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than the Committed Shareholders who have provided Irrevocable Undertakings	
	Number of Shares	Approximate % (Note 1)	Number of Shares	Approximate % (Note 1)	Number of Shares	Approximate % (Note 1)
Committed Shareholders						
Pearl Garden (Note 2)	428,488,000	15.33	642,732,000	15.33	642,732,000	15.33
Madian Star (Note 3)	428,488,000	15.33	642,732,000	15.33	642,732,000	15.33
Mr. Chen (Note 4)	2,250,000	0.08	3,375,000	0.08	3,375,000	0.08
Mr. Choi (Note 4)	8,500,000	0.30	12,750,000	0.30	12,750,000	0.30
Sub-total of Committed Shareholders	867,726,000	31.04	1,301,589,000	31.04	1,301,589,000	31.04
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	824,000	0.02
Public						
Underwriter	—	—	—	—	964,051,735	22.99
Others	1,927,279,470	68.93	2,890,919,205	68.93	1,927,279,470	45.95
Total	2,795,829,470	100.00	4,193,744,205	100.00	4,193,744,205	100.00

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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.

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The principal activities of the Group's subsidiaries are production and sale of knitted fabric, dyed yarn and garment products.

With Vietnam entering into various free trade agreements with the European Union, South Korea and Eurasian Economic Union respectively during 2015, tariffs and other barriers to goods imported from Vietnam to these countries have been reduced. Further, negotiations for the Trans-Pacific Partnership (the "TPP"), which was a regional free trade agreement, were recently concluded in October 2015 involving 12 countries. TPP, if implemented, is likely to result in lower tariffs and fewer trade barriers to goods and services, and trade and investment in these countries, hence giving Vietnam greater market access to major TPP countries such as the United States of America and Japan. It is expected by establishing production facilities in Vietnam not only minimises the Group's operating costs, but also increases the Group's ability to attract other customers to enjoy the benefits under these free trade agreements. The Group intends to establish new production facilities for fabric manufacturing in Vietnam to cope with the growing demand and to strengthen competitiveness of the Group's one-stop vertically integrated business model. Site visits to Vietnam have been conducted in 2016 for the proposed business expansion, and it is expected that the site selection process for the new production facilities in Vietnam will commence in 2017, subject to appropriate circumstances, including the then market and economic conditions.

In addition, the Group plans to enhance the production efficiencies and production capacity for its synthetic fabric segment in order to capture the growing demand from the global market and its existing customers. In 2016, the Group expanded its synthetic fabric production and it intends to further such expansion by pursuing appropriate acquisition opportunities in Taiwan and/or the PRC through acquiring technology or production plant to supplement its existing production.

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The estimated gross proceeds and net proceeds (after the deduction of the costs and expenses which the Company will incur in the Rights Issue) of the Rights Issue amount to approximately HK\$349.5 million and approximately HK\$344.5 million, respectively. The estimated expenses of the Rights Issue are approximately HK\$5.0 million, which include underwriting commission and professional fees payable to the financial advisers, legal counsels, financial printer and other parties involved in the Rights Issue and will be borne by the Company. The Company intends to apply the abovementioned net proceeds from the Rights Issue together with the remaining proceeds of approximately HK\$128.5 million from the placing completed on 17 May 2016 and internal resources of the Group to establish new production facilities for fabric manufacturing in Vietnam and to further expand the Group's synthetic fabric production.

In respect of the establishment of new production facilities for fabric manufacturing in Vietnam, based on the preliminary research conducted by the Group, financial resources of approximately HK\$900.0 million are required and will be utilised as follows:

- approximately HK\$250.0 million for the acquisition of land and construction of production plant;
- approximately HK\$200.0 million for construction of power plant for generating electricity for the production;
- approximately HK\$200.0 million for construction of water supply and sewage treatment system; and
- approximately HK\$250.0 million for acquisition of machinery and equipment.

Subject to the then market and economic conditions, it is expected that the site selection process will be completed in mid to late 2017, the construction of power plant, water supply and sewage treatment system will be completed in late 2018. The new production facility in Vietnam is expected to commence operation in early 2019.

As mentioned above, since the net proceeds from the Rights Issue together with the remaining proceeds from the placing completed on 17 May 2016 are expected to be approximately HK\$473.0 million, the shortfall for the financial resources required to establish the new production facilities in Vietnam will be satisfied by the internal resources of the Group and/or bank borrowings.

The aforesaid proposed business expansion plans are subject to the then market, economic and political conditions and the financial conditions of the Group. If TPP is not implemented, the Company will allocate the proceeds from the Rights Issue together with the remaining proceeds from the placing completed on 17 May 2016 for acquiring synthetic fabric production plant in Taiwan and/or the PRC. The Group is considering to acquire a synthetic production plant in Taiwan and/or the PRC since the Group believes that the acquisition can enhance the Group's skills in synthetic fabric production and improve the Group's productivity. As at the Latest Practicable Date, the Group was still in the process

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of identifying a suitable target for acquisition and has not entered into any agreement with any potential target. Therefore, the Group is not in a position to estimate the amount of financial resources required for the acquisition in the meantime.

Having considered other fund raising alternatives for the Group, including issuance of debt securities and share placements and taking into account the benefit and costs of each alternative, the Board considers that the Rights Issue provides a good opportunity for the Group to strengthen its capital base and to enhance its financial position, while at the same time the Rights Issue will enable all Shareholders to participate in the future development of the Company on equal terms. Since the Rights Issue will allow the Qualifying Shareholders to maintain their respective pro rata shareholdings in the Company and therefore avoid dilution, the Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

As at the Latest Practicable Date and to the best of the Directors' knowledge, information and belief, the proceeds from the Rights Issue may not be able to satisfy the Company's expected funding needs for the next 12 months when taking into account the aforesaid proposed business expansion. The Group plans to meet such needs by bank borrowings. As at the Latest Practicable Date, the Group does not have any intention or any plan to conduct further rights issue or other fund raising activities.

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FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

Apart from the fund raising activities set out below, the Company had not conducted any other fund raising activities in the past 12 months immediately preceding the Latest Practicable Date:

Date of announcement/ circular	Event	Net proceeds (approximate)	Intended use of proceeds as announced	Actual use of proceeds
1 February 2016, 2 February 2016 and 15 February 2016	Top-up placing of existing Shares and subscription of new Shares	HK\$55.1 million	For improvement of the Group's environmental protection facilities in the production plants in Xinhui, the PRC	Approximately HK\$55.1 million had been used for upgrading the wastewater treatment system in the production plants in Xinhui, the PRC
18 March 2016, 13 April 2016, 29 April 2016 and 17 May 2016	Placing of new Shares	HK\$257.0 million	Approximately 50% of the net proceeds for the expansion of the Group's existing fabric manufacturing facilities in the PRC and the remaining approximately 50% for the planned expansion of the Group to establish new production facilities for fabric manufacturing in Vietnam	Approximately HK\$128.5 million had been used for the expansion of the Group's existing fabric manufacturing facilities in the PRC and the remaining HK\$128.5 million will be used together with the net proceeds of the Rights Issue for the establishment of new production facilities for fabric manufacturing in Vietnam (refer to the paragraph headed "Reasons for the Rights Issue and use of proceeds" in this Prospectus for details) and expansion of synthetic fabric production

The Company will provide updated information in its annual reports and interim reports regarding the actual use of proceeds from the Rights Issue (including but not limited to the status of development of the proposed business expansion as disclosed under the paragraph headed "Reasons for the Rights Issue and use of proceeds" above) as well as previous fund raising activities conducted in the then current financial year.

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ADJUSTMENT TO EXERCISE PRICE AND NUMBER OF SHARE OPTIONS

As at the Latest Practicable Date, there were 373,850,000 outstanding Share Options entitling the holders thereof to subscribe for up to 373,850,000 Shares. Pursuant to the provisions of the Share Option Scheme, if the Rights Issue becomes unconditional, the Rights Issue will constitute an event giving rise to an adjustment to the exercise price of the outstanding Share Options and/or the number of Shares issuable upon exercise of the outstanding Share Options. The Company will notify the holders of the outstanding Share Options and the Shareholders by way of announcement details of such adjustment, as soon as practicable after completion of the Rights Issue.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Termination of the Underwriting Agreement” under the paragraph headed “The Underwriting Agreement” above). Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Thursday, 1 December 2016. Dealings in the Rights Shares in the nil-paid form will take place from Wednesday, 14 December 2016 to Wednesday, 21 December 2016 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated, the Rights Issue will not proceed. Any Shareholder or other person contemplating transferring, selling or purchasing Shares and/or Rights Shares in their nil-paid form who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholder or other person dealing in Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) and any person dealing in the nil-paid Rights Shares during the period from Wednesday, 14 December 2016 to Wednesday, 21 December 2016 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board
Victory City International Holdings Limited
Li Ming Hung
Chairman

1. SUMMARY OF FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 March 2014, 2015 and 2016 are disclosed in the following documents which have been published on the respective website of the Stock Exchange (www.hkexnews.hk) and the Company (details of website addresses as set out below):

- (a) annual report of the Company for the year ended 31 March 2014 published on 25 July 2014 (pages 45–118)

http://www.cre8ir.com/sites/default/files/00539/hkexnews_import/LTN20140725255.pdf

- (b) annual report of the Company for the year ended 31 March 2015 published on 29 July 2015 (pages 44–120)

http://www.cre8ir.com/sites/default/files/00539/hkexnews_import/LTN20150729309.pdf

- (c) annual report of the Company for the year ended 31 March 2016 published on 15 July 2016 (pages 45–120)

http://www.cre8ir.com/sites/default/files/00539/hkexnews_import/LTN20160715373.pdf

2. INDEBTEDNESS STATEMENT

Bank borrowings and bank overdrafts

As at the close of business on 31 October 2016, the Group had outstanding bank borrowings and bank overdrafts of approximately HK\$4,596 million and HK\$92 million respectively. These borrowings comprised (i) secured bank borrowings of approximately HK\$183 million, (ii) unsecured bank borrowings of approximately HK\$4,413 million and (iii) unsecured bank overdrafts of approximately HK\$92 million. All the bank borrowings and bank overdrafts were guaranteed by the entities within the Group.

The aforesaid secured bank borrowings with an aggregate amount of approximately HK\$183 million were secured by the Group's property, plant and equipment, prepaid lease payments, investment property, and insurance policies (included in other assets in the consolidated statement of financial position of the Group) as at 31 October 2016.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables, at the close of business on 31 October 2016, the Group did not have any debt securities issued or outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

For the purpose of the above statement of indebtedness, foreign currency denominated amounts have been translated into HK\$ at the rates of exchange prevailing at the close of business on 31 October 2016.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the estimated net proceeds from the Rights Issue, its presently available financial resources, including funds internally generated from operation and the available banking facilities, the Group will have sufficient working capital for its operation for at least the next twelve months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

The Directors confirm that there was no material adverse change in the financial or trading position or outlook of the Group since 31 March 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Looking forward to the year ending 31 March 2017, the uncertainties surrounding the global economy are expected to linger on and consumer sentiments would become softened. The Group remains cautiously optimistic on the outlook of the textile and garment industry. In response to the difficulties and challenges ahead, the Group is fine-tuning its sales strategies and focusing on research and development of synthetic fabric. The Group will enhance its production capacity for synthetic fabric in order to capture the growing demand from the global market and its existing customers.

As disclosed in the section headed “Letter from the Board” in this Prospectus, the Company intends to apply the net proceeds from the Rights Issue together with the remaining proceeds from the placing completed on 17 May 2016 and internal resources of the Group to establish new production facilities for fabric manufacturing in Vietnam. The Company is also considering to allocate the proceeds for acquiring synthetic fabric production plant in Taiwan and/or in the PRC since the Group believes that the acquisition can enhance the Group’s skills in synthetic fabric production and improve the Group’s productivity. As at the Latest Practicable Date, the Group was still in the process of identifying a suitable target for acquisition and has not entered into any agreement with any potential target. Please refer to the paragraph headed “Reasons for the Rights Issue and use of proceeds” as stated in the section headed “Letter from the Board” in this Prospectus for details.

Looking ahead, the Group will continue to strengthen the competitiveness of its one-stop vertically integrated business model. In the backdrop of having a handful of market opportunities ahead, the Group will endeavour to achieve sustainability and stability of its business so as to secure the best interest of its Shareholders.

1. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets (the “**Unaudited Pro Forma Financial Information**”) of the Group attributable to owners of the Company has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 30 September 2016 and taking into account of certain assumptions.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 30 September 2016 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2016, as extracted from the Group’s unaudited condensed consolidated financial statements for the six months ended 30 September 2016 included in the published interim results announcement of the Group, and is adjusted for the effect of the Rights Issue described below.

			Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue HK\$'000 (Note 1)	Estimated net proceeds from the Rights Issue HK\$'000 (Note 2)	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after completion of the Rights Issue HK\$'000 (Note 3)	Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the owners of the Company immediately after the completion of the Rights Issue HK\$ (Note 4)
Rights Issue of						
1,397,914,735 Rights						
Shares to be issued at						
Subscription Price of						
HK\$0.250 per Rights						
Share	5,574,925	344,479	5,919,404		2.01	1.42

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$5,574,925,000 as at 30 September 2016 are calculated based on the unaudited consolidated net assets attributable to the owners of the Company of approximately HK\$5,581,110,000 as at 30 September 2016 after deducting goodwill of approximately HK\$6,185,000, as extracted from the published interim results announcement of the Group for the six months ended 30 September 2016.
2. The estimated net proceeds from the Rights Issue are based on 1,397,914,735 Rights Shares to be issued (as defined in this Prospectus) at the Subscription Price of HK\$0.250 per Rights Share after deduction of the estimated related expenses of approximately HK\$5,000,000.
3. The calculation of the unaudited consolidated net tangible assets per Share attributable to owners of the Company as at 30 September 2016 is determined based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company of approximately HK\$5,574,925,000 divided by the number of shares in issue of 2,772,228,686 as at 30 September 2016.
4. The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company as at 30 September 2016 immediately after the completion of the Rights Issue is arrived at on the basis that 4,170,143,421 Shares, which represent 2,772,228,686 Shares in issue as at 30 September 2016 and 1,397,914,735 of Rights Shares to be issued, pursuant to the Rights Issue, were in issue assuming that the Rights Issue had been completed on 30 September 2016.
5. No adjustments have been made to the unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2016.

**2. REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP**

The following is the text of the independent reporting accountants' assurance report dated 12 December 2016, prepared for the sole purpose of inclusion in this Prospectus, received from independent reporting accountants, Deloitte Touche Tohmatsu, in respect of the unaudited pro forma financial information of the Group.

Deloitte.**德勤****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of Victory City International Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Victory City International Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2016 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 12 December 2016 (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed rights issue of 1,397,914,735 rights shares of HK\$0.01 each at subscription price of HK\$0.250 per rights share on the basis of one rights share for every two shares of the Company (the "**Rights Issue**") on the Group's net tangible assets attributable to owners of the Company as at 30 September 2016 as if the Rights Issue had taken place on 30 September 2016. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2016, on which a review report has been issued.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
12 December 2016

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL AND SHARE OPTIONS

(a) Share capital

The authorised and issued share capital of the Company as at the Latest Practicable Date were, and immediately following completion of the Rights Issue will be, as follows:

<i>Authorised share capital:</i>		<i>HK\$</i>
		<i>'000</i>
<u>40,000,000,000</u>		<u>400,000</u>
 <i>Issued and fully paid share capital:</i>		
2,795,829,470	Shares in issue as at the Latest Practicable Date	27,958
1,397,914,735	Rights Shares to be issued pursuant to the Rights Issue	13,979
<u>4,193,744,205</u>		<u>41,937</u>

All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares to be allotted and issued will, when issued and fully paid, rank *pari passu* in all respects with the existing Shares in issue on the date of allotment of the Rights Shares in fully-paid form.

The Company has applied to the Listing Committee for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

(b) Share Options

Details of the outstanding Share Options as at the Latest Practicable Date were as follows:

Name of grantee	Number of underlying Shares subject to outstanding Share Options	Date of grant	Exercise price HK\$ per Share	Exercise period
Directors				
<i>Executive Directors</i>				
Mr. Li	1,200,000	2 April 2012	0.782	2 April 2012 to 1 April 2017
Mr. Chen	1,200,000	2 April 2012	0.782	2 April 2012 to 1 April 2017
Mr. Choi	12,000,000	2 April 2012	0.782	2 April 2012 to 1 April 2017
	15,000,000	12 October 2016	0.391	12 October 2016 to 11 October 2021
Mr. Lee Yuen Chiu Andy	5,000,000	2 April 2012	0.782	2 April 2012 to 1 April 2017
<i>Independent non-executive Directors</i>				
Mr. Kan Ka Hon	—	—	—	—
Mr. Phaisalakani Vichai	—	—	—	—
Mr. Kwok Sze Chi	—	—	—	—
Others				
	84,450,000	2 April 2012	0.782	2 April 2012 to 1 April 2017
	255,000,000	12 October 2016	0.391	12 October 2016 to 11 October 2021
	<u>373,850,000</u>			

Save as disclosed in this paragraph 2(b), the Company did not have any other options, warrants or other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

As at the Latest Practicable Date, no share or loan capital of the Company or any members of the Group had been put under option or agreed conditionally or unconditionally to be put under option and no warrant or conversion right affecting the Shares has been issued or granted or agreed conditionally, or unconditionally to be issued or granted.

As at the Latest Practicable Date, there is no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests in the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director or chief executive of the Company was taken or is deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	The Company/name of associated corporation	Capacity	Interest in shares (Note 1)	Interest in underlying shares of share options (Note 1)	Approximate % of the relevant class of issued share capital of the Company/ associated corporation
Mr. Li	The Company	Founder of a trust	642,732,000 Shares (L) (Note 2)	—	22.99%
	The Company	Beneficial owner	—	1,200,000 Shares (L) (Note 6)	0.04%
	Victory City Company Limited (Note 23)	Beneficial owner	4,000,000 non-voting deferred shares of HK\$1.00 each (L)	—	50%
	Victory City Overseas Limited (Note 23)	Beneficial owner	1,300 redeemable non-voting preference shares of US\$1.00 each (L)	—	39.4%

Name of Director	The Company/name of associated corporation	Capacity	Interest in shares (Note 1)	Interest in underlying shares of share options (Note 1)	Approximate % of the relevant class of issued share capital of the Company/ associated corporation
Mr. Chen	The Company	Founder of a trust	642,732,000 Shares (L) (Note 3)	—	22.99%
	The Company	Beneficial owner	3,375,000 Shares (L) (Note 4)	—	0.12%
	The Company	Beneficial owner	—	1,200,000 Shares (L) (Note 6)	0.04%
	Victory City Company Limited (Note 23)	Beneficial owner	4,000,000 non-voting deferred shares of HK\$1.00 each (L)	—	50%
	Victory City Overseas Limited (Note 23)	Beneficial owner	1,300 redeemable non-voting preference shares of US\$1.00 each (L)	—	39.4%
Mr. Choi	The Company	Beneficial owner	12,750,000 Shares (L) (Note 5)	—	0.46%
	The Company	Beneficial owner	—	27,000,000 Shares (L) (Notes 6 and 7)	0.97%
	Victory City Overseas Limited (Note 23)	Beneficial owner	700 redeemable non-voting preference shares of US\$1.00 each (L)	—	21.2%
	Sure Strategy Limited (Note 23)	Interest of controlled corporation	49 ordinary shares of US\$1.00 each (L) (Note 8)	—	49%

Name of Director	The Company/name of associated corporation	Capacity	Interest in shares (Note 1)	Interest in underlying shares of share options (Note 1)	Approximate % of the relevant class of issued share capital of the Company/ associated corporation
	Ford Glory Holdings Limited (Note 23)	Interest of controlled corporation	100 ordinary shares of US\$1.00 each (L) (Note 9)	—	100%
	Brilliant Fashion Inc. (Note 23)	Interest of controlled corporation	100 common shares of no par value (L) (Note 13)	—	100%
	Ford Glory International Limited (Note 23)	Interest of controlled corporation	5,000,000 ordinary shares of HK\$1.00 each (L) (Note 14)	—	100%
	Mayer Apparel Limited (Note 23)	Interest of controlled corporation	51 ordinary shares of HK\$1.00 each (L) (Note 12)	—	51%
	PT. Victory Apparel Semarang (Note 23)	Interest of controlled corporation	300,000 ordinary shares of US\$1.00 each (L) (Note 11)	—	100%
	Surefaith Limited (Note 23)	Interest of controlled corporation	10 ordinary shares of US\$1.00 each (L) (Note 14)	—	100%
	Value Plus (Macao Commercial Offshore) Limited (Note 23)	Interest of controlled corporation	Quota capital of MOP100,000 (L) (Note 15)	—	100%
	福之源貿易(上海)有限公司 (Note 23)	Interest of controlled corporation	Registered capital of RMB1,000,000 (L) (Note 10)	—	100%
	Gojifashion Inc. (Note 24)	Interest of controlled corporation	100 common shares of no par value (L) (Note 13)	—	50%
	Happy Noble Holdings Limited (Note 23)	Interest of controlled corporation	70 ordinary shares of US\$1.00 each (L) (Note 22)	—	70%

Name of Director	The Company/name of associated corporation	Capacity	Interest in shares (Note 1)	Interest in underlying shares of share options (Note 1)	Approximate % of the relevant class of issued share capital of the Company/ associated corporation
	Sky Winner Investment Limited (Note 23)	Interest of controlled corporation	100 ordinary shares of HK\$1.00 each (L) (Note 16)	—	100%
	福源創業信息諮詢服務(深圳)有限公司 (Note 23)	Interest of controlled corporation	Registered capital of HK\$3,000,000 (L) (Note 10)	—	100%
	Rocwide Limited (Note 23)	Interest of controlled corporation	10 ordinary shares of US\$1.00 each (L) (Note 14)	—	100%
	Jiangmen V-Apparel Manufacturing Ltd. (Note 23)	Interest of controlled corporation	Registered capital of HK\$31,260,000 (L) (Note 17)	—	100%
	One Sino Limited (Note 23)	Interest of controlled corporation	100 ordinary shares of US\$1.00 each (L) (Note 14)	—	100%
	Ford Glory (Cambodia) Manufacturing Limited (Note 23)	Interest of controlled corporation	Registered capital of US\$1,000,000 (L) (Note 18)	—	100%
	藝田貿易(上海)有限公司 (Note 23)	Interest of controlled corporation	Registered capital of HK\$5,000,000 (L) (Note 19)	—	100%
	Talent Partner Holdings Limited (Note 23)	Interest of controlled corporation	51 ordinary shares of US\$1.00 each (L) (Note 20)	—	51%
	Green Expert Global Limited (Note 23)	Interest of controlled corporation	1 ordinary share of US\$1.00 each (L) (Note 21)	—	100%
	Major Time Limited (Note 23)	Interest of controlled corporation	1 ordinary share of HK\$1.00 each (L) (Note 21)	—	100%
	Just Perfect Holdings Limited (Note 23)	Interest of controlled corporation	10 ordinary shares of US\$1.00 each (L) (Note 14)	—	100%

Name of Director	The Company/name of associated corporation	Capacity	Interest in shares (Note 1)	Interest in underlying shares of share options (Note 1)	Approximate % of the relevant class of issued share capital of the Company/ associated corporation
Mr. Lee Yuen Chiu Andy	The Company	Beneficial owner	—	5,000,000 Shares (L) (Note 6)	0.18%
Mr. Phaisalakani Vichai	The Company	Beneficial owner	824,000 Shares (L)	—	0.03%

Notes:

- The letter “L” represents the Director’s interests in the shares and underlying shares of the Company or its associated corporations.
- These Shares were held by Pearl Garden. 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. These Shares include (i) 428,488,000 Shares held by Pearl Garden; and (ii) 214,244,000 Rights Shares which Pearl Garden has irrevocably undertaken to subscribe pursuant to the Irrevocable Undertaking.
- These Shares were held by Madian Star. 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. These Shares include (i) 428,488,000 Shares held by Madian Star; and (ii) 214,244,000 Rights Shares which Madian Star has irrevocably undertaken to subscribe pursuant to the Irrevocable Undertaking.
- These Shares include (i) 2,250,000 Shares held by Mr. Chen; and (ii) 1,125,000 Rights Shares which Mr. Chen has irrevocably undertaken to subscribe pursuant to the Irrevocable Undertaking.
- These Shares include (i) 8,500,000 Shares held by Mr. Choi; and (ii) 4,250,000 Rights Shares which Mr. Choi has irrevocably undertaken to subscribe pursuant to the Irrevocable Undertaking.
- On 2 April 2012, each of Mr. Li, Mr. Chen, Mr. Choi and Mr. Lee Yuen Chiu Andy was granted 1,200,000, 1,200,000, 12,000,000 and 5,000,000 options respectively under the Share Option Scheme to subscribe for 1,200,000 Shares, 1,200,000 Shares, 12,000,000 Shares and 5,000,000 Shares respectively, exercisable at a price of HK\$0.782 per Share during a period from 2 April 2012 to 1 April 2017.
- On 12 October 2016, Mr. Choi was granted 15,000,000 options under the Share Option Scheme to subscribe for 15,000,000 Shares, exercisable at a price of HK\$0.391 per Share during a period from 12 October 2016 to 11 October 2021.
- These shares were held by Merlotte Enterprise Limited. Sure Strategy Limited was owned as to 49% by Merlotte Enterprise Limited, a company wholly owned by Mr. Choi, and as to 51% owned by Victory City Investments Limited, a wholly-owned subsidiary of the Company.
- These ordinary shares were held by Sure Strategy Limited.

10. This registered capital was beneficially owned by Ford Glory International Limited which is a wholly-owned subsidiary of Ford Glory Holdings Limited.
11. These shares was beneficially owned by Surefaith Limited which is a wholly-owned subsidiary of Ford Glory Holdings Limited.
12. Mayer Apparel Limited is 51% owned by Ford Glory Holdings Limited.
13. These common shares were beneficially owned by Ford Glory Holdings Limited.
14. These shares were beneficially owned by Ford Glory Holdings Limited.
15. This quota capital was beneficially owned by Ford Glory Holdings Limited.
16. These shares were held by Happy Noble Holdings Limited.
17. The registered capital was beneficially owned as to 40% by Ford Glory Holdings Limited and as to 60% by Rocwide Limited.
18. This registered capital was held by One Sino Limited.
19. This registered capital was beneficially owned by Sky Winner Investment Limited.
20. Talent Partner Holdings Limited is 51% owned by Ford Glory Holdings Limited.
21. This common stock or ordinary share, as the case may be, was beneficially owned by Talent Partner Holdings Limited.
22. Happy Noble Holdings Limited is 70% owned by Ford Glory Holdings Limited.
23. These companies are subsidiaries of the Company.
24. Although Gojifashion Inc. is not a subsidiary of the Company, it is an associated corporation (within the meaning of Part XV of the SFO) of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had an interest or short position in any Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which was required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of the SFO, entered in the register referred to therein; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules.

(b) Substantial shareholders and other persons' interests and short positions in Shares and underlying Shares

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or can be ascertained after reasonable enquiry by the Directors, the following persons (other than Directors and chief executive of the Company) had an interest or short position in the Shares and/or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of person/entity	Number of Shares (Note 1)	Capacity	Approximate % of interest
Pearl Garden	642,732,000 (L)	Beneficial owner (Note 2)	22.99%
Cornice Worldwide Limited	642,732,000 (L)	Interest of controlled corporation (Note 2)	22.99%
Madian Star	642,732,000 (L)	Beneficial owner (Note 3)	22.99%
Yonice Limited	642,732,000 (L)	Interest of controlled corporation (Note 3)	22.99%
Fiducia Suisse SA	1,285,464,000 (L)	Trustee (Notes 2 and 3)	45.98%
Mr. David Henry Christopher Hill	1,285,464,000 (L)	Interest of controlled corporation (Note 6)	45.98%
Ms. Rebecca Ann Hill	1,285,464,000 (L)	Interest of spouse (Note 7)	45.98%
Ms. Ho Yuen Mui Shirley	643,932,000 (L)	Interest of spouse (Note 4)	23.03%
Ms. Or Kwai Ying	647,307,000 (L)	Interest of spouse (Note 5)	23.15%
Templeton Asset Management Limited	222,765,792 (L)	Investment manager	7.97%

Name of person/entity	Number of Shares (Note 1)	Capacity	Approximate % of interest
Underwriter	1,150,976,735 (L)	Other (Notes 8 and 9)	24.20%
Galaxy Sky Investments Limited	1,150,976,735 (L)	Interest of controlled corporation (Notes 8 and 9)	24.20%
Kingston Capital Asia Limited	1,150,976,735 (L)	Interest of controlled corporation (Notes 8 and 9)	24.20%
Kingston Financial Group Limited	1,150,976,735 (L)	Interest of controlled corporation (Notes 8 and 9)	24.20%
Active Dynamic Limited	1,150,976,735 (L)	Interest of controlled corporation (Notes 8 and 9)	24.20%
Mrs. Chu Yuet Wah	1,150,976,735 (L)	Interest of controlled corporation (Notes 8 and 9)	24.20%

Notes:

- The letter “L” represents the person’s or entity’s interests in the Shares and underlying Shares.
- These Shares were held by Pearl Garden. 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. Mr. Chen is a director of Pearl Garden and Cornice Worldwide Limited. These Shares include (i) 428,488,000 Shares held by Pearl Garden and (ii) 214,244,000 Rights Shares which Pearl Garden has irrevocably undertaken to subscribe pursuant to the Irrevocable Undertaking.
- These Shares were held by Madian Star. 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. Mr. Li is a director of Madian Star and Yonice Limited. These Shares include (i) 428,488,000 Shares held by Madian Star and (ii) 214,244,000 Rights Shares which Madian Star has irrevocably undertaken to subscribe pursuant to the Irrevocable Undertaking.
- Ms. Ho Yuen Mui Shirley is the wife of Mr. Li.
- Ms. Or Kwai Ying is the wife of Mr. Chen.
- These Shares were held by Fiducia Suisse SA as discretionary trustee for Mr. Li’s family members and Mr. Chen’s family members. Fiducia Suisse SA is wholly owned by Mr. David Henry Christopher Hill.
- Ms. Rebecca Ann Hill is the wife of Mr. David Henry Christopher Hill.

8. 1,150,976,735 Shares are the maximum number of Rights Shares underwritten by the Underwriter in respect of the Rights Issue pursuant to the Underwriting Agreement. The interests are based on the Rights Issue has completed assuming the outstanding Share Options have been exercised in full on or before the Record Date.
9. The Underwriter is wholly owned by Galaxy Sky Investments Limited, which in turn is wholly owned by Kingston Capital Asia Limited. Kingston Capital Asia Limited is wholly owned by Kingston Financial Group Limited, which is owned as to 49.19% by Active Dynamic Limited, which in turn is wholly owned by Mrs. Chu Yuet Wah.

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, there was no person (other than a Director or chief executive of the Company) who had an interest or a short position in the Shares and/or underlying Shares (including interest in options, if any) of the Company as recorded in the register required to be kept under section 336 of the SFO, or to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service agreement with any member of the Group nor were there any service agreements proposed which would not expire or be determinable by the members of the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

None of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors has any interest, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 March 2016, being the date to which the latest published audited financial statements of the Company were made up.

None of the Directors was or will be given any compensation for loss of office or otherwise in connection with the Underwriting Agreement and/or the Rights Issue.

6. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of themselves or their respective associates had any interest in a business which competes or may compete with the business of the Group or any other conflicts of interest within the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

8. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, had been entered by members of the Group after the date falling two years prior to the issue of this Prospectus and up to the Latest Practicable Date and which are or may be material:

- (a) the placing and subscription agreement dated 14 September 2015 entered into between the Company, Pearl Garden and Madian Star as vendors and the Underwriter as placing agent, in respect of (i) the placing of up to 186,460,000 placing shares held by Pearl Garden and Madian Star in aggregate at HK\$1.00 per placing share to not less than six placees who are independent of the Company and its connected persons; and (ii) the allotment and issue of subscription shares equivalent to the number of placing shares to Pearl Garden and Madian Star at HK\$1.00 per subscription share;
- (b) the placing agreement dated 23 October 2015 (the “**DBS Placing Agreement**”) entered into between the Company, Pearl Garden and Madian Star as vendors and DBS Asia Capital Limited as placing agent, in respect of the placing of up to 100,000,000 placing shares held by Pearl Garden and Madian Star in aggregate at HK\$1.00 per placing share to not less than six placees who are independent of the Company and its connected persons;
- (c) the subscription agreement dated 23 October 2015 entered into between the Company, Pearl Garden and Madian Star, in respect of the allotment and issue of subscription shares equivalent to the number of placing shares placed pursuant to the DBS Placing Agreement to Pearl Garden and Madian Star at HK\$1.00 per subscription share;
- (d) the placing and subscription agreement dated 1 February 2016 entered into between the Company, Pearl Garden and Madian Star as vendors and the Underwriter as placing agent (as supplemented by an agreement dated 2 February 2016 entered into between the parties thereto), in respect of (i) the placing of up to 86,000,000 placing shares held by Pearl Garden and Madian Star in aggregate at HK\$0.65 per placing share to not less than six placees who are independent of the Company and its connected persons; and (ii) the allotment and issue of subscription shares equivalent to the number of placing shares to Pearl Garden and Madian Star at HK\$0.65 per subscription share;

- (e) the placing agreement dated 18 March 2016 entered into between the Company and the Underwriter as placing agent, in respect of the placing of up to 500,000,000 new shares at the price in the range of HK\$0.52 to HK\$0.65 per placing share to not less than six places who are independent of the Company and its connected persons (together with a letter from the Underwriter to the Company on 29 April 2016 and a letter from the Company to the Underwriter confirming the placing price of HK\$0.52 per placing share);
- (f) the sale and purchase agreement dated 13 July 2016 entered into between Victory City Investments Limited as vendor, a direct wholly-owned subsidiary of the Company, and Mr. Lee Kian Tjiauw as purchaser, in respect of the disposal of 51% interest in RS International Holdings Limited, of which RS International Holdings Limited and its subsidiaries are principally engaged in the sale and manufacture of garment products in Jordan, at cash consideration of HK\$98,000,000; and
- (g) the Underwriting Agreement.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this Prospectus:

Name	Qualifications
Deloitte Touche Tohmatsu	Certified Public Accountants

Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of their reports or letters or its name in the form and context in which it appears.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any shareholding in the Company or any of its subsidiaries or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any of its subsidiaries.

Deloitte Touche Tohmatsu did not have any direct or indirect interests in any assets which have been, since 31 March 2016 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to the Company or any of its subsidiaries.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu was not materially interested, directly or indirectly, in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

10. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, financial advisory fees, printing, registration, translation, legal and accountancy charges payable by the Company are estimated to be approximately HK\$5.0 million.

11. CORPORATE INFORMATION OF THE COMPANY AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office	Clarendon House Church Street Hamilton HM 11 Bermuda
Head office and principal place of business in Hong Kong and office address of all Directors and the authorised representative of the Company	Unit D, 3rd Floor Winfield Industrial Building 3 Kin Kwan Street Tuen Mun, New Territories Hong Kong
Executive Directors	Li Ming Hung (<i>Chairman</i>) Unit D, 3rd Floor Winfield Industrial Building 3 Kin Kwan Street Tuen Mun, New Territories Hong Kong Chen Tien Tui (<i>Chief Executive Officer</i>) Unit D, 3rd Floor Winfield Industrial Building 3 Kin Kwan Street Tuen Mun, New Territories Hong Kong Lee Yuen Chiu Andy Unit D, 3rd Floor Winfield Industrial Building 3 Kin Kwan Street Tuen Mun, New Territories Hong Kong Choi Lin Hung Unit D, 3rd Floor Winfield Industrial Building 3 Kin Kwan Street Tuen Mun, New Territories Hong Kong

**Independent non-executive
Directors**

Kan Ka Hon
Unit D, 3rd Floor
Winfield Industrial Building
3 Kin Kwan Street
Tuen Mun, New Territories
Hong Kong

Phaisalakani Vichai
Unit D, 3rd Floor
Winfield Industrial Building
3 Kin Kwan Street
Tuen Mun, New Territories
Hong Kong

Kwok Sze Chi
Unit D, 3rd Floor
Winfield Industrial Building
3 Kin Kwan Street
Tuen Mun, New Territories
Hong Kong

Authorised representative

Li Ming Hung
Unit D, 3rd Floor
Winfield Industrial Building
3 Kin Kwan Street
Tuen Mun, New Territories
Hong Kong

Chen Tien Tui
Unit D, 3rd Floor
Winfield Industrial Building
3 Kin Kwan Street
Tuen Mun, New Territories
Hong Kong

Company secretary

Lee Chung Shing
Unit D, 3rd Floor
Winfield Industrial Building
3 Kin Kwan Street
Tuen Mun, New Territories
Hong Kong

Principal share registrar

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08
Bermuda

Branch share registrar in Hong Kong	Tricor Secretaries Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Auditors and reporting accountants	Deloitte Touche Tohmatsu <i>Certified public accountants</i> 35/F, One Pacific Place 88 Queensway Hong Kong
Principal bankers	The Hongkong and Shanghai Banking Corporation Limited HSBC Main Building 1 Queen's Road Central Hong Kong China CITIC Bank International Limited 61–65 Des Voeux Road Central Hong Kong Hang Seng Bank Limited 83 Des Voeux Road Central Hong Kong Fubon Bank (Hong Kong) Limited Fubon Bank Building 38 Des Voeux Road Central Hong Kong Rabobank International 32/F, Three Pacific Place 1 Queen's Road East Wanchai, Hong Kong Nanyang Commercial Bank, Limited 151 Des Voeux Road Central Hong Kong CTBC Bank Co., Ltd. 28/F., Two International Finance Centre 8 Finance Street Central, Hong Kong

Stock code	539
Website	www.victorycity.com.hk
Underwriter	Kingston Securities Limited Suite 2801, 28th Floor One International Finance Centre 1 Harbour View Street Central, Hong Kong
Legal advisers to the Company as to Hong Kong laws	Chiu & Partners 40/F, Jardine House 1 Connaught Place Hong Kong

12. PARTICULAR OF THE DIRECTORS AND COMPANY SECRETARY

Executive Directors

Mr. Li Ming Hung, aged 65, is the chairman of the Company and a co-founder of the Group. He has over 39 years' experience in the textile industry and is responsible for the overall strategic planning of the corporate as well as business development of the Group. Mr. Li resigned from his position as a non-executive director of Highlight China IoT International Limited (“**Highlight China**”) (formerly known as Ford Glory Group Holdings Limited and was a subsidiary of the Company) on 16 August 2014, a company listed on the Main Board of the Stock Exchange.

Mr. Chen Tien Tui, aged 68, is the chief executive officer of the Company and a co-founder of the Group. He has over 37 years' experience in the textile industry and he is responsible for the day-to-day operation in respect of production, sales and marketing of the Group. Mr. Chen resigned from his position as a non-executive director of Highlight China on 16 August 2014. He resigned from his position as an independent non-executive director of China Lilang Limited, a company listed on the Main Board of the Stock Exchange, on 19 April 2016.

Mr. Lee Yuen Chiu Andy, aged 51, is an executive Director. He has over 30 years' experience in the textile industry and is responsible for the overall management of the sales and production of the Group. Mr. Lee joined the Group in 1997.

Mr. Choi Lin Hung, aged 54, is an executive Director. He holds a Master degree in business administration and is responsible for the strategic planning and corporate development of the Group. Prior to joining the Group in 2001, Mr. Choi had over 9 years' banking experience and 6 years' management experience in garment and textile industry. Mr. Choi resigned from his positions as the chairman of the board, chief executive officer and an executive director of Highlight China on 16 August 2014.

Independent non-executive Directors

Mr. Kan Ka Hon, aged 65, graduated from The University of Hong Kong and is a qualified accountant. He is an independent non-executive director of Eminence Enterprise Limited (formerly known as Easyknit Enterprises Holdings Limited), which is a company listed on the Main Board of the Stock Exchange. Mr Kan has extensive experience in corporate finance, treasury and accounting and has over 30 years' experience at management level in listed companies. Mr. Kan joined the Group in 1996.

Mr. Phaisalakani Vichai (Andy Hung), aged 68, graduated from Minnesota State University at Mankato, the United States and is a chartered professional accountant in Canada as well as a member of Hong Kong Institute of Certified Public Accountants. He has worked for an international accounting firm for 11 years and has extensive experience in finance and corporate management with major electronics and garments corporations. Mr. Phaisalakani retired from the positions of executive director and chief financial officer of Willas-Array Electronics (Holdings) Limited, a company

listed on the Main Board of the Singapore Exchange Limited and the Main Board of the Stock Exchange in June 2013. Mr. Phaisalakani is an independent non-executive director of Eagle Ride Investment Holdings Limited, a company listed on the Main Board of the Stock Exchange. He resigned from his position as a senior consultant of Walker Group Holdings Limited on 30 September 2015, a company listed on the Main Board of the Stock Exchange. Mr. Phaisalakani joined the Group in 1996.

Mr. Kwok Sze Chi, aged 61, currently holds a registered investment adviser licence and is a director of The Institute of Securities Dealers Limited and a vice chairman of The Hong Kong Institute of Financial Analysts and Professional Commentators Limited. Having served the securities industry for over 30 years, Mr. Kwok has vast experience in securities and futures investment and operation. Since 1985, Mr. Kwok has been invited to appear on television and radio programmes to explain market trends and analyse stock market developments. He also provides professional investment analyses in newspapers and investment websites. Mr. Kwok is an executive director of Bright Smart Securities & Commodities Group Limited, a company listed on the Main Board of the Stock Exchange. Mr. Kwok joined the Group in 2006.

Company Secretary

Mr. Lee Chung Shing, aged 49, is the financial controller and company secretary of the Group. He is an associate member of the Chartered Institute of Management Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Lee joined the Group in 1998 and has over 27 years' experience in the accounting and finance sector including an international accounting firm and a company listed on the Stock Exchange.

13. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus, the PAL and the EAF, having attached thereto the written consent referred to under the paragraph headed "Expert and consent" in this appendix and each of the material contracts as referred to in the section headed "Material contracts" in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (WUMP) Ordinance.

15. MISCELLANEOUS

The English text of this Prospectus and the PAL and EAF shall prevail over the Chinese text for the purpose of interpretation.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Company at Unit D, 3rd Floor, Winfield Industrial Building, 3 Kin Kwan Street, Tuen Mun, New Territories, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. on any weekday, except public holidays during the period of 14 days from the date of this Prospectus.

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the three years ended 31 March 2016;
- (c) the material contracts (including the Underwriting Agreement) as referred to in the section headed “Material contracts” in this appendix;
- (d) the written consent referred to in the section headed “Expert and consent” in this appendix;
- (e) the accountant’s report on the unaudited pro forma financial information of the Group issued by Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this Prospectus;
- (f) the Irrevocable Undertakings;
- (g) the Underwriting Agreement; and
- (h) this Prospectus.