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## **Victory Securities (Holdings) Company Limited**

### **勝利證券(控股)有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8540)**

## **CONTINUING CONNECTED TRANSACTIONS**

Victory Securities (HK), an indirect wholly-owned subsidiary of the Company, has been providing the Financing (comprising the Non-IPO Financing and the IPO Financing), as well as brokerage services, to Ms. Kou's Group, Mr. Chan's Group and Mr. Ko's Group under the Existing Brokerage and Financing Services Agreements, and providing asset management services (AM Services) to Victory Global Trustee pursuant to the Existing Asset Management Agreement. The Existing Agreements will expire on 31 December 2023.

The Board announces that on 10 October 2023, Victory Securities (HK) entered into the Financing Service Agreements, under which, subject to the terms and conditions therein, Victory Securities (HK) will continue to provide the Financing for a term from 1 January 2024 to 31 December 2026. On 10 October 2023, Victory Securities (HK) also entered into the Asset Management Agreement, under which, subject to the terms and conditions therein, Victory Securities (HK) will continue to provide the AM Services for a term from 1 January 2024 to 31 December 2026.

### **IMPLICATIONS UNDER THE GEM LISTING RULES**

DTTKF is the registered owner of 80,193,750 Shares, representing 40.09% of the issued share capital of the Company. DTTKF is owned by Ms. Kou, Mr. Chan, Mr. Chan Ying Kit, Mr. Ko and Mr. Ko Yuen Fai in the proportion of approximately 78.89%, 6.86%, 9.34%, 3.66% and 1.25%, respectively. In addition, Ms. Kou holds 28,476,000 Shares, representing approximately 14.23% of the issued share capital of the Company. As such, Ms. Kou (an executive Director), Mr. Chan (an executive Director) and Mr. Ko are Controlling Shareholders and therefore are connected persons of the Company.

Victory Global Trustee is owned as to 20%, 20%, 20%, 20% and 20% by Victory Financial Group, Mr. Ko, Mr. Chiu, Mr. Chan and Mr. Yeung Tak Kuen, Andy, respectively. Victory Financial Group, in turn, is owned as to 70.53% by Ms. Kou. Mr. Chan is the son of Ms. Kou and Mr. Ko is a nephew of Ms. Kou. Given the aforesaid relationships, Victory Global Trustee is considered to be a connected person of the Company.

As one or more of the applicable percentage ratios (other than the profits ratio) under the GEM Listing Rules regarding the maximum annual aggregated amount of the Proposed Annual Caps are more than 25%, the continuing connected transactions contemplated under the Financing Service Agreements with Ms. Kou and Mr. Chan are subject to the annual review, reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As one of more of the applicable percentage ratios (other than the profits ratio) under the GEM Listing Rules regarding each of (i) the maximum annual aggregated amount of the Financing Annual Caps and the Interest Annual Caps of Mr. Ko's Group; and (ii) the maximum amount of the AM Annual Caps are more than 5% but less than 25% and less than HK\$10,000,000, the continuing connected transactions contemplated under the Financing Service Agreement with Mr. Ko and the Asset Management Agreement are subject to annual review, reporting and announcement but are exempt from the Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

On 10 October 2023, Victory Securities (HK) also entered into respective brokerage agreements with Ms. Kou, Mr. Chan, Mr. Ko and Mr. Chiu in relation to provision of brokerage services by Victory Securities (HK) to them and entered into a financing service agreement with Mr. Chiu in relation to provision of non-IPO and IPO financing to Mr. Chiu. Based on the estimated annual amounts of the transactions under the aforesaid agreements, such transactions constitute de minimis continuing connected transaction fully exempt from the requirements of Chapter 20 of the GEM Listing Rules.

## **EGM**

The EGM will be convened at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Financing Service Agreements with Ms. Kou and Mr. Chan and the transactions contemplated thereunder (including the Proposed Annual Caps). Ms. Kou, Mr. Chan, DTTKF and their respective associates are required to abstain from voting on such resolution to be proposed at the EGM.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors (namely, Mr. Ying Wing Ho Peter, Mr. Liu Chun Ning Wilfred and Dr. Yan Ka Shing) has been established by the Company to advise the Independent Shareholders on whether the terms of the Financing Service Agreements with Ms. Kou and Mr. Chan and the Proposed Annual Caps are fair and reasonable and the transactions contemplated under the Financing Service Agreements with Ms. Kou and Mr. Chan are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

A circular containing, among others, (i) the terms of the Financing Service Agreements with Ms. Kou and Mr. Chan and the transactions contemplated thereunder (including the Proposed Annual Caps), (ii) the letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Financing Service Agreements with Ms. Kou and Mr. Chan, (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Financing Service Agreements with Ms. Kou and Mr. Chan; and (iv) a notice of the EGM will be despatched to the Shareholders on or before 1 November 2023.

## **BACKGROUND**

This announcement is made pursuant to Rule 20.52 of the GEM Listing Rules.

Reference is made to the announcements of the Company dated 5 and 30 November 2020, the circular of the Company dated 4 December 2020 and the section headed “Continuing Connected Transactions” in the annual report of the Company for the year ended 31 December 2022, pages 73-80. Pursuant to the Existing Brokerage and Financing Service Agreements, Victory Securities (HK) has been providing the Financing, as well as brokerage services, to Ms. Kou’s Group, Mr. Chan’s Group and Mr. Ko’s Group. Pursuant to the Existing Asset Management Agreement, Victory Securities (HK) has been providing the AM Services to Victory Global Trustee. The Existing Agreements will expire on 31 December 2023.

On 10 October 2023, Victory Securities (HK) entered into the Financing Service Agreements, under which, subject to the terms and conditions therein, Victory Securities (HK) will continue to provide the Financing for a term from 1 January 2024 to 31 December 2026. On 10 October 2023, Victory Securities (HK) also entered into the Asset Management Agreement, under which, subject to the terms and conditions therein, Victory Securities (HK) will continue to provide the AM Services for a term from 1 January 2024 to 31 December 2026.

Ms. Kou, Mr. Chan, Mr. Ko and Victory Global Trustee are connected persons of the Company. The entering into of the Financing Service Agreements and the Asset Management Agreement constitutes continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

## THE CONTINUING CONNECTED TRANSACTIONS

The major terms of the Financing Service Agreements and the Asset Management Agreement are set out below:

### A. Financing Service Agreements

- Date** : 10 October 2023 (after trading hours)
- Parties** : Victory Securities (HK) entered into the respective Financing Service Agreements with each of the following parties:
- (i) Ms. Kou;
  - (ii) Mr. Chan; and
  - (iii) Mr. Ko
- Ms. Kou and Mr. Chan are Directors and Controlling Shareholders. Mr. Ko is also a Controlling Shareholder.
- Subject** : Victory Securities (HK) will provide the Financing (comprising the Non-IPO Financing and the IPO Financing) to Ms. Kou's Group, Mr. Chan's Group and Mr. Ko's Group.
- Term** : From 1 January 2024 to 31 December 2026
- Pricing** : The interest rates charged on the Financing is determined with reference to (i) the prime rate plus 3% per annum or above in respect of the Non-IPO Financing, and (ii) 1.0% to 2.0% mark up on top of the interest rate quoted from borrowing banks of the Group for the IPO Financing, or at rates comparable to rates offered to Independent Third Parties of similar credit standing, trading records and quality of collaterals, and in accordance with the pricing policy and the stock margin ratio list of Victory Securities (HK) and terms and conditions of the standard client agreement of Victory Securities (HK).

As determined by Victory Securities (HK) from time to time, the stock margin ratios range from 10% to 75% of the market price of securities pledged. The Company will make amendments to the stock margin ratios from time to time mainly based on the lending ratios provided by the operating banks and such changes will be applicable to all clients including Independent Third Parties and connected persons.

Margin call will be raised if margin value of shares pledged is insufficient to cover the outstanding balance (including any outstanding interests) of subject account. It is required to top up the margin position and/or settle the shortfall as soon as possible but in any event within the prescribed time limit upon receipt of the margin call either verbally or in writing.

If no action is taken after lapse of the prescribed time, forced sale will be exercised without further notice until and unless subject account is regularized. Repayment of the deficit is required, if any, after forced sale of all securities.

The above key terms and procedures are applicable to all clients including Independent Third Parties and connected persons of the Company.

**Conditions precedent** : The respective obligations under the Financing Service Agreements with Ms. Kou and Mr. Chan are conditional upon (i) the fulfillment of relevant GEM Listing Rules requirements for the transactions under the respective agreements and the corresponding annual caps; and (ii) the approval on the transactions under the respective agreements and the corresponding annual caps by the Independent Shareholders in accordance with the requirements of the GEM Listing Rules.

The obligations under the Financing Service Agreements with Mr. Ko are conditional upon the fulfillment of relevant GEM Listing Rules requirements for the transactions under the agreement and the corresponding annual caps.

In case where the conditions precedent of any of the Financing Service Agreements cannot be fulfilled on or before 31 December 2023 (or such other date as agreed by the parties thereto in writing), the relevant Financing Service Agreement shall be terminated and none of the parties shall be entitled to any rights or benefits or be under any obligations against the other thereunder.

***Historical maximum daily outstanding amounts of the Financing and Financing Annual Caps***

The historical maximum daily outstanding amount of the Financing for each of the two years ended 31 December 2022 and for the six months ended 30 June 2023 and the Financing Annual Caps are set out below.

<i>In HK\$</i>	<b>Historical maximum daily outstanding amount of the Financing</b>			<b>Financing Annual Caps</b>		
	<b>For the year ended</b>		<b>For the six months ended</b>	<b>For the year ending</b>		
	<b>2021</b>	<b>2022</b>	<b>30 June 2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
<b>Non-IPO Financing</b>						
Ms. Kou's Group	14,379,387	16,430,672	17,419,533	19,300,000	20,200,000	21,200,000
Mr. Chan's Group	4,762,055	5,012,047	5,021,953	6,100,000	6,400,000	6,700,000
Mr. Ko's Group	5,706,567	5,500,208	6,070,248	6,700,000	7,100,000	7,400,000
<b>IPO Financing</b>						
Ms. Kou's Group	6,272,578	–	–	6,600,000	7,000,000	7,300,000
Mr. Chan's Group	1,045,430	–	–	1,100,000	1,200,000	1,300,000
Mr. Ko's Group	1,358,604	–	–	1,500,000	1,500,000	1,600,000
<b>Aggregated amounts of Non-IPO Financing and IPO Financing</b>						
Ms. Kou's Group	20,651,965	16,430,672	17,419,533	25,900,000	27,200,000	28,500,000
Mr. Chan's Group	5,807,484	5,012,047	5,021,953	7,200,000	7,600,000	8,000,000
Mr. Ko's Group	7,065,171	5,500,208	6,070,248	8,200,000	8,600,000	9,000,000

The Financing Annual Caps, being the aggregated amounts of the Non-IPO Financing Annual Caps and the IPO Financing Annual Caps, have been determined with reference to the following:

- (i) the historical maximum daily outstanding amounts of the Non-IPO Financing and the IPO Financing for the two years ended 31 December 2022 and the six months ended 30 June 2023;
- (ii) the historical growth rates of the Non-IPO Financing for each of the two years ended 31 December 2022 and for the six months ended 30 June 2023; and
- (iii) a buffer of 5%, to provide for any unforeseen impacts on the Financing, which may be due to factors such as changes in market conditions.

### ***Historical interest charges of the Financing and Interest Annual Caps***

The historical amounts of interest charges in respect of the Financing for the two years ended 31 December 2022 and for the six months ended 30 June 2023 and the Interest Annual Caps are set out as follow.

<i>In HK\$</i>	<b>Historical amount of interest charges</b>			<b>Interest Annual Caps</b>		
	<b>For the year ended</b>		<b>For the six months ended</b>	<b>For the year ending</b>		
	<b>2021</b>	<b>2022</b>	<b>30 June 2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Ms. Kou's Group	640,340	1,195,903	629,487	2,400,000	2,500,000	2,600,000
Mr. Chan's Group	325,216	391,504	272,006	700,000	800,000	800,000
Mr. Ko's Group	298,651	402,330	268,617	800,000	900,000	900,000

The Interest Annual Caps have been determined with reference to the following.

- (i) the expected interest rates that may be charged for the Financing;
- (ii) the estimated maximum daily amounts of the Financing for each of the three years ending 31 December 2026; and
- (iii) a buffer of 5%, to provide for any unforeseen impacts on the interest charges, which may be due to factors such as changes in market conditions.

### ***Reasons for and benefits of the Financing Service Agreements***

Under the Group's principal business of provision of financing services, the Group has been providing the Financing to Ms. Kou's Group, Mr. Chan's Group and Mr. Ko's Group. The Financing Service Agreements are entered into to facilitate the continuous provision of the Financing by the Group to the above connected persons.

Despite volatile market conditions in 2022 and 2023, stable demand from individual investors has allowed the margin financing business to contribute comparatively stable revenue for the Group. The Company considers that provision of the Financing to Ms. Kou's Group, Mr. Chan's Group and Mr. Ko's Group at terms comparable to Independent Third Parties will generate income beneficial to the Group's business. The Group will continue its risk management under its stringent liquidity management measures to ensure the Group satisfy capital requirements under the applicable laws, and also continue to adhere to its limits and controls on margin loans and money lending loans on aggregate and individual loan basis.

The Directors (excluding the independent non-executive Directors who will form their views after considering the advice of the Independent Financial Adviser) consider that the terms of the Financing Service Agreements with Ms. Kou and Mr. Chan and the Proposed Annual Caps are fair and reasonable and the transactions contemplated under the Financing Service Agreements with Ms. Kou and Mr. Chan are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) consider that the terms of the Financing Service Agreement with Mr. Ko, the Financing Annual Caps of Mr. Ko and the Interest Annual Caps of Mr. Ko are fair and reasonable and the transactions contemplated under the Financing Service Agreement with Mr. Ko are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Ms. Kou, Mr. Chan Ying Kit (Ms. Kou's spouse) and Mr. Chan, all Directors, are considered to have a material interest in the Financing Service Agreements and have abstained from voting on the relevant board resolutions in relation to the Financing Service Agreements.

## **B. Asset Management Agreement**

**Date** : 10 October 2023 (after trading hours)

**Parties** : (i) Victory Securities (HK); and  
(ii) Victory Global Trustee, a company engaged in the provision of trustee services for family and corporate trust

**Subject** : Victory Securities (HK) agreed to provide asset management services to Victory Global Trustee. Victory Securities (HK) shall perform such duties as are customarily performed by an investment manager of a unit trust fund or as may be agreed from time to time between Victory Securities (HK) and Victory Global Trustee. Subject to the appropriate investment control and restrictions of Victory Global Trustee and the overall supervision and control of the directors of Victory Global Trustee, Victory Securities (HK) shall manage the assets and investments which are held by Victory Global Trustee as trustee on a discretionary basis in pursuit of the relevant investment objective of the trust(s) managed and administered by Victory Global Trustee.

**Term** : From 1 January 2024 to 31 December 2026



- Pricing** : (i) Victory Global Trustee shall pay Victory Securities (HK) the asset management fees and performance fees which are on terms no more favourable to the terms offered by the Group to Independent Third Parties; and
- (ii) Victory Global Trustee shall reimburse Victory Securities (HK) for all out-of-pocket costs and expenses incurred by Victory Securities (HK) (or by any delegate or agent appointed by it pursuant to the Asset Management Agreement) in the performance of its duties and obligations under the Asset Management Agreement.

The payment terms of the AM Fees will be agreed between the parties on a case-by-case basis with reference to market practice.

***Historical transactions amounts and AM Annual Caps***

The historical amounts of the AM Fees for each of the two years ended 31 December 2022 and for the six months ended 30 June 2023 and the AM Annual Caps are set out below.

<i>In HK\$</i>	<b>Historical amount of AM Fees</b>			<b>AM Annual Caps</b>		
	<b>For the year ended</b>		<b>For the six months ended</b>	<b>For the year ending</b>		
	<b>2021</b>	<b>2022</b>	<b>30 June 2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
AM Services	1,579,438	1,648,432	1,000,235	2,600,000	3,100,000	3,800,000

The AM Annual Caps have been determined with reference to:

- (i) the estimated AM Fees for year ending 31 December 2023, based on the historical AM Fees for the six months ended 30 June 2023;
- (ii) the annual growth rate of the estimated AM Fees for the year ending 31 December 2023; and
- (iii) a buffer of 5%, to provide for any unforeseen impacts on the AM Fees, which may be due to factors such as changes in market conditions.

### ***Reasons for and benefits of the Asset Management Agreement***

Under the Group's principal business of provision of asset management services, the Group has been providing the AM Services to Victory Global Trustee. The Asset Management Agreement is entered into to facilitate the continuing provision of the AM Services by the Group to Victory Global Trustee. The Company considers that provision of the AM Services at terms comparable to Independent Third Parties will generate income beneficial to the Group's business. The Group will continue its risk management measures to ensure the Group to cope with and mitigate the exposures from the market risks and legal and regulatory risks.

The Directors (including the independent non-executive Directors) considers that the terms of the Asset Management Agreement and the AM Annual Caps are fair and reasonable and the transactions contemplated under the Asset Management Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Ms. Kou, Mr. Chan Ying Kit (Ms. Kou's spouse) and Mr. Chan, all Directors, are considered to have a material interest in the Asset Management Agreement and have abstained from voting on the relevant board resolution in relation to the Asset Management Agreement.

### **FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS**

On 10 October 2023, Victory Securities (HK) entered into respective brokerage agreements with Ms. Kou, Mr. Chan, Mr. Ko and Mr. Chiu in relation to provision of brokerage services by Victory Securities (HK) to each of them. Furthermore, on 10 October 2023, Victory Securities (HK) also entered into a financing service agreement with Mr. Chiu in relation to provision of non-IPO and IPO financing to Mr. Chiu. Based on the estimated annual amounts of the transactions under the aforesaid agreements, such transactions constitute de minimis continuing connected transaction of the Company fully exempt from the Independent Shareholders' approved, annual review and all disclosure requirements of Chapter 20 of the GEM Listing Rules. The Company will monitor the respective amounts of such transactions and comply with the GEM Listing Rules as and when required.

### **INTERNAL CONTROL MEASURES**

To ensure that the continuing connected transactions of the Company, including transactions contemplated under the Financing Service Agreements and the Asset Management Agreement, will be conducted in accordance with the terms of the relevant agreements, on normal commercial terms or terms no more favourable than those terms offered by the Group to Independent Third Parties for similar services in its ordinary and usual course of business, and in accordance with the pricing policy of the Company, the Group has adopted the following internal control measures to monitor the continuing connected transactions of the Company:

- (i) the pricing of the continuing connected transactions of the Company, including the interest charges under the Financing and the AM Fees, should be no less favourable than the prices provided to Independent Third Parties. The agreements of the continuing

connected transactions of the Company, including the Financing Service Agreements and the Asset Management Agreement, shall set out the basis for the pricing of the relevant transactions. The Group will periodically gather and analyse market information with regard to similar services and will revise the pricing for all clients on the same basis;

- (ii) the Group will continue to adhere to its established limits and controls on the margin loans on an aggregate and individual loan basis. The Group will continuously monitor the margin limits granted to the connected persons for both non-IPO and IPO financing to ensure the margin limits granted will not exceed the relevant annual caps;
- (iii) the finance department will review the interest charges under the Financing and the AM Fees on a monthly basis to ensure the amount will not exceed the relevant annual caps;
- (iv) in the event that it is necessary to adjust the any annual caps due to business development needs or other reasons, such arrangements will be made in advance and in strict compliance with the relevant requirements under the GEM Listing Rules; and
- (v) the independent non-executive Directors and auditors will conduct annual review of the continuing connected transactions which are subject to the annual review requirements under the GEM Listing Rules and provide annual confirmations in accordance with the GEM Listing Rules (as applicable) that such continuing connected transactions are conducted in accordance with the terms of the relevant agreements, on normal commercial terms and in accordance with the pricing policy and/or do not exceed the applicable annual caps.

## **INFORMATION ON THE GROUP**

The Company is an investment holding company. Together with its subsidiaries, the Group operates its businesses through five segments as follows:

- (i) The securities broking services segment offers securities broking services through the multi-platform online trading system. In addition, the segment provides placing services and ancillary services including settlement services, account servicing, corporate-action-related services and other miscellaneous services;
- (ii) The financing services segment provides margin financing and short-term IPO financing services;
- (iii) The asset management services segment offers asset management services on a discretionary account basis;
- (iv) The financial advisory services segment offers financial advisory services regulated by Type 6 license issued by the SFC; and

- (v) The insurance consultancy services segment provides insurance brokerage services including personal insurance, general insurance, group insurance and commercial insurance.

Victory Securities (HK) is principally engaged in business of securities/futures broking, placing and underwriting services and advising on securities services, financing services, asset management services and investment consultancy services in Hong Kong.

Under the licensing conditions imposed on the license of Victory Securities (HK) by the SFC, with effect on 10 October 2022, Victory Securities (HK) is qualified to provide (i) virtual asset dealing services under an omnibus account arrangement; (ii) virtual asset dealing services by way of introducing eligible clients to licensed virtual asset platforms for direct trading; (iii) market and distribute of virtual asset-related private funds to eligible clients; (iv) securities brokerage services to eligible clients with respect to virtual asset-related exchange traded funds (including exchange-traded virtual asset derivative funds) and (v) virtual asset advisory services. On 21 March 2023, Victory Securities (HK) also secured consent from the SFC to manage portfolios that invest in virtual assets, subject to compliance with the SFC's "Proforma Terms and Conditions for Licensed Corporations which Manage Portfolios that Invest in Virtual Assets".

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

DTTKF is the registered owner of 80,193,750 Shares, representing 40.09% of the issued share capital of the Company. DTTKF is owned by Ms. Kou, Mr. Chan, Mr. Chan Ying Kit, Mr. Ko and Mr. Ko Yuen Fai in the proportion of approximately 78.89%, 6.86%, 9.34%, 3.66% and 1.25%, respectively. In addition, Ms. Kou holds 28,476,000 Shares, representing approximately 14.23% of the issued share capital of the Company. As such, Ms. Kou (an executive Director), Mr. Chan (an executive Director) and Mr. Ko are Controlling Shareholders and therefore are connected persons of the Company.

Victory Global Trustee is owned as to 20%, 20%, 20%, 20% and 20% by Victory Financial Group, Mr. Ko, Mr. Chiu, Mr. Chan and Mr. Yeung Tak Kuen, Andy, respectively. Victory Financial Group, in turn, is owned as to 70.53% by Ms. Kou. Mr. Chan is the son of Ms. Kou and Mr. Ko is a nephew of Ms. Kou. Given the aforesaid relationships, Victory Global Trustee is considered to be a connected person of the Company.

As one or more of the applicable percentage ratios (other than the profits ratio) under the GEM Listing Rules regarding the maximum annual aggregated amount of the Proposed Annual Caps are more than 25%, the continuing connected transactions contemplated under the Financing Service Agreements with Ms. Kou and Mr. Chan are subject to the annual review, reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As one of more of the applicable percentage ratios (other than the profits ratio) under the GEM Listing Rules regarding each of (i) the maximum annual aggregated amount of the Financing Annual Caps and the Interest Annual Caps of Mr. Ko's Group; and (ii) the maximum amount of the AM Annual Caps are more than 5% but less than 25% and less than HK\$10,000,000, the continuing connected transactions contemplated under the Financing Service Agreement with Mr. Ko and under the Asset Management Agreement are subject to annual review, reporting and announcement but are exempt from the Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

## **EGM**

The EGM will be convened at which an ordinary resolution will be proposed to consider and, if thought fit, approve the Financing Service Agreements with Ms. Kou and Mr. Chan and the transactions contemplated thereunder (including the Proposed Annual Caps). Ms. Kou, Mr. Chan, DTTKF and their respective associates are required to abstain from voting on the resolution to be proposed at the EGM to approve the Financing Service Agreements with Ms. Kou and Mr. Chan and the transactions contemplated thereunder (including the Proposed Annual Caps).

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors (namely, Mr. Ying Wing Ho Peter, Mr. Liu Chun Ning Wilfred and Dr. Yan Ka Shing) has been established by the Company to advise the Independent Shareholders on whether the terms of the Financing Service Agreements with Ms. Kou and Mr. Chan and the Proposed Annual Caps are fair and reasonable and the transactions contemplated under the Financing Service Agreements with Ms. Kou and Mr. Chan are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

A circular containing, among others, (i) the terms of the Financing Service Agreements with Ms. Kou and Mr. Chan and the transactions contemplated thereunder (including the Proposed Annual Caps), (ii) the letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Financing Service Agreements with Ms. Kou and Mr. Chan, (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Financing Service Agreements with Ms. Kou and Mr. Chan; and (iv) a notice of the EGM will be despatched to the Shareholders on or before 1 November 2023.

## DEFINITIONS

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

“AM Annual Caps”	the maximum annual amounts of the AM Fees for each of the three years ending 31 December 2026
“AM Fees”	the fees of the AM Services, including the asset management fees and the performance fees
“AM Services”	the provision of asset management services by Victory Securities (HK) to Victory Global Trustee under the Existing Asset Management Agreement (to be continued under the Asset Management Agreement)
“Asset Management Agreement”	the agreement dated 10 October 2023 entered into between Victory Securities (HK) and Victory Global Trustee in relation to provision of asset management services to Victory Global Trustee
“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Company”	Victory Securities (Holdings) Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“connected person(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“DTTKF”	Dr. TT Kou’s Family Company Limited, a Controlling Shareholder and is owned by Ms. Kou, Mr. Chan, Mr. Chan Ying Kit, Mr. Ko and Mr. Ko Yuen Fai in the proportion of approximately 78.89%, 6.86%, 9.34%, 3.66% and 1.25% respectively

“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Financing Service Agreements with Ms. Kou and Mr. Chan and the transactions contemplated thereunder (including the Proposed Annual Caps)
“Existing Agreements”	the Existing Brokerage and Financing Services Agreements and the Existing Asset Management Agreement
“Existing Asset Management Agreement”	the asset management agreement entered into between Victory Securities (HK) and Victory Global Trustee on 5 November 2020
“Existing Brokerage and Financing Services Agreements”	the respective brokerage and financing services agreements entered into between Victory Securities (HK) and each of (i) Ms. Kou; (ii) Mr. Chan; and (iii) Mr. Ko, on 5 November 2020
“Financing”	the IPO Financing and the Non-IPO Financing
“Financing Annual Caps”	the aggregated amounts of the Non-IPO Financing Annual Caps and IPO Financing Annual Caps
“Financing Service Agreements”	the respective financing service agreements dated 10 October 2023 entered into between Victory Securities (HK) and each of (i) Ms. Kou; (ii) Mr. Chan; and (iii) Mr. Ko, each a “Financing Service Agreement”
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising all the independent non-executive Directors, established to advise the Independent Shareholders on the terms of the respective Financing Service Agreements with Ms. Kou and Mr. Chan and the transactions contemplated thereunder (including the Proposed Annual Caps)

“Independent Financial Adviser”	Draco Capital Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the respective Financing Service Agreements with Ms. Kou and Mr. Chan and the transactions contemplated thereunder (including the Proposed Annual Caps)
“Independent Shareholders”	the Shareholders who do not have to abstain from voting at the EGM in respect of the respective Financing Service Agreements with Ms. Kou and Mr. Chan under the GEM Listing Rules
“Independent Third Parties”	third parties independent of the Group and its connected persons
“Interest Annual Caps”	the maximum annual interest charges in respect of the Financing for each of the three years ending 31 December 2026
“IPO”	initial public offering
“IPO Financing”	the provision of IPO financing by Victory Securities (HK) to Ms. Kou’s Group, Mr. Chan’s Group and Mr. Ko’s Group under the respective Existing Brokerage and Financing Services Agreements (to be continued under the respective Financing Service Agreements)
“IPO Financing Annual Caps”	the annual maximum daily outstanding amounts of IPO Financing for each of the three years ending 31 December 2026
“Mr. Chan”	Mr. Chan Pui Chuen, an executive Director, deputy chief operating officer of the Company, a Controlling Shareholder and the son of Mr. Chan Ying Kit and Ms. Kou
“Mr. Chan’s Group”	Mr. Chan and his associates (excluding those persons under Ms. Kou’s Group)
“Mr. Chiu”	Mr. Chiu Che Leung Stephen, an executive Director



“Mr. Ko”	Mr. Ko Yuen Kwan, a nephew of Ms. Kou and a Controlling Shareholder
“Mr. Ko’s Group”	Mr. Ko and his associates
“Ms. Kou”	Ms. Kou Kuen, an executive Director and the chief executive officer of the Company, a Controlling Shareholder, the spouse of Mr. Chan Ying Kit (a non-executive Director and the mother of Mr. Chan)
“Ms. Kou’s Group”	Ms. Kou and her associates
“Non-IPO Financing”	the provision of non-IPO financing by Victory Securities (HK) to Ms. Kou’s Group, Mr. Chan’s Group and Mr. Ko’s Group under the respective Existing Brokerage and Financing Services Agreements (to be continued under the respective Financing Service Agreements)
“Non-IPO Financing Annual Caps”	the annual maximum daily outstanding amounts of non-IPO financing for each of the three years ending 31 December 2026
“Proposed Annual Caps”	the Financing Annual Caps and the Interest Annual Caps for Ms. Kou’s Group and Mr. Chan’s Group
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Victory Financial Group”	Victory Financial Group Company Limited, a company incorporated in Hong Kong with limited liability
“Victory Global Trustee”	Victory Global Trustee Company Limited, a company incorporated in Hong Kong with limited liability

“Victory Securities (HK)”

Victory Securities Company Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation under the SFO to engage in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management) regulated activities (as defined under the SFO), and an indirect wholly-owned subsidiary of the Company

By Order of the Board

**Victory Securities (Holdings) Company Limited**

**Chan Ying Kit**

*Chairman*

Hong Kong, 10 October 2023

*As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Kou Kuen, Mr. Chiu Che Leung, Stephen and Mr. Chan Pui Chuen, one non-executive Director, namely Mr. Chan Ying Kit (Chairman), and three independent non-executive Directors, namely Mr. Ying Wing Ho Peter, Mr. Liu Chun Ning Wilfred and Dr. Yan Ka Shing.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the HKEX website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication and on the website of the Company at [www.victorysec.com.hk](http://www.victorysec.com.hk).*