

VICTORY GROUP LIMITED

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VICTORY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD

The Prospectus, the provisional allotment letter and the form of application for excess Rights Shares will be dispatched to Qualifying Shareholders on 8th January, 2002.

Reference is made to the announcement by the Company dated 18th December, 2001 relating to the Rights Issue (the ``Announcement'') and the corrigendum dated 19th December, 2001. Unless otherwise defined, terms used herein shall have the same meaning as in the Announcement.

Dispatch of Rights Issue Documents

The Prospectus, the provisional allotment letter and the form of application for excess Rights Shares will be dispatched to Qualifying Shareholders on 8th January, 2002.

Odd lot arrangement

In order to facilitate the trading of odd lots (if any), the Company has appointed the Underwriter as agent to arrange for the sale and purchase of odd lots of the Rights Shares, in both nil-paid and fully-paid forms, on behalf of Shareholders and potential investors, during the period of Thursday, 10th January, 2002 to Monday, 21st January, 2002 (both days inclusive) for Rights Shares in nil-paid form and during the period from Friday, 1st February, 2002 to Thursday, 28th February, 2002 (both days inclusive) for Rights Shares in fully-paid form. Holders of Rights Shares who wish

VICTORY GROUP LIMITED

to take advantage of this facility either to dispose of their odd lots or to top them up to a fully board lot may contact Hui Kai Securities Limited during the aforesaid periods as follows:

Contact person	Address	Telephone Number
Mr. Poon Kwok Hoi	Room 4206, 42nd Floor Gloucester Tower The Landmark 11 Pedder Street Central, Hong Kong	2579 9890

The Rights Shares in both nil-paid and fully-paid forms will be traded in board lots of 8,000 Shares. Holders of Rights Shares should note that the matching of odd lots is not guaranteed.

Financial effects of the Rights Issue

Set out below is the pro forma adjusted consolidated net liabilities of the Group and the pro forma adjusted consolidated net liability value per Share before and after the Rights Issue.

	<i>HK\$'000</i>
Audited consolidated net liabilities of the Group as at 31st December, 2000	(15,561)
Gross proceeds from the issue of new Shares in January 2001	5,220
Consolidated loss after taxation for the six months ended 30th June, 2001 based on the Group's unaudited management accounts	(5,199)
Pro forma unaudited adjusted consolidated net liabilities of the Group before Rights Issue	(15,540)
Estimated net proceeds from the Rights Issue	6,000
Pro forma unaudited adjusted consolidated net liabilities of the Group after the Rights Issue	(9,540)
Pro forma unaudited adjusted consolidated net liabilities per Share	
--- before the Rights Issue (based on 147,074,400 Shares in issue)	10.57 cents
--- after the Rights Issue (based on 220,611,600 Shares in issue)	4.32 cents

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

Hong Kong SAR, 7th January, 2002

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