

VICTORY GROUP LIMITED

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VICTORY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

RESULTS OF RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY TWO EXISTING SHARES HELD ON THE RECORD DATE PAYABLE IN FULL ON ACCEPTANCE

The Directors announce that an aggregate of 25 valid acceptances and excess applications have been received for a total of 49,006,271 Rights Shares as at 24 January 2002 comprising (i) 15 valid acceptances of provisional allotments in respect of 45,892,862 Right Shares made under the Rights Issue; and (ii) 10 valid excess applications for 3,113,409 Rights Shares. The aggregate number of Rights Shares accepted or applied for represents approximately 66.64% of the total number of Rights Shares available under the Rights Issue. The Rights Issue has become unconditional. Eternal Victory has taken up 35,925,862 Rights Shares. The remaining 24,530,929 Rights Shares were placed by the Underwriter to one Independent Third Party (as defined hereunder).

Certificate for the Rights Shares are expected to be dispatched by ordinary post to those entitled thereto at their own risk on or about Wednesday, 30 January 2002. Dealings in the fully-paid Rights Shares are expected to commence at 10:00 a.m. on Friday, 1 February 2002.

Reference is made to the announcement of the Company dated 18 December 2001 (the "Announcement") and the prospectus for the Rights Issue dated 8 January 2002. Capitalised terms used herein shall have the same meaning as ascribed in the Announcement, unless the context otherwise requires.

Results of the Rights Issue

The Directors announce that an aggregate of 25 valid acceptances and excess applications have been received for a total of 49,006,271 Rights Shares as at 24 January 2002 comprising (i) 15 valid acceptances of provisional allotments in respect of 45,892,862 Right Shares made under the Rights Issue including the acceptance of 35,925,862 Rights Shares by Eternal Victory being its provisional allotment under the Rights Issue; and (ii) 10 valid excess applications for 3,113,409 Rights Shares. No excess application for Rights Shares has been made by Eternal Victory. The aggregate number of Rights Shares accepted or applied for represents approximately 66.64% of the total number of Rights Shares available under the Rights Issue. The aggregate number of Rights Shares accepted or applied for by shareholders of the Company other than Eternal Victory ("Public Shareholders") is 13,080,409 Rights Shares, representing approximately 34.78% of the number of Rights Shares available to the Public Shareholders under the Rights Issue. The Rights Issue has become unconditional.

Eternal Victory has taken up 35,925,862 Rights Shares. The remaining 24,530,929 Rights Shares were placed by the Underwriter to Mr. Li Yiu Keung, a third party, who is independent of and not connected with the Directors, the chief executives and substantial shareholders of the Company or any or their respective associates (as defined in the Listing Rules) (the "Independent Third Party").

Shareholding structure of the Company before and after the Rights Issue

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	Shares	%	Shares	%
Eternal Victory (<i>Note</i>)	71,851,724	48.85	107,777,586	48.85
Independent Third Party	---	---	24,530,929	11.12
Public Shareholders	75,222,676	51.15	88,303,085	40.03
	147,074,400	100.00	220,611,600	100.00

Note: The Shares are held by Eternal Victory Enterprises Inc., a company incorporated in the British Virgin Islands, as trustee of a unit trust, the units of which are held by a discretionary trust established for the family members of Chan Chun Choi, the Chairman of the Company and a Director, including Lam Mo Kuen, Anna, the Deputy Chairman of the Company and a Director. The shares of Eternal Victory Enterprises Inc. are held by Chan Chun Choi

Immediately after the Rights Issue, the Independent Third Party will become a substantial

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shareholder of the Company as recorded in the register of members of the Company. The minimum public float of the Shares will be maintained.

General

Certificate for the Rights Shares are expected to be dispatched by ordinary post to those entitled thereto at their own risk on or about Wednesday, 30 January 2002. Dealings in the fully-paid Rights Shares are expected to commence at 10:00 a.m. on Friday, 1 February 2002.

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 during the period from Friday, 1 February, 2002 to Thursday, 28 February 2002 (both days inclusive) for Rights Shares in fully-paid form. Holders of Rights Shares who wish to take advantage of this facility either to dispose of their odd lots or to top them up to a full 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 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.

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

Hong Kong SAR, 28 January 2002

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