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## **VICTORY GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

(Stock code: 1139)

### **HIGH CONCENTRATION OF SHAREHOLDING**

This announcement is made at the request of the Stock Exchange in respect of the high concentration of the shareholding of the Company in the hands of a limited number of shareholders as at 13 July 2012.

**In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded. Shareholders and prospective investors are therefore advised to exercise extreme caution when dealing in the Shares.**

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of the shareholding of Victory Group Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 13 July 2012.

The Company noted that an announcement (the “**SFC Announcement**”) has been published by Securities and Futures Commission (the “**SFC**”) on 25 July 2012. As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. Its findings suggested that as at 13 July 2012, 15 shareholders held an aggregate of 163,682,040 shares of HK\$0.001 each in the share capital of the Company, representing 19.05% of the issued share capital of the Company.. Such shareholding, together with 644,350,152 Shares (representing 75% of the issued Shares) held aggregately by 2 substantial shareholders of the Company, represented 94.05% of the issued share capital of the Company. Therefore, only 51,114,246 Shares (representing 5.95% of the issued share capital of the Company) were held by other investors.

As disclosed in the SFC Announcement, as at 13 July, 2012, the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Mr. Chan Chun Choi (Note 1)	444,350,152	51.72
Mr. Lin Huiwen	200,000,000	23.28
A group of 15 shareholders (Note 2)	163,682,040	19.05
Other shareholders	51,114,246	5.95
Total:	<u>859,146,438</u>	<u>100.00</u>

*Note 1: Mr. Chan Chun Choi is the Chairman and Managing Director of the Company. Out of the 444,350,152 Shares, 202,575,000 Shares and 32,843,457 Shares were held through Winsley Investment Limited and Eternal Victory Enterprises Inc. respectively.*

*Note 2: Positions acquired on market after trading resumption.*

The board (the “**Board**”) of the directors of the Company (the “**Directors**”) wishes to clarify that the above information is extracted from the SFC Announcement and the Company has not verified such information and is also not in a position to comment on its accuracy. As well, as at the date of this announcement, the Company has not been informed of the identity of the group of 15 shareholders as mentioned in the SFC Announcement. The Company however, having made all reasonable enquiries and to the best knowledge of the Company, confirms that as of 13 July 2012 the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Mr. Chan Chun Choi (Note 1)	444,350,152	51.72
Mr. Lin Huiwen	200,000,000	23.28
Ms. Yuen Sau Ying Eva (Note 2)	80,816,000	9.41
A group of 14 shareholders (Note 3)	82,866,040	9.64
Other shareholders	51,114,246	5.95
Total:	<u>859,146,438</u>	<u>100.00</u>

*Note 1: Mr. Chan Chun Choi is the Chairman and Managing Director of the Company. Out of the 444,350,152 Shares, 202,575,000 Shares and 32,843,457 Shares were held through Winsley Investment Limited and Eternal Victory Enterprises Inc. respectively.*

*Note 2: Ms. Yuen Sau Ying Eva is a public shareholder.*

*Note 3: Positions acquired on market after trading resumption.*

Therefore, as of 13 July 2012, 14 Shareholders held an aggregate of 82,860,040 Shares, representing 9.64% of the issued share capital of the Company. Such shareholding, together with 725,166,152 Shares (representing 84.41% of the issued share capital of the Company) held aggregately by 3 substantial shareholders of the Company, representing

94.05% of the issued share capital of the Company as at 13 July 2012. Therefore, 51,114,246 Shares (representing 5.95% of the issued share capital of the Company) were held by other shareholders.

The SFC further published in the SFC Announcement that the trading in the shares of the Company was suspended since 27 September 2006. Following the fulfillment of all the resumption conditions and completion of the placing down arrangement (representing 17.7% of the issued share capital of the Company at the subscription price of HK\$0.13 per Share) to comply with the public float requirement under the Listing Rules, trading in the Shares was resumed on 11 June 2012.

On the resumption day, share price of the Company closed at HK\$0.15. Since then, share price increased 260% to close at HK\$0.54 on 13 July 2012, off a high of HK\$0.89 on 10 July 2012. As at 24 July 2012, the Company's shares closed at HK\$0.61, representing an increase of 307% in share price since its trading resumption after a six-year suspension.

## **PUBLIC FLOAT**

Based on the information available and to the best knowledge of the Board, as at 13 July 2012 and the date of this announcement, Mr. Chan Chun Choi, Mr. Lin Huiwen and Ms. Yuen Sau Ying Eva (being the three substantial shareholders of the Company), held 725,166,152 Shares, representing approximately 84.41% of the issued share capital of the Company.

Having made all reasonable enquiries with the directors of the Company and to the best knowledge of the Company, Ms. Yuen Sau Ying Eva is a public shareholder. Accordingly, Mr. Chan Chun Choi and Mr. Lin Huiwen (being two of the three substantial shareholders of the Company), held 644,350,152 Shares, representing approximately 75% of the issued share capital of the Company. Therefore, the Company confirms that not less than 25% of the issued share capital of the Company is held in public hands as at the date of this announcement and the Company has maintained a sufficient public float as required under the Listing Rules.

**In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.**

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

Hong Kong, 25 July 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.*