

VICTORY GROUP LIMITED

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VICTORY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

Proposed Capital Reorganisation, involving Share Consolidation, Reduction of Issued Share Capital, Subdivision of Authorised and Unissued Consolidated Shares, Cancellation of Accumulated Loss

Reference is made to the Announcement (as defined below). The Circular (as defined below) will be dispatched to the Shareholders on 29 June 2001. The Directors wish to announce the expected timetable and details of the arrangement for trading.

Introduction

Reference is made to the announcement dated 4 June 2001 ("Announcement") issued by the Company in relation to the Proposed Capital Reorganisation. Unless otherwise defined, terms used in this announcement shall have the same meanings as those used in the Announcement.

Despatch of Circular

A circular ("Circular") containing details of the Proposed Capital Reorganisation and a notice convening the SGM to approve the Proposed Capital Reorganisation will be despatched to the Shareholders on 29 June 2001.

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Expected timetable

Latest time for the Shareholders to lodge forms of proxy in respect of the Special General Meeting	11:00 a.m., 23 July 2001
Special General Meeting	11:00 a.m., 25 July 2001
Effective Date	26 July 2001
Dealings in Adjusted Shares commence	10:00 a.m., 26 July 2001
First day for free exchange of certificates of Shares for new certificates of Adjusted Shares	26 July 2001
Temporary counter for trading in Adjusted Shares in board lots of 200 Adjusted Shares (in the form of existing certificates) opens	10:00 a.m., 26 July 2001
Existing counter for trading in Shares in board lots of 2,000 closes	10:00 a.m., 26 July 2001
Existing counter for trading in Adjusted Shares in board lots of 8,000 Adjusted Shares (in the form of new certificates) reopens	10:00a.m., 9 August 2001
Parallel trading in Adjusted Shares (in the form of new and existing certificates) begins	10:00a.m., 9 August 2001
Designated broker starts to stand in the market to provide matching service	10:00a.m., 9 August 2001
Temporary counter for trading in Adjusted Shares in board lots of 200 Adjusted Shares (in the form of existing certificates) closes	4:00 p.m., 30 August 2001
Designated broker ceases to stand in the market to provide matching service	4:00 p.m., 30 August 2001
Parallel trading in Adjusted Shares (in the form of new and existing certificates) ends	4:00 p.m., 30 August 2001

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Last day for free exchange of certificates of Shares
for new certificates of Adjusted Shares

4 September 2001

Trading arrangements

Subject to the Proposed Capital Reorganisation becoming effective, dealings in the Adjusted Shares are expected to commence on 26 July 2001.

The number of Adjusted Shares constituting a board lot after the Capital Reorganisation will be changed to 8,000. Any fractional entitlements to the Adjusted Shares will be aggregated and sold and retained for the benefit of the Company. In order to alleviate the difficulties arising from the existence of odd lots of the Adjusted Shares as a result of the Capital Reorganisation, the Company has agreed to procure Hing Wong Securities Limited to stand in the market to provide matching services for the odd lots of Adjusted Shares on a best effort basis during the period from 9 August 2001 to 30 August 2001 (both dates inclusive).

From 26 July 2001, the original counter for trading in the existing Shares in board lots of 2,000 Shares will be temporarily closed. A temporary counter will be established for trading in the Adjusted Shares in board lots of 200 Adjusted Shares. Every 10 existing Shares will be deemed to represent 1 Adjusted Share. Certificates for existing Shares may only be traded at this temporary counter.

With effect from 9 August 2001, the original counter for trading in existing Shares will be reopened for trading in the Adjusted Shares in board lots of 8,000 Adjusted Shares.

From 9 August 2001 to 30 August 2001 (both dates inclusive), there will be parallel trading at the above two counters.

The temporary counter for trading in the Adjusted Shares in board lots of 200 Adjusted Shares will be removed after the close of trading on 30 August 2001. Thereafter, trading will be in Adjusted Shares in board lots of 8,000 Adjusted Shares only and the existing share certificates for the Shares will cease to be marketable and will not be acceptable for dealing purpose. However, such share certificates will remain effective as documents of title.

By Order of the Board
Chan Chun Choi
Chairman

Hong Kong, 28 June 2001

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Please also refer to the published version of this announcement in the (Hong Kong iMail)