

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this announcement.



VICTORY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1139)

PROCEED TO THE SECOND STAGE OF THE DELISTING PROCEDURES

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:30 a.m. on 27 September 2006. Trading of the shares of the Company remains suspended.

The Company has received a letter dated 21 December 2007 from the Stock Exchange giving notice that the Stock Exchange would proceed, from the date of the Letter, to place the Company in the second stage of the delisting procedures according to Paragraph 3.1 of Practice Note 17 of the Listing Rules.

The Company is required to submit a resumption proposal at least 10 business days before the expiry of the six months period from the date of the Letter for the Stock Exchange to review and determine whether it is a viable one.

At the request of Victory Group Limited (the “**Company**”), trading in the shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) was suspended with effect from 9:30 a.m. on 27 September 2006 and remains suspended as at the date of this announcement. During this period, the Company has submitted two letters dated 9 November 2007 and 26 November 2007 respectively to the Stock Exchange presenting preliminary business plan and restructuring proposal of the Company and sought an indulgence of the Stock Exchange in postponing the placing of the Company in the second stage of the delisting procedures pursuant to Practice Note 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company announces that the Company has received a letter dated 21 December 2007 (the “**Letter**”) from the Stock Exchange giving notice that the Stock Exchange would proceed, from the date of the Letter, to place the Company in the second stage of the delisting procedures according to Paragraph 3.1 of Practice Note 17 of the Listing Rules given its failure to comply with Rule 13.24 of the Listing Rules. The Company is required to submit a resumption proposal at least 10 business days before the expiry of the six months period from the date of the Letter for the Stock Exchange to review and determine whether it is a viable one. During this period, the Stock Exchange will continue to monitor developments of the Company and will require from the Company monthly progress reports.

At the end of such six month period, the Stock Exchange will determine whether it is appropriate to proceed to the third stage of the delisting procedures.

A viable resumption proposal should enable the Company to demonstrate that it has a sufficient level of operations or has tangible assets of sufficient value and/or intangible assets for which a sufficient potential value can be demonstrated to the Stock Exchange to warrant the continued listing of the Company's shares as required under Rule 13.24 of the Listing Rules.

The Stock Exchange indicates in the Letter that the resumption proposal must be clear, plausible and coherent. The resumption proposal should be presented in sufficient detail, including forecasts to enable them to be assessed by the Stock Exchange. Clear and detailed plans for the future development of business of the Company should also be presented. Where a suspended Main Board issuer is required to submit a formal resumption proposal and that proposal includes a profit forecast, the Stock Exchange expects that the profit forecast will be reported on by independent accountants.

As at the date of this announcement, the Company is in the process of preparing the resumption proposal and will endeavor to submit a viable resumption proposal to the Stock Exchange in due course.

Further announcement will be made by the Company as and when appropriate.

On behalf of the Board
Chan Chun Choi
Chairman

Hong Kong, 8 January 2008

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.