

Victor Group Holdings Ltd
ACN 165 378 834

**NOTICE OF GENERAL MEETING AND EXPLANATORY
MEMORANDUM**

Meeting to be held at the office of Victor Group Holdings Limited, Level 26, 1 Bligh Street Sydney on Monday the 9th January 2017, commencing at 2pm Sydney time.

Notice is hereby given that a General Meeting (Meeting) of Victor Group Holdings Limited (Company) will be held at the offices of Victor Group Holdings, at Level 26, 1 Bligh Street Sydney on Monday the 9th January 2017 at 2pm. Further details of the business item to be considered at the Meeting are set out in the Explanatory Memorandum.

The Explanatory Memorandum should be read in conjunction with this Notice of Meeting.

All documents should be read in their entirety. If you are in any doubt about what to do, you should consult your legal, financial or other professional advisor.

Business

To consider, and if thought fit, to pass the following resolution as an ordinary resolution of the Company:

Resolution 1 – Approval of Acquisition of Relevant Interest

“That for the purposes of item 7 of section 611 of the Corporations Act 2001 (Cth) and all other purposes, approval be given for the acquisition of relevant interests in 400,000,000 Shares in the Company (76.99%) of the Share capital held by Daybreak Corporation Ltd (“Daybreak”) by Prosper Treasure International Ltd (“Prosper”) by virtue of its subscribing for 40,010 Shares in Daybreak and by Bloom Shine Investments Ltd (“Bloom Shine”) and Mr Chan Siu Kin (Anthony) (Mr Chan) by virtue of Bloom Shine’s holding 100% of the Shares in Prosper and Mr Chan holding 100% of the Shares in Bloom Shine”.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 1 by Prosper, Bloom Shine, Mr Chan, Daybreak Corporation Limited and Achieva Capital Holdings Ltd and any of their associates.

By Order of the Board



Secretary

Explanatory Memorandum

This Explanatory Memorandum has been prepared and is being provided to Shareholders of Victor Group Holdings Ltd for the purpose of providing Shareholders with an explanation of the business and the Resolution to be proposed and considered at the General Meeting to be held on 30 December 2016. This Statement forms part of the Notice of Meeting dated 28 November 2016 and should be read in conjunction with it.

The Directors recommend that Shareholders carefully read this Explanatory Memorandum before making any decision in relation to the Resolution.

If Shareholders have any doubt about what to do, they should consult their legal, financial or other professional advisor.

Resolution 1: Approval of Acquisition of Relevant Interest

On 30th November 2016 Prosper Treasure International Limited (BVI) ("Prosper") entered into a conditional agreement to acquire 80% of Daybreak International Ltd (HK) ("Daybreak").

Daybreak holds 400,000,000 (76.99%) of the Shares in the Company.

As a result of an acquisition of 80% of Daybreak, Prosper would pursuant to s. 608(3)(a) of the Corporations Act 2001 (Cth) (the "Act") be deemed to have a relevant interest in 76.99% of the voting shares in the Company. Pursuant to s.603(b) Prosper's 100% shareholder Bloom Shine Investments Ltd ("Bloom Shine") and its 100% Shareholder Mr Chan Siu Kin (Anthony) (Mr Chan) will both also be deemed to acquire a relevant interest of 76.99% of the voting Shares in the Company.

Chapter 6 of the Corporations Act

Section 606(1) of the Act provides a person must not acquire a "relevant interest" in issued voting shares of a listed entity where, as a result of that acquisition, that person's or someone else's voting power in the entity increases:

1. From 20% or below to more than 20%; or
2. From a starting point that is above 20% and below 90%.

Section 606(1A) however, permits the acquisition of a relevant interest under one of the exemptions in section 611.

A person has a "relevant interest" in securities if they:

1. Are the holder of the securities;
2. Have power to exercise, or control the exercise of, a right to vote attached to the securities;
or
3. Have power to dispose of, or control the exercise of a power to dispose of, the securities.

Section 608(3) of the Act provides:

"A person has the relevant interests in any securities that any of the following has:

- (a) a body corporate in which the person's voting power is above 20%; and
- (b) a body corporate that the person controls."

Accordingly, Prosper is taken to acquire the interests of Daybreak in the Company through the acquisition of 80% of Daybreak pursuant to Section 603(b) of the Act and Bloom Shine and Mr Chan are taken to acquire the same interests pursuant to s.603(b) of the Act.

Relevant Exceptions

Section 611 of the Act sets out a number of exceptions to the prohibition in Section 606(1) of the Act. Relevantly, item 7 of section 611 of the Act provides that an acquisition approved previously by a resolution at a general meeting of the company in which the acquisition is made is exempt from the prohibition in Section 606(1) of the Act provided that;

1. no votes are cast in favour of the resolution by persons proposing to make the acquisition and their associates or persons from whom the acquisition is made and their associates; and
2. the members of the company were given all information known to the person proposing to make the acquisition or their associates, or known to the company, that was material to the decision on how to vote on the resolution.

Prosper's acquisition in Daybreak

Daybreak is an investment company. Prosper's investment into Daybreak is being made to provide it with working capital for future investments. The investment will be completed immediately upon shareholders' approval being obtained.

As noted above the agreement entered into between Prosper and Daybreak is conditional. The conditions in the agreement are that the shareholders of the Company entitled to vote pass a resolution approving subscription by Prosper in Daybreak and the resultant acquisition of the relevant interest in the Company's shares held by Daybreak in accordance with Item 7 of Section 611 of the Act and any approvals or exemptions from ASIC or ASX and any other applicable regulatory authorities in Australia being received.

Other Information

The acquisition by Prosper of 80% of Daybreak does not change the overall shareholding in the Company. Daybreak will continue to hold the same number of shares in the Company as it did prior to Prosper's subscription for shares in Daybreak.

Accordingly, there will be no dilutionary effect in respect of any shareholding in the Company.

Prosper is a company registered in the British Virgin Islands and is 100% owned by Bloom Shine Investments Ltd which in turn is owned and controlled by Mr Chan Siu Kin (Anthony).

None of Prosper, Bloom Shine or Mr Chan hold any shares in the Company.

As a result of the acquisition of shares in Daybreak, Prosper will acquire a relevant interest in 400,000,000 (76.99%) of the Shares in the capital of the Company. Prosper will have no direct voting power in the Company but will be in a position to control (through Daybreak) the votes relating to the 400,000,000 shares in the Company. This would mean that Prosper would be in a position to cause Daybreak to vote in favour or against any resolutions in General Meeting where Daybreak was entitled to vote and to cause these resolutions to be passed or defeated through Daybreak's votes alone.

Similarly through Bloom Shine's shareholding in Prosper and Mr Chan's shareholding in Bloom Shine they are in a similar position to control the voting of Daybreak's shares in the Company.

Prosper has indicated that it does not in the foreseeable future intend to change the business plans of Daybreak or through Daybreak cause the business plans of the Company to change. None of Prosper, Bloom Shine or Mr Chan have any current intentions to inject capital into the Company.

The acquisition by Prosper of shares in Daybreak will not impact the future employment of any employees of the Company, nor are there any proposals for the transfer of assets between the Company, Daybreak, Prosper, Bloom Shine or Mr Chan. There are no plans to redeploy the fixed assets of the Company.

The acquisition by Prosper of shares in Daybreak will see no change to the Company or its operation or its dividend distribution policies.

No director has any interest in the acquisition by Prosper of shares in Daybreak. The Board of Directors of the Company will not change as a result of the acquisition by Prosper of shares in Daybreak.

None of Prosper, Bloom Shine or Mr Chan does not to their knowledge have any associate (other than Daybreak) with shares in the Company.

Directors Recommendation

As noted above the subscription by Prosper for shares in Daybreak has no impact on the Company or its operations. There is no financial impact on the Company as a result of the transaction. The resolution is being put to approve what is in effect an indirect acquisition of a relevant interest of over 20% by Prosper, Bloom Shine and Mr Chan.

As the acquisition of the relevant interests are as a consequence of the investment in Daybreak by Prosper and as a result indirect, the Directors have not obtained an Independent Expert's Report as to the impact on the Company and its shareholders.

The Directors make no recommendation as to how to vote on the resolution.

Voting Exclusion

None of Prosper, Bloom Shine or Mr Chan nor any of their associates should vote on the resolution.

The Company considers for the purposes of this resolution Daybreak to be an associate of Prosper and accordingly none of Daybreak or its associates should vote on the resolution.

Daybreak is currently owned by Achieva Capital Management ("ACM") which in turn also owns 100% of the shares in Achieva Capital Holdings Ltd ("ACH") which owns 80,000,000 Shares in the Company. Accordingly, the Company considers Daybreak ACM and ACH to be associates for the purposes of this resolution. Accordingly, none of ACM, ACH or their associates should vote on the resolution.

Shareholder Information

How to Vote

You may vote by attending the Meeting in person or by proxy, attorney or authorised representative.

Voting In Person

To vote in person, attend the Meeting on the date and at the place set out in the Notice of Meeting.

Appointment of Proxies

A Shareholder who is entitled to attend and vote is entitled to appoint a proxy to attend and vote at the Meeting. A Shareholder entitled to cast two or more votes may appoint one or two proxies and may specify the proportion of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the apportionment does not specify this proportion, each proxy may exercise half of the votes. A proxy may be, but need not be a Shareholder and can be an individual or a body corporate.

Your proxy form is enclosed

A body corporate appointed as a proxy may appoint an individual as its representative to exercise any of the powers of the body corporate can exercise as a proxy at the Meeting. The representative would bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Voting by Proxy

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either:

- a) Send the proxy form by fax to the Company's share registry on + 61 2 9290 9655;
- b) Deliver the proxy form to the Company's share registry, Boardroom Pty Limited, Level 12, 225, George Street, Sydney NSW 2000 Australia;
- c) Post the proxy form to the Company's share registry, Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia

so that it is received **no later than 5pm on Saturday the 7th January 2017** being not less than 48 hours prior to the commencement of the meeting. Proxy forms received later than this time will be invalid.

When the proxy form is executed under the power of attorney, the power of attorney must be lodged in the same way as the proxy form.

Enquiries

Shareholders are invited to contact the Company Secretary, Mr David Batten on +61 2 8226 8786 if they have any queries in respect of the matters set out in this Notice of Meeting or the Explanatory Memorandum.