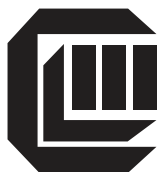


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VICTORY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1139)

(the “Company”)

2012 ANNUAL RESULTS

The board of directors of the Company (the “Board”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2012

	Notes	2012 HK\$'000	2011 HK\$'000
Revenue	3	71,735	—
Cost of sales		(67,828)	—
Gross profit		3,907	—
Other income	5	3,823	91
Selling and distribution expenses		(4,443)	—
Administrative expenses		(10,327)	(3,974)
Fair value change on contingent consideration		26,998	—
Gain on bargain purchases of subsidiaries		21,834	—
Operating profit (loss)		41,792	(3,883)
Finance costs	6	(3,008)	(2,447)
Profit (loss) before taxation		38,784	(6,330)
Income tax expenses	7	—	—
Profit (loss) for the year	8	38,784	(6,330)
Profit (loss) for the year attributable to:			
Owners of the Company		38,791	(6,330)
Non-controlling interest		(7)	—
		38,784	(6,330)
Earnings (loss) per share	10		(Restated)
Basic (HK Cents)		7.91	(81.78)
Diluted (HK Cents)		N/A	N/A

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Profit (loss) for the year	<u>38,784</u>	<u>(6,330)</u>
Total comprehensive income (expense) for the year	<u>38,784</u>	<u>(6,330)</u>
Total comprehensive income (expense) attributable to:		
Owners of the Company	38,791	(6,330)
Non-controlling interest	<u>(7)</u>	<u>—</u>
	<u>38,784</u>	<u>(6,330)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2012

	<i>Notes</i>	2012 HK\$'000	2011 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		2,147	1,748
Prepaid lease payments – non current portion		12,948	13,329
Contingent consideration receivable			
– non current portion		9,955	–
Prepayments – non-current portion		21,517	–
		46,567	15,077
CURRENT ASSETS			
Inventories	11	28,560	–
Trade receivables	12	263	–
Contingent consideration receivable			
– current portion		17,043	–
Prepayments, deposits and other receivables		35,453	59
Prepaid lease payments – current portion		381	381
Prepaid tax		57	–
Bank balances and cash		24,675	16
		106,432	456
CURRENT LIABILITIES			
Trade payables	13	1,990	100
Other payables and accruals	14	3,011	5,089
Deposit received		392	–
Amounts due to directors		4,941	4,572
Bank overdrafts		–	2,123
Bank and other borrowings		–	26,479
Promissory note payable – current portion		14,604	–
		24,938	38,363
NET CURRENT ASSETS (LIABILITIES)		81,494	(37,907)
TOTAL ASSETS LESS CURRENT LIABILITIES		128,061	(22,830)
NON-CURRENT LIABILITIES			
Promissory note payable – non-current portion		3,245	–
NET ASSETS (LIABILITIES)		124,816	(22,830)
CAPITAL AND RESERVES			
Share capital	15	859	15,480
Reserves		123,961	(38,310)
Equity attributable to the owners of the Company		124,820	(22,830)
Non-controlling interests		(4)	–
TOTAL EQUITY		124,816	(22,830)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Contributed surplus <i>HK\$'000</i> <i>(Note a)</i>	Accumulated losses <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	Non- controlling interest <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2011	15,480	50,091	710	(82,781)	(16,500)	–	(16,500)
Loss for the year, representing total comprehensive expense for the year	–	–	–	(6,330)	(6,330)	–	(6,330)
At 31 December 2011	15,480	50,091	710	(89,111)	(22,830)	–	(22,830)
Profit for the year, representing total comprehensive income for the year	–	–	–	38,791	38,791	(7)	38,784
Capital injection by non-controlling interest	–	–	–	–	–	3	3
Capital reduction	(15,472)	–	–	15,472	–	–	–
Issue of shares pursuant to an open offer	851	109,831	–	–	110,682	–	110,682
Transaction costs attributable to issue of shares	–	(1,823)	–	–	(1,823)	–	(1,823)
At 31 December 2012	859	158,099	710	(34,848)	124,820	(4)	124,816

Notes:

- (a) The contributed surplus represents the excess of the fair value of the subsidiaries' shares acquired pursuant to the reorganisation on 22 January 1998, over the nominal value of the Company's shares issued in exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2012

1. GENERAL INFORMATION

Victory Group Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability under the Companies Act of Bermuda. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The trading of Company’s shares has been suspended since 27 September 2006. On 11 June 2012, the Company has fulfilled the resumption conditions set out by the Stock Exchange, as of that date, its shares were resumed trading on the Stock Exchange.

The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business of the Company is Suite 1609, New East Ocean Centre, 9 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong.

In the opinion of the directors of the Company (the “Directors”), the parent and ultimate controlling party of the Company is Winsley Investment Limited (“Winsley”) which is incorporated in Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is the same as the functional currency of the Company and its subsidiaries.

The Company and its subsidiaries (collectively referred to as the “Group”) were principally engaged in the investment holding and trading of second hand left-hand-drive motor vehicles during the current year ended 31 December 2012.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values, as explained in the accounting policies set out. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

In the current year, the Group has applied the following new and revised HKFRSs and Hong Kong Accounting Standards (“HKASs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Amendments to HKFRS 1	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
Amendments to HKFRS 7	<i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>
Amendments to HKAS 12	<i>Deferred Tax: Recovery of Underlying Assets</i>

The application of the amendments to HKFRSs and HKASs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in the consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009 – 2011 Cycle
Amendments to HKFRS 1	Government Loans ¹
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ¹
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ³
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ²
HKFRS 9	Financial Instruments ³
HKFRS 10	Consolidated Financial Statements ¹
HKFRS 11	Joint Arrangements ¹
HKFRS 12	Disclosure of Interests in Other Entities ¹
HKFRS 13	Fair Value Measurement ¹
HKAS 19 (as revised in 2011)	Employee Benefits ¹
HKAS 27 (as revised in 2011)	Separate Financial Statements ¹
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ¹
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income ⁴
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities ²
HK(IFRIC)* – Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine ¹

* IFRIC represents the International Financial Reporting Interpretations Committee.

¹ Effective for annual periods beginning on or after 1 January 2013.

² Effective for annual periods beginning on or after 1 January 2014.

³ Effective for annual periods beginning on or after 1 January 2015.

⁴ Effective for annual periods beginning on or after 1 July 2012.

3. REVENUE

	2012 HK\$'000	2011 HK\$'000
Trading and distribution of second hand left-hand-drive motor vehicles	<u>71,735</u>	<u>–</u>

4. SEGMENT INFORMATION

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the board of directors of the Company, being the chief operating decision maker for the purposes of allocation resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

The Group has only one operating and reportable segment, represented the trading and distribution of second hand left-hand-drive motor vehicles, which is a new operating and reportable segment of the Group for the year ended 31 December 2012. Since this is the only one operating and reportable segment of the Group, no further analysis thereof is presented.

All the revenue of the Group are generated from trading and distribution of second hand left-hand-drive motor vehicles for the year ended 31 December 2012 (2011: Nil).

Geographical information

The Group's operations are in Hong Kong. All the revenue from external customer of the Group are generated from customers located in Hong Kong. All the non-current assets of the Group are located in Hong Kong.

Information about major customers

There was no single customer accounting for over 10% of total sales of the Group during the year ended 31 December 2012 and 31 December 2011.

5. OTHER INCOME

	2012 HK\$'000	2011 HK\$'000
Waiver of a director's emolument	–	91
Waiver of interest on an other loan	2,499	–
Interest income	13	–
Exchange gain, net	354	–
Other income	957	–
	<u>3,823</u>	<u>91</u>

6. FINANCE COSTS

Interest on bank and other borrowings wholly repayable within five years:

	2012 HK\$'000	2011 HK\$'000
Interest on:		
– Bank overdrafts	–	105
– Bank borrowings	223	386
– Other borrowings (<i>Note</i>)	1,318	1,956
– Bills payables	28	–
– Interest on promissory note payable	1,439	–
	<u>3,008</u>	<u>2,447</u>

Note:

It included overdue interest for overdue loans from a third party and a financial institution amounted to approximately HK\$591,000 (2011: HK\$1,273,000) and HK\$727,000 (2011: HK\$362,000) respectively for the year ended 31 December 2012.

7. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No Hong Kong Profits Tax has been provided in both years as the Group did not generate any assessable profits arising in Hong Kong for the years ended 31 December 2012 and 2011.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% from 1 January 2008 onwards.

No profits taxes have been provided for the subsidiaries which are operating outside Hong Kong as these subsidiaries have not generated any assessable profits in the respective jurisdictions.

The income tax expense for the years can be reconciled to the profit (loss) before tax per the consolidated income statement as follows:

	2012 HK\$'000	2011 HK\$'000
Profit (loss) before tax	<u>38,784</u>	<u>(6,330)</u>
Tax at the applicable tax rate	6,399	(1,050)
Tax effect of income not taxable for tax purpose	(8,471)	(15)
Tax effect of expenses not deductible for tax purpose	493	950
Tax effect of tax losses not recognised	1,628	116
Tax effect of temporary differences not recognised	(49)	(1)
Income tax expense	<u>–</u>	<u>–</u>

At the end of the reporting period, the Group has unused tax losses of approximately HK\$138,005,000 (2011: HK\$128,138,000). No deferred tax assets has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams of the Group. The tax losses can be carried forward indefinitely.

8. PROFIT (LOSS) FOR THE YEAR

Profit (loss) for the year has been arrived at after charging:

	2012 HK\$'000	2011 HK\$'000
Auditor's remuneration		
– Audit services	400	400
– Other services	320	890
	<u>720</u>	<u>1,290</u>
Amortisation of prepaid lease payments	381	381
Cost of inventories recognised as cost of sales	67,828	–
Depreciation of property, plant and equipment	120	53
Loss on disposal of property, plant and equipment	16	–
Minimum lease payments under operating lease in respect of rented premises	311	69
Staff costs (including directors' and chief executives' emoluments)	<u>3,874</u>	<u>818</u>

9. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2012, nor has any dividend been proposed since the end of the reporting period (2011: Nil).

10. EARNINGS (LOSS) PER SHARE

The calculation of the basic earnings (loss) per share attributable to owners of the Company is based on the consolidated profit (loss) for the year attributable to owners of the Company of approximately HK\$38,791,000 (2011: loss of HK\$6,330,000) and the weighted average of 490,592,443 (2011: 7,740,058 (restated)) ordinary shares of the Company in issue during the year.

No diluted earnings (loss) per share has been presented as there was no dilutive potential ordinary share for the years ended 31 December 2012 and 2011.

11. INVENTORIES

	2012 HK\$'000	2011 HK\$'000
Second hand left-hand-drive motor vehicles	<u>28,560</u>	<u>–</u>

None of the inventories is carried at net realisable value as at 31 December 2012 and 2011.

12. TRADE RECEIVABLES

	2012 HK\$'000	2011 HK\$'000
Trade receivables	<u>263</u>	<u>–</u>

The Group allows an average credit period of 30 days to its trade customers. The following is an aged analysis of trade receivables presented based on the date of delivery of goods which approximate the respective revenue recognition dates at the end of the reporting period.

	2012 HK\$'000	2011 HK\$'000
0-30 days	<u>263</u>	<u>–</u>

As at 31 December 2012 and 2011, trade receivables are all neither past due nor impaired.

In determining the recoverability of a trade receivables, the Group considers any change in credit quality of the trade receivables from the date credit was initially granted up to the reporting date. In view of the good settlement history from the debtors of the Group, the Directors consider that there is no impairment loss recognised for the year. The Group does not hold any collateral over this balances.

13. TRADE PAYABLES

	2012 HK\$'000	2011 HK\$'000
Trade payables	<u>1,990</u>	<u>100</u>

An aged analysis of trade payables based on the invoice date at the end of the reporting period is as follows:

	2012 HK\$'000	2011 HK\$'000
1-30 days	570	–
31-61 days	–	–
61-90 days	1,320	–
Over 1 year	<u>100</u>	<u>100</u>
	<u>1,990</u>	<u>100</u>

The average credit period on purchase of goods is 30 days. The Group has financial risk management policies in place to ensure that all payables are settled within timeframe.

14. OTHER PAYABLES AND ACCRUALS

	2012 HK\$'000	2011 HK\$'000
Other payables	2,357	2,327
Accruals	<u>654</u>	<u>2,762</u>
	<u>3,011</u>	<u>5,089</u>

15. SHARE CAPITAL

	Par value per share	Number of ordinary shares	Amount HK\$'000
Authorised:			
At 1 January 2011, 31 December 2011 and 1 January 2012	0.1	500,000,000	50,000
Additions (<i>Note a</i>)	0.1	1,020,558,640	102,056
Share consolidation (<i>Note b</i>)	N/A	(1,444,530,708)	–
Share split (<i>Note b</i>)	N/A	151,979,836,068	–
		<hr/>	<hr/>
At 31 December 2012	0.001	152,055,864,000	152,056
		<hr/> <hr/>	<hr/> <hr/>
Issued and fully paid:			
At 1 January 2011 and 31 December 2011 and 1 January 2012	0.1	154,801,160	15,480
Share consolidation (<i>Note b</i>)	N/A	(147,061,102)	–
Share reduction (<i>Note b</i>)	N/A	–	(15,472)
Open offer (<i>Note c</i>)	0.001	851,406,380	851
		<hr/>	<hr/>
At 31 December 2012	0.001	859,146,438	859
		<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) Pursuant to the Company's circular dated 16 April 2012, prospectus dated 18 May 2012 and the special resolution passed at the Company's special general meeting held on 7 May 2012, the authorised share capital of the Company has been increased from HK\$50,000,000, divided into 500,000,000 shares of HK\$0.10 each (the "Share(s)") to HK\$152,055,864 divided into 1,520,558,640 Shares of HK\$0.10 each by the creation of an additional 1,020,558,640, Shares of HK0.10 each.
- (b) Pursuant to the Company's circular dated 16 April 2012, prospectus dated 18 May 2012 and the special resolution passed at the Company's special general meeting held on 7 May 2012, every twenty shares of HK\$0.10 each in the share capital of the Company had been consolidated into one share of HK\$2.00 (the "Consolidated Share(s)"). The par value of each of the issued Consolidated Shares had been reduced from HK\$2.00 each to HK\$0.001 each by cancelling the paid-up capital to the extent of HK\$1.99 per issued Consolidated Share. The credit arising from the capital reorganisation will be applied to set off against the accumulated loss of the Company. Immediately following the capital reduction, each authorised Consolidated Share will also be sub-divided into 2,000 adjusted shares with a par value of HK\$0.001 each (the "Adjusted Share").
- (c) Pursuant to the Company's circular dated 16 April 2012, prospectus dated 18 May 2012 and the special resolution passed at the Company's special general meeting held on 7 May 2012, the Company has made an open offer on the basis of one hundred and ten offer shares for every one share held on the 17 May 2012 at the subscription price of HK\$0.13 per offer share. On 7 June 2012, 851,406,380 ordinary shares had been issued under the open offer accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS

Results

The Group had revenue of approximately HK\$71,735,000 for the year ended 31 December 2012. Net profit attributable to owners of the Company for the year was approximately HK\$38,791,000.

Business review

Trading of the Company's shares had been suspended since 27 September 2006. On 18 December 2008, the Listing Committee of the Stock Exchange announced to place the Company into the third 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").

On 15 July 2011, the Listing Committee agreed to allow the Company to proceed with the Resumption Proposal, subject to compliance with the Resumption Conditions to the satisfaction of the Listing Division. Due to certain material changes to the Company's resumption plans, the Company submitted a Third Resumption Proposal to the Stock Exchange. On 28 October 2011, the Listing Committee had conditionally approved the Company's Third Resumption Proposal.

At 5 June 2012, all the Resumption Conditions have been fulfilled and complied with all the Resumption Conditions and resumed of trading in the shares on 11 June 2012. The Group had been reorganised and has adequate resources to continue with sustainable business operations.

The principal activities of the Company were investment holding and trading of second hand left-hand-drive motor vehicles. The core business of the Company during the year was car sales business and principally engaged in the trading of second hand left-hand-drive motor vehicles. The primary market of the core business is PRC mainland.

During the year, the unstable global economic environment and the slowdown of market growth in PRC have posed challenges to motor vehicles business. The supply and demand disparities due to the over production of cars in mainland China has led to drop on selling price of new car and affecting the demand of second-hand car. On the other hand, advanced car brand in China have started to operate second-hand car sales business in mainland and the implemented of limited license order in China cause the motor vehicle market worse.

Comparing to last financial year, the increased audited net profit for 2012 was primarily caused by the completion of the Acquisition took place on 5 June 2012. It including an increase of approximately HK\$3,907,000, HK\$3,732,000, HK\$26,998,000 and HK\$21,834,000 in gross profit, other income, fair value change on contingent consideration and gain on bargain purchases of subsidiaries respectively, and also in increase of approximately HK\$4,443,000, HK\$6,353,000 and HK\$561,000 in selling and distribution expenses, administrative expense and finance costs respectively.

During the year under review, the Group's overall running cost had been sustained at its minimal level through the strict cost control measures. The human resources had also been maintained at the least possible status to generate maximum productivity. In brief, the cost structure of the Group has always been successfully locked at the least possible efficient level.

Liquidity, financial resources and funding

The current ratio of the Group at the end of 2012 was 4.27 (2011: 0.01). No gearing ratio, resulting from a comparison of the total borrowings with total equity of the Group at 31 December 2012 (2011: 1.25) as there is no borrowing at 31 December 2012. Details of the Group's exposure to credit risk, liquidity risk, currency risk, interest rate risk and any related hedges are stated in note 6 to the consolidated financial statements.

During the year ended 31 December 2012, the Group has no additional borrowings (2011: HK\$3,500,000). The Group had repaid all the bank borrowings and other borrowings as at the year.

At as 31 December 2012, the Group had trade receivables amounted to approximately HK\$263,000 (2011: Nil) and trade payables amounted to approximately HK\$1,990,000 (2011: HK\$100,000). There had inventories amounted to approximately HK\$28,560,000 as at 31 December 2012 (2011: Nil).

As at 31 December 2012, the Group's net current assets amounted to approximately HK\$81,494,000 (2011: net current liabilities HK\$37,907,000) and net assets amounted to approximately HK\$124,816,000 (2011: net liabilities HK\$22,830,000). At the same day, the Group's bank balances and cash amounted to approximately HK\$24,675,000 (2011: HK\$16,000). There was no bank and other borrowings at 31 December 2012 (2011: HK\$26,479,000).

Charge on assets

As at 31 December 2012, the Group does not have any charges (2011: HK\$15,452,000).

Significant investment held

The Group did not hold any significant investment during the year ended 31 December 2012.

Material acquisitions and disposals of subsidiaries and associated companies

On 1 June 2010, the Company entered into an agreement with Long Triumph Holdings Limited and Ms. Leung Oi Lan Kit (collectively known as the "Vendors") in relation to the sale and purchase of the entire issued share capital of Jumbo Chance Holdings Limited and its wholly-owned subsidiaries, Sky Dragon (China) Trading Limited and Express Luck Limited (collectively referred to as "Jumbo Chance Group") (the "Jumbo Chance Acquisition"). Details of the Jumbo Chance Acquisition are set out in the Company's announcements dated 4 June 2010, 25 June 2010, 29 September 2010, 29 November 2010, 31 January 2011, 29 March 2011, 6 January 2012 and the Company's circular dated 16 April 2012 respectively. Jumbo Chance Group is engaged in the trading of second hand left-hand-drive motor vehicles. Details of acquisition of subsidiaries are set out in note 32 to the financial statements.

On 2 September 2010, the Company announced that the Company entered into a conditional sale and purchase agreement dated 17 August 2010 with an independent third party to acquire the whole issued share capital of Shenzhen Sansun Hi-Tech Company Limited for a consideration of HK\$70,000,000, which was subsequently terminated as per the Company's announcement dated 6 January 2012.

Foreign currency exposure

The Group operates in Hong Kong with most of the transactions denominated and settled in Hong Kong dollars (“HKD”). The Group’s foreign currencies are mainly US dollars (“USD”), Euro (“EUR”) and Japanese Yen (“JPY”). Foreign currency risk arises from financial assets and transactions which were denominated in currencies other than the functional currencies of the Group entities. The Group has bank balances and cash denominated in USD, EUR and JPY. The Group currently does not have foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Human resources

As at 31 December 2012, the Group had a total of 19 employees. The remuneration was linked to the financial results of the Group as well as the performance of individual staff. The remuneration policies of the Group’s employees are subject to review regularly. Total staff costs including directors’ remuneration, for the period amounted to approximately HK\$3,874,000 (2011: HK\$818,000). On irregular but necessary basis, adequate on-job training had been provided to staff in need.

Contingent liabilities

Pursuant to the loan agreement dated 27 June 2011 entered into with a financial institution, a loan of HK\$3,500,000 together with the interest should be repaid on 27 September 2011. As the Group failed to settle an outstanding amount as at 27 September 2011, the said outstanding amount was charged to pay further interest and was outstanding as at 31 December 2011. The Group breached the repayment terms of the loan. As a result, a claim may be made against the Group by the financial institution for the immediate repayment of the principal amount and accrued interest together with the said expenses, and instituting legal proceedings against the Group.

During the year ended 31 December 2012, the Company settled the loan of HK\$3,500,000, together with the interest should be repaid on 27 September 2011 and all the further interest charged on the said outstanding amount, the Directors are of the opinion that the possibility of an outflow of resources embodying economic benefits is remote.

Capital commitment

On 1 June 2010, the Company entered into an agreement with Long Triumph Holdings Limited and Ms. Leung Oi Lan Kit (collectively known as the “Vendors”) in relation to the sale and purchase of the entire issued share capital of Jumbo Chance holdings limited and its wholly-owned subsidiary, Sky Dragon (China) Trading Limited (the “Jumbo Chance Acquisition”). Details are set out in the Company’s announcements dated 4 June 2010, 25 June 2010, 29 September 2010, 29 November 2010, 31 January 2011 and 29 March 2011. There was no capital commitment in respect of the Acquisition outstanding at 31 December 2012 (2011: HK\$50,000,000).

On 3 January 2012, the Company and the Vendors entered into the fifth deed of variation, the parties mutually agreed to vary the consideration from HK\$50 million to HK\$60 million.

The Acquisition was completed on 5 June 2012 and the consideration was satisfied in cash and promissory note (Details of the consideration transferred is disclosed in Note 32 to the financial statements).

Future outlook

At 5 June 2012, all the Resumption Conditions have been fulfilled and complied with all the Resumption Conditions and resumed of trading in the shares on 11 June 2012. The Group had been reorganised and has adequate resources to continue with sustainable business operations.

The unstable global economic environment and the moderated market conditions in the PRC, decrease in demand of second-hand car, increase in competitors and limited license order in China may continue to affect the business of the Company in the coming year.

The Directors will use its best endeavors to look for new business and investment opportunities with an aim to broaden the Group's revenue stream. The Company will also keep on exercising stringent cost control, quality assurance, and expense control to minimize operating costs.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

SCOPE OF WORK OF LO AND KWONG C.P.A. COMPANY LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2012 have been agreed by the Group's auditors, Lo and Kwong C.P.A. Company Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Lo and Kwong C.P.A. Company Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Lo and Kwong C.P.A. Company Limited on the preliminary announcement.

CORPORATE GOVERNANCE

The Group's 2012 audited consolidated financial statements had been reviewed by the audit committee of the Company (the "Audit Committee"), which comprises three independent non-executive Directors, before they were duly approved by the Board under the recommendation of the Audit Committee.

With the consent of the Audit Committee, the Board hereby confirms that, in the preparation of the 2012 consolidated financial statements of the Company, the Directors, both collectively and individually, applied such degree of skill, care and diligence as may reasonably be expected of under the Rule 3.08 of the Listing Rules.

In addition to the above disclosures, the Company's 2012 annual report also contains the corporate governance report in compliance with all relevant recommendations laid down in the "Corporate Governance Report" as set out in Appendix 14 of the Listing Rules.

In the opinion of the Directors, the Company had complied with the code provisions as set out in Appendix 14 of the Listing Rules except A.2.1 throughout the accounting period covered by the 2012 annual report.

Non-compliance with code provision A.2.1

This provision states that the roles of chairman and chief executive officer (“CEO”) should be separated and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. During the year ended 31 December 2012, Mr. Chan Chun Choi held the offices of chairman and CEO of the Company. The Board believes that vesting the roles of both chairman and CEO in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the shareholders of the Company will be held on a date to be fixed by the Board. Notice of Annual General Meeting will be published and despatched to the shareholders in due course.

OTHER INFORMATION

All the financial and other related information required by the Listing Rules in relation to the annual results announcement of the Company is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.victoryg.com). The Annual Report will be despatched to shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

On behalf of the Board
Chan Chun Choi
Chairman and Managing Director

Hong Kong, 28 March 2013

As at the date of this announcement, the Board comprises Mr. Chan Chun Choi, Ms. Lo So Wa Lucy (formerly known as Lu Su Hua), Mr. Lin Huiwen and Mr. Chan Kingsley Chiu Yin as executive directors; Mr. Ip Ka Keung, Dr. Lam King Hang and Mr. Cheung Man Fu as independent non-executive directors.