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VICTORY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1139)

QUARTERLY UPDATE ON STATUS OF RESUMPTION

Reference is made to the announcements (the “**Announcements**”) of the Victory Group Limited (the “**Company**” together with its subsidiaries as the “**Group**”) dated 23 January 2018, 24 January 2018, 15 June 2018, 25 July 2018 and 10 August 2018. Terms defined in the Announcements, shall have the same meaning herein unless otherwise defined or the context otherwise required. This announcement is made by the Company pursuant to Rule 13.24A of the Listing Rules and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

Business Operations

The core business of the Company is trading of motor vehicles and the primary market is mainland China. The Measures for Administration of Automobile Sales was implemented last year which deregulated the market. The Directors has been actively seeking for new business opportunities for the sale of new motor vehicles in mainland China. As for the Group’s money lending business, the revenue generated from the money lending business remains stable.

Recent Development

The Board announces that on 2 November 2018 (after trading hours), the Company entered into a non-binding memorandum of understanding (the “**MOU**”) with an independent third party as vendor (the “**Vendor**”) in relation to the potential acquisition (the “**Potential Acquisition**”) of 55% shareholding of a target group (the “**Target Group**”) for the consideration of HK\$320,000,000 in cash. Pursuant to the MOU, the parties shall use their best endeavours to enter into a binding agreement within 6 months from the date of the MOU.

The Target Group is principally engaged in the design, manufacturing and sales of plastic molded parts primarily used in automobiles and other electronic products in the PRC. As at the date of this announcement, the Target Group is owned as to 90% by the Vendor and the remaining 10% is owned by the daughter of the Vendor. Should the Potential Acquisition proceeds to completion the companies within the Target Group will become indirect partially owned subsidiaries of the Company and the financial statements of the Target Group will be consolidated into the financial statements of the Group.

As some of the applicable percentage ratios (as defined under the Listing Rules) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) in respect of the Potential Acquisition exceeds 100%, the Potential Acquisition, if materialised, will constitute a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and is subject to, among others, the approval of the shareholders of the Company.

An announcement will be made by the Company if a binding agreement has been entered into between the Company and the Vendor in accordance with Chapter 14 of the Listing Rules.

Continued Suspension of Trading

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended from 9:00 a.m. on 23 January 2018 and will remain suspended until further notice.

The Board wishes to emphasize that, as at the date of this announcement, the Company has not entered into any legally binding agreement in respect of the Potential Acquisition, shareholders and potential investors of the Company should note that the matters contemplated under the MOU may or may not materialise. Accordingly, shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Hong Kong, 2 November 2018

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.