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VICTORY GROUP LIMITED

華多利集團有限公司

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION

ACQUISITION OF 48% INTEREST IN

eSOLUTIONS HOLDING LIMITED

The Board has noted the recent increases in the price and turnover in the volume of the Shares of Victory Group Limited (the "Company"). Save and except for the following transaction, the Board is not aware of any reason for such increases.

The Board wishes to announce that on 26th January 2000, Victory H-Tech Company Limited (as purchaser), a wholly owned subsidiary of the Company, entered into a conditional sale and purchase agreement (the "Agreement") with Flow Chart Int'l Limited as vendor to acquire approximately 48% of the issued share capital of eSolutions Holding Limited for a consideration of HK\$21,000,000. The consideration will be satisfied by the allotment and issue of 15,000,000 new Shares in the Company at HK\$1.40 per share (the "Consideration Shares"). The issue price per share is equal to a discount of approximately 40% over the closing price of the shares of the Company on 26th January, 2000, being the date of this Announcement.

The 15,000,000 shares to be issued to the Vendor represent about 6.5% of

the issued share capital of the Company as at the date of the Agreement, and about 6.1% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The terms of the Acquisition were arrived at after arm's length negotiations and the Directors consider the terms of the Acquisition are on normal commercial terms, are fair and reasonable and are in the best interests of the Company and its Shareholders as a whole.

The Agreement constitutes a discloseable transaction for the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). A circular containing further information on the Agreement will be sent to the shareholders of the Company as soon as practicable.

The Acquisition may or may not proceed. Shareholders of the Company and investors should exercise extreme caution when dealing in the Shares of the Company.

The Board has noted the recent increases in the price and turnover in the volume of the Shares. Save and except for the following transaction, the Board is not aware of any reason for such increases.

The Board announces that the Company, through a wholly owned subsidiary, Victory H-Tech Company Limited ("Purchaser"), has entered into a conditional sale and purchase agreement on 26th January 2000 with Flow Chart Int'l Limited ("Vendor") to acquire approximately 48% of the issued share capital of eSolutions Holding Limited ("SHL") from the Vendor. The Vendor is an investment holding company whose only assets are the remaining 52% of the issued shares it holds in SHL. SHL was incorporated in Hong Kong on 9th April, 1998 with an authorised share capital of HK\$10,000, divided into 10,000 shares of HK\$1.00 each, out of which 100 shares is issued and fully paid up. Upon completion of the Acquisition, it is intended that the Company will nominate 2 directors to the board of SHL. Currently, SHL has 2 directors, both nominated by the Vendor. There will be no change in the composition of the Board of the Company, and the Vendor is not entitled to nominate any Directors to the Board.

SHL is beneficially wholly-owned by the Vendor, which in turn is

wholly-owned by Ms Zhao Jing, an independent third party who is not connected with the Company, the Directors, chief executive or substantial shareholders of the Company, its subsidiaries or their respective associates (as defined in the Listing Rules).

The consideration for the Acquisition will be HK\$21,000,000 and is to be satisfied by the allotment and issue to the Vendor of the Consideration Shares at HK\$1.40 per Share. The price of HK\$1.40 per Share represents a discount of approximately 40% over the closing price of the Shares of HK\$2.325 on 26th January, 2000 being the date of this Announcement and also represents a 10.3% discount to the average price of the Shares of HK\$1.56 over the last 10 trading days.

The Consideration Shares represent approximately 6.5% of the existing share capital of the Company as at the date of the Agreement and approximately 6.1% of the total issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The Agreement constitutes a discloseable transaction for the Company under the Listing Rules.

Description of SHL

SHL's current business was founded in Hong Kong. In 1998, SHL commenced developing its business of providing services in internet and intranet network design, system integration and system consulting and information dissemination services (including corporate image-building and the dissemination of business and product promotional information). Since October, 1999, SHL concentrated its business on developing the Website which provides wide range of electronic information on the types and models of motor vehicles available in the market and the market of second-hand motor vehicles in Hong Kong, and also information on car accessories, car cleaning services and other car related business. The Website further provides community products such as on-line car auction. Currently, there are over 100 second-hand car dealers who regularly and consistently provide up-to-date information on the motor vehicle market in Hong Kong and their stocks on second-hand motor vehicles on a weekly basis, and it has approximately 50 pages of contents. SHL has also developed the technology for member login and registration on the Website.

The members of the Website are entitled to various benefits, including discount for purchase of motor vehicles and car accessories and car cleaning services, and also taking part in the on-line car auction.

As an Internet content provider in Hong Kong, SHL expects to derive its income from the following:- (1) e-advertising; and (2) professional services such as business consulting, architectural design, website design, customer development, system integration, project management and marketing advice.

Reasons and benefits of the acquisition

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are marketing and wholesale distribution of left-hand drive motor vehicles.

The Company has been seeking investment opportunities in the business of information dissemination in the Internet in relation to the motor vehicle market as the Directors believe that this will bring synergistic value to the business of the Company in the motor vehicle dealing industry.

The Directors believe that the Company will, through the Acquisition, benefit from the high growth of the internet industry, and the existing and future internet contents of the Website will assist the promotion of the Company and its business, and thereby increasing its sales. The Directors also believe that, in the future, SHL will strengthen the Company's income by virtue of SHL's e-advertising and e-commerce activities.

Since SHL specialises in the provision of motor vehicle information on the internet through the Website, the Directors consider that the business of SHL will complement and add to the business of the Company in the marketing and distribution of motor vehicles.

Details of the Transaction

The main terms of the Acquisition are summarized as below:

1. The Purchaser, a wholly owned subsidiary of the Company, will

acquire from the Vendor 48 fully paid ordinary shares with par value HK\$1.00 each in SHL comprising 48% of the issued share capital of SHL.

2. The consideration of HK\$21,000,000 will be satisfied in full by the issue by the Company of the Consideration Shares.

3. Mr. Wong Chun Fai, Ringo, the managing director of SHL (and an independent third party, who is not connected with the Company, the Directors, chief executive or substantial shareholders of the Company, its subsidiaries or their respective associates (as defined in the Listing Rules)), will be required to enter into a service agreement with SHL for a period of at least one year after the date of completion of the Acquisition.

Conditions precedent to Completion

Completion will take place on the third business day after all the conditions precedent have been satisfied (or, as the case may be, waived). If the conditions precedent are not satisfied by 29th February, 2000 the Agreement may be rescinded.

Completion of the Acquisition will be conditional upon, among other things, the following:

(a) the Purchaser being reasonably satisfied with the results of the due diligence investigation conducted by the Purchaser on SHL and the Website;

(b) the availability of the valuation report duly certified by a reputable valuer to the effect that the Market Value of the entire issued share capital of SHL is not less than HK\$45 million;

(c) no suspension of trading of the Shares on the Stock Exchange other than for temporary suspension not exceeding ten consecutive trading days as a result of Completion of this Agreement; and

(d) the Stock Exchange approving the listing of and permission to deal in the Consideration Shares.

General mandate

The Consideration Shares will be issued pursuant to the general mandate to allot, issue and deal with shares in the Company granted to the Directors by a resolution of its shareholders passed at the Company's annual general meeting held on 29th June, 1999. The Consideration Shares when issued will rank pari passu in all respects with the existing issued share capital of the Company. The Consideration Shares are expected to be issued at completion which will take place as mentioned in the section Conditions precedent to Completion above.

The consideration

The consideration was determined on an arm's length basis between the Company and the Vendor. It takes into account the rate of growth in revenue over the next two years for SHL as projected by its management and the prospects of its operations. The price of the Consideration Shares was determined by reference to the closing price of HK\$2.325 per share on 26th January, 2000 and also reflects the benefits expected to result from the combination of SHL's business with that of the Company, as SHL's business will provide synergy to the Company's existing motor vehicles trading business.

The audited net loss (before and after taxation and any extraordinary items) of SHL for the period from 9th April 1998 (date of incorporation) to 31st July, 1999 is HK\$18,488.37. The assets of SHL comprise (i) computer and computer related equipment and (ii) furniture and fixture. The market value of the 100% interest in SHL as at 31st December 1999 (based on the preliminary estimation of an independent business valuer) is HK\$46,700,000 and accordingly the market value of 48% interest in SHL as at 31st December 1999 is HK\$22,416,000.

General

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are marketing and wholesale distribution of left-hand drive motor vehicles.

The transaction contemplated under the Agreement constitutes a

discloseable transaction under the Listing Rules. A circular containing further information on the Agreement will be sent to the shareholders of the Company as soon as practicable.

Save the aforesaid, the Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

The Acquisition may or may not proceed. Shareholders of the Company and investors should exercise extreme caution when dealing in the Shares of the Company.

This announcement is made by the order of the Board of Directors of the Company who individually and jointly accept responsibility for the accuracy of this announcement.

Definitions

In this announcement, the expressions below have the following meanings assigned:

"Acquisition" the transaction contemplated under the Agreement

"Agreement" the Agreement for the Sale and Purchase of 48% of the issued share capital of SHL entered into between the Purchaser and the Vendor on 26th January 2000

"Board" the board of Directors of the Company

"Company" Victory Group Limited

"Consideration Shares" the new Shares to be issued to the Vendor as consideration of the purchase of the 48% of the existing issued share capital of SHL.

"Directors" the directors, including the independent non-executive

directors of the Company

"Listing Rules" the Rules Governing the Listing of Securities on
The Stock Exchange of Hong Kong Limited

"Share" shares of HK\$0.10 each in the share capital of the Company

"Stock Exchange" The Stock Exchange of Hong Kong Limited

"Website" means the web site at www.ebuycar.com, owned and operated
by SHL

By Order of the Board
Chan Chun Choi
Director

Hong Kong, 26 January, 2000