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## **VICTORY GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1139)**

### **ANNOUNCEMENT**

#### **Variation of Consideration in respect of Very Substantial Acquisition**

On 3 January 2012, the Company, the Vendor, and Ms. Leung entered into the fifth deed of variation pursuant to which, inter alia, the parties mutually agreed to vary the Consideration from HK\$50 million to HK\$60 million.

Reference is made to (a) the announcement of Victory Group Limited (the “**Company**”) dated 4 June 2010 in relation to, inter alia, a very substantial acquisition involving the acquisition of the entire issued share capital of Jumbo Chance Holdings Limited (the “**First Announcement**”) and (b) the announcement of the Company dated 23 November 2011 (the “**Second Announcement**”).

Capitalised terms used herein shall have the same meanings as those defined in the First Announcement unless the context requires otherwise.

On 3 January 2012, the Company, the Vendor, and Ms. Leung entered into the fifth deed of variation pursuant to which, inter alia, the parties mutually agreed to vary the Consideration from HK\$50,000,000 to HK\$60,000,000. Taking into account the Target Group’s profits-to-earnings ratio of approximately 2.25 for the year ended 31 March 2011 and net assets of approximately HK\$56,270,000 as at 31 July 2011, the Directors are of the view that such variation is fair and reasonable.

The additional HK\$10,000,000 consideration will be paid by the proceeds from the Open Offer (as defined in the Second Announcement). The total funds raised from the Open Offer is approximately HK\$110.7 million and the use of proceeds will be revised as follows:-

- a) approximately HK\$15,600,000 will be used to settle liabilities;
- b) approximately HK\$60,000,000 will be used to fully settle the Jumbo Chance Acquisition; and
- c) approximately HK\$23,700,000 will be used for acquiring company(ies) with similar principal business (ie. motor vehicles or LED lights related business).

Save for the above, all other terms and conditions of the Agreement shall remain unchanged.

## **CONTINUED SUSPENSION OF TRADING IN THE SHARES**

**Trading in the Shares on the Stock Exchange was suspended since 27 September 2006. Until satisfaction of all the Resumption Conditions, trading in the Shares will continue to be suspended. The release of this announcement does not indicate that the trading in the Shares will be resumed and that the listing approval for the Adjusted Shares will be granted.**

**The transactions contemplated under the Third Resumption Proposal are subject to the satisfaction and/or waiver of the conditions precedent to the Jumbo Chance Agreement. Accordingly, the transactions contemplated under the Third Resumption Proposal may or may not proceed.**

**The Resumption is subject to a number of Resumption Conditions set out by the Stock Exchange. The deadline for the fulfillment of all of the Resumption Conditions is 14 January, 2012 and the Company has made an application to the Stock Exchange for extension of the deadline to 30 April, 2012. The release of this announcement does not necessarily mean that the Resumption Conditions have been or could be fulfilled.**

**Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares, and if they are in any doubt about their positions, they should consult their professional advisors.**

**By Order of the Board**  
**Victory Group Limited**  
**Chan Chun Choi**  
*Chairman and Managing Director*

Hong Kong, 6 January 2012

*As at the date of this announcement, the Board comprises Mr. Chan Chun Choi and Ms. Lu Su Hua as executive directors; Mr. Cheung Man Fu, Mr. Ip Ka Keung and Dr. Lam King Hang, as independent non executive directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*