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VICTORY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(the "Company")

(Stock code: 1139)

UNUSUAL PRICE MOVEMENT

The Board has noted the recent increases in the price and the trading volume of the shares of the Company and wishes to state that we are not aware of any reasons for such increases, nor is the Board aware of any matter discloseable save for the Company is in preliminary discussions with certain independent third parties relating to the possible participation in certain hotel and casino related projects in Macau.

Potential investors and shareholders of the Company should note that such possible transactions may or may not happen and thus are advised to exercise caution when dealing in the shares of the Company.

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

The board of directors of the Company (the "Board") confirms that the Company is in preliminary discussions with certain independent third parties relating to the possible participation in certain hotel and casino related projects in Macau. No agreements have ever been reached. The parties did not discuss any terms or size of investments. The Company will make further announcement as and when appropriate pursuant to the requirements of the Listing Rules.

The Company is principally engaged in (i) the marketing and wholesale distribution of motor vehicles and related automotive parts; and (ii) property holding for rental income purposes. In addition, the Company is seeking potential investments to diversify the business so as to enhance growth and achieve favourable returns to the shareholders of the Company. The Company's principal business activities are not expected to change if any of these transactions materializes.

Potential investors and shareholders of the Company should note that such possible transactions may or may not happen and thus are advised to exercise caution when dealing in the shares of the Company.

The Board has noted the recent increases in the price and the trading volume of the shares of the Company and wishes to state that the Board is not aware of any reasons for such increases.

The Board also confirms that save for the above mentioned there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under rule 13.23, neither is the Board aware of any matter discloseable under the general obligation imposed by rule 13.09, which is or may be of a price-sensitive nature.

Made by the order of the Board of the Company, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

By order of the Board
Chan Chun Choi
Chairman

Hong Kong, 4 January 2005

As at the date hereof, the Board comprises of Mr. Chan Chun Choi, Ms. Lu Su Hua, both of whom are executive directors, Mr. Ng Chi Shing, Mr. Yuen Kwok Wah, Bernard, and Mr. Lam Williamson, who are independent non-executive directors.

Please also refer to the published version of this announcement in The Standard.