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VICTORY GROUP LIMITED

華多利集團有限公司

(Incorporated in Bermuda with limited liability)

UPDATE ON OUR ANNOUNCEMENTS OF 29 FEBRUARY 2000

AND 13 APRIL 2000

AND

RECENT INCREASES IN SHARE PRICE AND TRADING

VOLUME

The board of directors of Victory Group Limited (the "Company") refers to the Company's announcements dated 29 February 2000 and 13 April 2000 and wishes to announce that the negotiation for possible disposal of 42% shareholding interest in the Company by Mr. Chan Chun Choi ("Mr. Chan"), the controlling shareholder and a director of the Company, to Fountain Technologies, Inc., has terminated on 10 July 2000. Mr. Chan is not currently in discussion with other parties for possible disposal of his shareholding interest in the Company.

Furthermore, 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.

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.

By Order of the Board
Victory Group Limited
Chan Chun Choi
Chairman

Hong Kong, 10 July 2000

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.