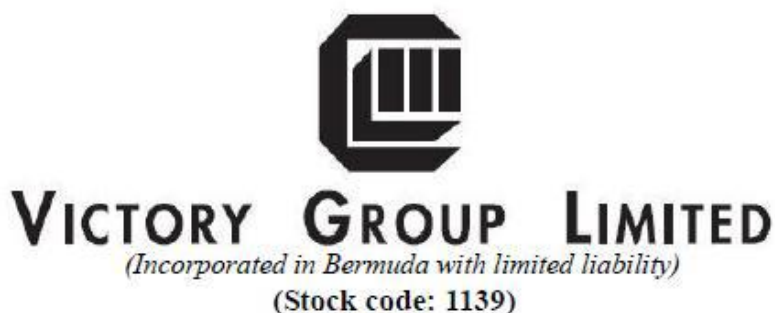


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CHANGE IN ALLOCATION OF USE OF PROCEEDS

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Listing Rules.

The Board would like to announce that the Company now proposes to broaden the use of net proceeds from the Open Offer as previously disclosed in the circular of the Company dated 16 April 2012.

This announcement is made pursuant to Part XIVA of the Securities and Futures Ordinance and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the circular dated 16 April 2012 (the “Circular”) of Victory Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) in relation to the Open Offer. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

USE OF PROCEEDS

It was disclosed in the Circular that:

- (a) approximately HK\$13.6 million will be used to settle part of the liabilities owed to creditors who are not shareholders of the Company and its subsidiaries;
- (b) approximately HK\$60.0 million will be used to fully settle the consideration of the Acquisition;
- (c) approximately HK\$23.7 million will be used for acquiring company(ies) with similar principal business as that of the Group (i.e. motor vehicles or LED lights related business);
- (d) approximately HK\$2.0 million for the costs and expenses of the implementation of the Third Resumption Proposal; and
- (e) the remaining balance of approximately HK\$9.4 million as general working capital for the Enlarged Group.

BROADENING THE USE OF PROCEEDS

In order to increase the Company's flexibility in its financial and treasury management and cope with the continuing development of the Group's businesses, the Board would like to broaden the use of proceeds from the Open Offer that the approximately HK\$23.7 million from the Open Offer as mentioned in the paragraph (c) under the section headed "Use of Proceeds" of this announcement to be used for the money lending business purposes. Save for such adjustment of the use of proceeds from the Open Offer, there is no other change of use of proceeds from the Open Offer as disclosed in the Circular.

The Board considers that the above adjustment of the net proceeds from the Open Offer could increase the Company's flexibility in its financial and treasury management and cope with the continuing development of the Group's businesses and is in the best interests of the Company and its Shareholders as a whole.

REASONS OF CHANGE IN ALLOCATION OF USE OF PROCEEDS

It was disclosed in the Circular that "Neither the Company nor the Directors has any present agreement, arrangement, negotiation, plan and/or intention to carry out business other than the sale of left-hand-drive cars in Hong Kong and the LED screen business within 24 months after the resumption of trading in the Shares on the Stock Exchange."

During the years, the principal activities of the Group were investment holding and trading of motor vehicles. The core business of the Company during the year was car sales business and principally engaged in the trading and distribution of second hand left-hand-drive motor vehicles. The primary market of the core business is mainland China. The slow recovery of the global economic environment and the moderated market conditions in the mainland China, decrease in demand of second-hand car, increase in competitors and limited license order in mainland China may continue to affect the left-hand-drive motor vehicles business of the Company in the coming year.

The Directors use its best endeavors to look for new business and investment opportunities with an aim to broaden the Group's revenue stream. The Group had incorporated new subsidiaries with independent third parties for trading of right-hand-drive motor vehicles in Hong Kong to expand its business. In addition, the Group has obtained the money lenders licence during the year and commencing the money lending business in late March 2014.

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

Hong Kong, 21 March 2014

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.