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VICTORY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1139)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

On 27 July 2016, the Lender entered into the New Loan Agreements with Customer A, as borrower, pursuant to which the Lender agreed to grant to Customer A the Loan Amount.

Prior to the entering into of the New Loan Agreement, the Lender had entered into eight Previous Loan Agreements with Customer A which two of them was granted to Customer A together with Customer B.

As two of the relevant applicable percentage ratios set out in Rule 14.06 of the Listing Rules with respect to the grant of the Loan Amount exceed 5% but not more than 25%, the provision of financial assistance constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

NEW LOAN AGREEMENT

Date : 27 July 2016

Lender : Victory Capital Holdings Limited, being an indirect wholly-owned subsidiary of the Company

Borrower : Customer A

Loan Amount : HK\$700,000

Interest : 30% per annum

Loan Period : 2 months expiring on 27 September 2016

Repayment : Borrower shall repay the interest on a monthly basis and repay the principal amount on the due date

Purpose : For personal use

Security : One commercial property located in Hong Kong with a valuation of approximately HK\$5,000,000 conducted by an independent property valuer on 29 March 2016. The properties have an outstanding amount of approximately HK\$2,200,000 under all monies' legal charge/mortgage

PROVISION OF THE PREVIOUS LOANS

For the period from May 2015 to July 2016, the Lender granted eight loans to Customer A and Customer B. A summary of the Previous Loan Agreements is set out as follows:

LOAN AGREEMENT A

Date : 13 May 2015

Lender : Victory Capital Holdings Limited, being an indirect wholly-owned subsidiary of the Company

Borrower : Customer A and Customer B

Loan Amount : HK\$2,000,000

Interest : 17% per annum

Loan Period : 12 months expiring on 13 May 2016

Repayment : Borrower shall repay the interest on a monthly basis and repay the principal amount on the due date

Purpose : For personal use

Security : One residential property, one commercial property and one car parking space located in Hong Kong with a valuation of approximately HK\$15,500,000 conducted by an independent property valuer on 7 May 2015.

The principal and interest under Loan Agreement A were fully settled by the loan proceeds upon drawdown of the loan under Loan Agreement E on 10 May 2016.

LOAN AGREEMENT B

Date : 23 December 2015

Lender : Victory Capital Holdings Limited, being an indirect wholly-owned subsidiary of the Company

Borrower : Customer A

Loan Amount : HK\$800,000

Interest : 19% per annum

Loan Period : 12 months expiring on 23 December 2016

Repayment : Borrower shall repay the interest on a monthly basis and repay the principal amount on the due date

Purpose : For personal use

Security : One commercial property located in Hong Kong with a valuation of approximately HK\$5,000,000 conducted by an independent property valuer on 21 December 2015.

LOAN AGREEMENT C

Date : 31 March 2016

Lender : Victory Capital Holdings Limited, being an indirect wholly-owned subsidiary of the Company

Borrower : Customer A

Loan Amount : HK\$300,000

Interest : 24% per annum

Loan Period : 3 month expiring on 30 June 2016

Repayment : Borrower shall repay the interest on a monthly basis and repay the principal amount on the due date

Purpose : For personal use

Security : One commercial property located in Hong Kong with a valuation of approximately HK\$5,000,000 conducted by an independent property valuer on 29 March 2016.

The principal and interest under Loan Agreement C were fully settled by part of the loan proceeds upon drawdown of the loan under Loan Agreement D on 22 April 2016.

LOAN AGREEMENT D

Date : 22 April 2016

Lender : Victory Capital Holdings Limited, being an indirect wholly-owned subsidiary of the Company

Borrower : Customer A

Loan Amount : HK\$700,000

Interest : 30% per annum

Loan Period : 3 months expiring on 22 July 2016

Repayment : Borrower shall repay the interest on a monthly basis and repay the principal amount on the due date

Purpose : For personal use

Security : One commercial property located in Hong Kong with a valuation of approximately HK\$5,000,000 conducted by an independent property valuer on 29 March 2016.

The principal and interest under Loan Agreement D were fully settled by the loan proceeds upon drawdown of the loan under Loan Agreement F on 16 May 2016.

LOAN AGREEMENT E

Date : 10 May 2016

Lender : Victory Capital Holdings Limited, being an indirect wholly-owned subsidiary of the Company

Borrower : Customer A and Customer B

Loan Amount : HK\$2,000,000

Interest : 17% per annum

Loan Period : 6 months expiring on 10 November 2016

Repayment : Borrower shall repay the interest on a monthly basis and repay the principal amount on the due date

Purpose : For personal use

Security : One residential property, one commercial property and one car parking space located in Hong Kong with a valuation of approximately HK\$16,300,000 conducted by an independent property valuer on 29 March 2016.

LOAN AGREEMENT F

Date : 16 May 2016

Lender : Victory Capital Holdings Limited, being an indirect wholly-owned subsidiary of the Company

Borrower : Customer A

Loan Amount : HK\$700,000

Interest : 30% per annum

Loan Period : 2 months expiring on 16 July 2016

Repayment : Borrower shall repay the interest on a monthly basis and repay the principal amount on the due date

Purpose : For personal use

Security : One commercial property located in Hong Kong with a valuation of approximately HK\$5,000,000 conducted by an independent property valuer on 29 March 2016.

The principal and interest under Loan Agreement F were fully settled by the loan proceeds upon drawdown of the loan under Loan Agreement G on 8 June 2016.

LOAN AGREEMENT G

Date : 8 June 2016

Lender : Victory Capital Holdings Limited, being an indirect wholly-owned subsidiary of the Company

Borrower : Customer A

Loan Amount : HK\$700,000

Interest : 30% per annum

Loan Period : 1 months expiring on 9 July 2016

Repayment : Borrower shall repay the interest on a monthly basis and repay the principal amount on the due date

Purpose : For personal use

Security : One commercial property located in Hong Kong with a valuation of approximately HK\$5,000,000 conducted by an independent property valuer on 29 March 2016

The principal and interest under Loan Agreement G were fully settled by the loan proceeds upon drawdown of the loan under Loan Agreement H on 4 July 2016.

LOAN AGREEMENT H

Date : 4 July 2016

Lender : Victory Capital Holdings Limited, being an indirect wholly-owned subsidiary of the Company

Borrower : Customer A

Loan Amount : HK\$700,000

Interest : 30% per annum

Loan Period : 3 months expiring on 3 October 2016

Repayment : Borrower shall repay the interest on a monthly basis and repay the principal amount on the due date

- Purpose : For personal use
- Security : One commercial property located in Hong Kong with a valuation of approximately HK\$5,000,000 conducted by an independent property valuer on 29 March 2016.

The principal and interest under Loan Agreement H were fully settled by the loan proceeds upon drawdown of the loan under New Loan Agreement on 27 July 2016.

INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOANS

The New Loan is secured by one business property provided by Customer A and the Previous Loans are secured by one residential property, one commercial property and one car parking space provided by Customer A and Customer B with an aggregate loan-to-value ratio of approximately 69.76% based on the value of the secured properties for the New Loan and the Previous Loans as determined by an independent property valuer on 29 March 2016.

The advance in respect of the New Loan was made based on (i) the Group's credit assessments on the financial strength and repayment ability of Customer A; and (ii) the secured properties provided by Customer A, which are at prime sites in Hong Kong. After taking into account the factors as disclosed above in assessing the risks of the relevant advance, the Group considers that the risks involved in the advance to Customer A are acceptable to the Group.

FUNDING OF THE NEW LOAN

The Loan Amount granted to Customer A was funded by internal resources of the Group.

INFORMATION OF THE BORROWER

Customer A is an individual. Customer A is repeat customer of the Group and his outstanding loan amount due to the Lender together with Customer B, prior to the grant of the New Loan, was HK\$3,500,000. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Customer A is Independent Third Parties and not connected with the Group.

The New Loan Amount is secured and carry an interest rate of 30% per annum which was determined with reference to the factors including, among others, (i) the usual practice of the Group comparing to the Group's other clients; and (ii) the rules under section 24 of the Money Lending Ordinance (Cap. 163 of the laws of Hong Kong).

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW LOAN AGREEMENT

The Group is principally engaged in money lending business, investment holding, and trading and distribution of motor vehicles in Hong Kong. The Directors are of the view that the entering into of the New Loan Agreement is in the Group's ordinary and usual course of business; and on normal commercial terms within the meaning of the Listing Rules. The Directors consider that the terms of the New Loan Agreement are fair and

reasonable and thus the entering into of the New Loan Agreement is in the interests of the Company and the Shareholders as a whole.

GENERAL

As two of the relevant applicable percentage ratios set out in Rule 14.06 of the Listing Rules with respect to the grant of the Loan Amount exceed 5% but not more than 25%, the provision of financial assistance constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Company”	Victory Group Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on Main Board of the Stock Exchange
“Customer A”	the borrower under New Loan Agreement, Loan Agreement A, Loan Agreement B, Loan Agreement C, Loan Agreement D and Loan Agreement E, being an individual and an Independent Third Party
“Customer B”	the borrower under Loan Agreement A and Loan Agreement E, being an individual and an Independent Third Party
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, is/are third party(ies) independent of the Company and its connected person(s)
“Lender”	Victory Capital Holdings Limited, being an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement A”	the loan agreement entered into between the Lender and Customer A and Customer B on 13 May 2015, particulars of which are stated in the section headed

“Loan Agreement A”

“Loan Agreement B”	the loan agreement entered into between the Lender and Customer A on 23 December 2015, particulars of which are stated in the section headed “Loan Agreement B”
“Loan Agreement C”	the loan agreement entered into between the Lender and Customer A on 31 March 2016, particulars of which are stated in the section headed “Loan Agreement C”
“Loan Agreement D”	the loan agreement entered into between the Lender and Customer A on 22 April 2016, particulars of which are stated in the section headed “Loan Agreement D”
“Loan Agreement E”	the loan agreement entered into between the Lender and Customer A and Customer B on 10 May 2016, particulars of which are stated in the section headed “Loan Agreement E”
“Loan Agreement F”	the loan agreement entered into between the Lender and Customer A on 16 May 2016, particulars of which are stated in the section headed “Loan Agreement F”
“Loan Agreement G”	the loan agreement entered into between the Lender and Customer A on 8 June 2016, particulars of which are stated in the section headed “Loan Agreement G”
“Loan Agreement H”	the loan agreement entered into between the Lender and Customer A on 4 July 2016, particulars of which are stated in the section headed “Loan Agreement H”
“Loan Amount”	the loan amount of HK\$700,000 granted by the Lender to Customer A pursuant to New Loan Agreement
“New Loan”	secured loan in the amount of HK\$700,000 provided by the Lender to Customer A pursuant to New Loan Agreement
“New Loan Agreement”	the agreement dated 27 July 2016 entered into between the Lender and Customer A
“Previous Loans”	secured loans in the aggregate outstanding amount of HK\$3,500,000 granted by the Lender to Customer A and Customer B under Previous Loan Agreements
“Previous Loan Agreements”	Loan Agreement A, Loan Agreement B, Loan Agreement C, Loan Agreement D, Loan Agreement E, Loan Agreement F, Loan Agreement G and Loan Agreement H

“Shareholder(s)”	the holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Victory Group Limited
Chan Chun Choi
Chairman and Managing Director

Hong Kong, 27 July 2016

As at the date of this announcement, the Board comprises Mr. Chan Chun Choi, Mr. Chan Kingsley Chiu Yin, Ms. Lo So Wa Lucy (formerly known as Lu Su Hua), and as executive directors; Mr. Ip Ka Keung, Dr. Lam King Hang and Mr. Cheung Man Fu as independent non-executive directors.