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VICTORY GROUP LIMITED

華多利集團有限公司

(Incorporated in Bermuda with limited liability)

Announcement

VICTORY GROUP LIMITED

INCREASES IN SHARE PRICE AND TRADING VOLUME

SUMMARY

The directors of Victory Group Limited (the "Company") wish to state that they are not aware of the reasons for the recent increases in share price and trading volume except that a preliminary negotiation, starting from this afternoon, between the Company and an independent third party in relation to a possible acquisition of the shares in the internet organisation. Yet at the present moment, no agreement or conclusion has been made in such negotiation.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

We have noted that recent increases in the price and the increases in trading volume of the shares of the Company and wish to state that we are

not aware of any reasons for such increases except that there is a preliminary negotiation, starting from this afternoon, between the Company and an independent third party in relation to a possible acquisition of the shares in the internet organisation. The independent third party is not connected with directors, chief executives or substantial shareholders of the Company or any of our subsidiaries or an associate of any of them (as defined in the Listing Rules). Yet at the present moment, no agreement or conclusion has been made in such negotiation.

Save as disclosed above, we also confirm 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 possible acquisition may or may not proceed. Further announcement will be made as and when appropriate. Shareholders and investors should exercise extreme caution when dealing in the shares of the Company.

Made by the order of Board of Victory Group Limited the directors of which individually and jointly accepted responsibility for the accuracy of this statement.

Chan Chun Choi
Director

Hong Kong, 17 January, 2000