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VICTORY GROUP LIMITED
(Incorporated in Bermuda with limited liability)
(Stock code: 1139)

ANNOUNCEMENT

- (1) COMPLETION OF PLACING DOWN;**
- (2) CHANGE OF BOARD LOT SIZE; AND**
- (3) RESUMPTION OF TRADING**

Financial Advisor to the Company



The Board is pleased to announce that completion of the Placing Down Arrangement took place on 7 June 2012.

The Shares will be traded in board lots of 16,000 Shares each after the Resumption.

Trading in the Shares on the Stock Exchange was suspended since 27 September 2006. As all of the Resumption Conditions have been fulfilled and the Placing Down Arrangement has completed as at the date of this announcement, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares, including, inter alia, the Offer Shares with effect from 9:00 a.m. on 11 June 2012.

References are made to (i) the prospectus of the Company dated 18 May 2012 in respect of the Open Offer (the “**Prospectus**”); and (ii) the announcement of the Company dated 5 June 2012 in relation to, amongst others, results of the Open Offer (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Prospectus and the Announcement unless the context requires otherwise.

COMPLETION OF PLACING DOWN

Upon completion of the Open Offer, the Underwriter’s shareholding increased from 2,120,887 Shares, representing approximately 27.4% of the issued share capital of the Company immediately before completion of the Open Offer, to 796,478,152 Shares, representing approximately 92.7% of the issued share capital of the Company immediately after completion of the Open Offer. As set out in the Prospectus, the Underwriter has irrevocably undertaken to the Company that if the underwriting arrangement in respect of the Open Offer results in less than 25% of the total issued share capital for the Company held by the public Shareholders, he will place down his shareholding interest in the Company to Independent Third Parties in order to comply with the public float requirement under the Listing Rules.

The Board is pleased to announce that completion of Placing Down Arrangement took place on 7 June 2012 and the Underwriter has successfully placed 152,128,000 Shares at the Subscription Price of HK\$0.13 per Share to not less than six Independent Third Parties. None of the placees under the Placing Down Arrangement is expected to become a substantial Shareholder (as defined in the Listing Rules) upon completion of the Placing Down Arrangement.

Upon the completion of the placing down arrangement, the Underwriter held 644,350,152 Shares, representing approximately 75.0% of the entire issued and paid-up share capital of the Company. As a result, the Company has a sufficient public float in accordance with Rule 8.08(1)(a) of the Listing Rules.

Set out below is the shareholding structure of the Company before and after completion of the Placing Down Arrangement:

	Immediately before completion of the Placing Down Arrangement		Immediately after completion of the Placing Down Arrangement	
	Shares	%	Shares	%
Mr. Chan and parties acting in concert with him	796,478,152	92.7	644,350,152	75.0
<i>Public Shareholders</i>				
Placees under the Placing Down Arrangement	-	-	152,128,000	17.7
Other public Shareholders	62,668,286	7.3	62,668,286	7.3
Sub-total of public Shareholders	62,668,286	7.3	214,796,286	25.0
Total	859,146,438	100.0	859,146,438	100.0

CHANGE IN BOARD LOT SIZE

The existing Shares are traded in board lots of 8,000 Shares each. The Shares will be traded in board lots of 16,000 Shares each after the Resumption.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended since 27 September 2006. As all of the Resumption Conditions have been fulfilled and the Placing Down Arrangement has completed as at the date of this announcement, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares, including, inter alia, the Offer Shares with effect from 9:00 a.m. on 11 June 2012.

By order of the Board
Victory Group Limited
Chan Chun Choi

Chairman and Managing Director

Hong Kong, 8 June 2012

As at the date of this announcement, the Board comprises Mr. Chan Chun Choi and Ms. Lo So Wa Lucy (formerly known as 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.