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VICTORY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(the “Company”)

(Stock code: 1139)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2009

The board of directors of the Company (the “Board”) announces the unaudited interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2009 (the “Period”) together with the comparative figures for the corresponding period last year (the “Last Period”) as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT – UNAUDITED

| | | Six months ended 30 June | |
|--|-------------|-------------------------------------|---------------------|
| | <i>Note</i> | 2009 | 2008 |
| | | HK\$'000 | HK\$'000 |
| Revenue | 3 | – | – |
| Other income | 4 | 1,065 | 276 |
| Administrative expenses | | (2,242) | (1,395) |
| | | <hr/> | <hr/> |
| Operating loss | | (1,177) | (1,119) |
| Finance costs | 5 | (200) | (233) |
| | | <hr/> | <hr/> |
| Loss before tax | 6 | (1,377) | (1,352) |
| Income tax expense | 7 | – | – |
| | | <hr/> | <hr/> |
| Net loss attributable to equity shareholders of the Company | | (1,377) | (1,352) |
| | | <hr/> | <hr/> |
| Interim dividend | 8 | – | – |
| | | <hr/> | <hr/> |
| Loss per share | 9 | (0.89 cents) | (0.87 cents) |
| | | <hr/> | <hr/> |

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME –
UNAUDITED**

| | Six months ended | |
|--|-------------------------|------------------------|
| | 30 June | |
| | 2009 | 2008 |
| | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Loss for the period | <u>(1,377)</u> | <u>(1,352)</u> |
| Total comprehensive income attributable to equity shareholders of the Company | <u>(1,377)</u> | <u>(1,352)</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION – UNAUDITED

| | | 30 June 2009 HK\$'000 | 31 December 2008 HK\$'000 |
|---|-------------|--------------------------------------|---------------------------------|
| | <i>Note</i> | | |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 1,866 | 1,891 |
| Land lease prepayment | 11 | 13,903 | 13,263 |
| | | <u>15,769</u> | <u>15,154</u> |
| | | ----- | ----- |
| Current assets | | | |
| Land lease prepayment | 11 | 371 | 349 |
| Trade receivable | 12 | – | 14,088 |
| Prepayments, deposits and other receivables | 12 | 106 | 53 |
| Cash and cash equivalents | 13 | 339 | 2,838 |
| | | <u>816</u> | <u>17,328</u> |
| | | ----- | ----- |
| Current liabilities | | | |
| Trade payables | 14 | 466 | 12,543 |
| Other payables and accruals | 14 | 1,178 | 2,010 |
| Amount due to a third party | 15 | 2,000 | – |
| Amount due to a related party | 15 | 2,197 | 2,197 |
| Amounts due to directors | 15 | 7,490 | 6,474 |
| Bank and other borrowings | 16 | 10,622 | 15,249 |
| | | <u>23,953</u> | <u>38,473</u> |
| | | ----- | ----- |
| Net current liabilities | | (23,137) | (21,145) |
| | | ----- | ----- |
| NET LIABILITIES | | (7,368) | (5,991) |
| | | <u><u>(7,368)</u></u> | <u><u>(5,991)</u></u> |
| CAPITAL AND RESERVES | | | |
| Share capital | 17 | 15,480 | 15,480 |
| Reserves | 18 | (22,848) | (21,471) |
| | | <u>(7,368)</u> | <u>(5,991)</u> |
| TOTAL EQUITY | | (7,368) | (5,991) |
| | | <u><u>(7,368)</u></u> | <u><u>(5,991)</u></u> |

NOTES TO INTERIM FINANCIAL STATEMENTS

1. General Information

The Company is a public listed company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited. The trading of Company's shares has been suspended since 27 September 2006.

The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the interim report.

In the opinion of the Directors, the parent and ultimate controlling party is Winsley Investment Limited which is incorporated in Hong Kong.

During the Period, the Group had no revenue generated.

This unaudited interim consolidated financial statements are presented in Hong Kong dollars ("HKD"), which is the same as the functional currency of the Group. This unaudited interim consolidated financial statements was approved for issue on 16 September 2009.

2. Basis of Preparation of Financial Statements

Oriental Surplus Limited

Oriental Surplus Limited ("OSL") is a wholly-owned subsidiary of the Company incorporated in the British Virgin Island on 2 October 2007. The Group borrowed a loan of HK\$30,000,000 pursuant to the loan agreement dated 28 December 2007 from a potential investor. The loan facilities were primarily for the purpose of providing funds for costs and expenses of restructuring in relation to an agreement for the implementation of a restructuring proposal dated 9 November 2007 (the "Agreement") and as working capital to revitalize the business of the Group. The loan was secured by a share mortgage in respect of entire issued share capital of OSL.

As mentioned in the Company's 2008 annual report, as the Company had lost contact with the sole director of OSL since early 2008 and did not have sufficient documentary evidence available, the Directors were unable to represent as to the completeness and correctness of the financial information of OSL included in the financial statements of the Group.

The Company received a letter dated 4 September 2009 from the legal advisors of the said lender, informing the Company that the entire share capital in OSL has been transferred to the lender on 7 February 2009 and among the dispute over the execution of the Agreement. The said letter also stated that lender is now in possession of all the records and documents including company kit, and is the legal and beneficial owner of the entire share capital of OSL. As at the date of this announcement, the Company is in the course of verifying details with an aim to ascertain the ownership of OSL. The unaudited financial information of OSL for the six months ended 30 June 2009 was included in the financial statements of the Group based on the available books and records maintained by the Company and OSL.

Basis of Presentation and Accounting Policies

The unaudited interim consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The preparation of interim financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial statements have been prepared on a basis consistent with the accounting policies adopted in the annual financial statements for the year ended 31 December 2008, except for the accounting policies changes that are expected to be reflected in its financial statements ending 31 December 2009. Details of these changes in accounting policies are set out below.

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretation that are first effective for the current accounting period of the Group and the Company. The following developments are relevant to the Group’s financial statements:

- HKFRS 8, Operating segments
- HKAS 1 (revised 2007), Presentation of financial statements
- HKAS 27, Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity and associate
- Amendments to HKFRS 7, Financial instruments: Disclosures – improving disclosures about financial instruments
- HKAS 23 (revised 2007), Borrowing costs
- Improvements to HKFRSs (2008)

The amendments to HKAS 23, HKAS 27 and Improvements to HKFRSs (2008) have had no material impact of the Group’s financial statements. In addition, the amendments to HKFRS 7 do not contain any additional disclosure requirements specifically applicable to the interim financial statements. The impact of the remainder of these developments is as follows:

- On 1 January 2009, the Group adopted HKFRS 8, “Operating Segments” (HKFRS 8), which replaced HKAS 14, “Segment reporting” (“HKAS 14”). HKFRS 8 requires disclosure of information about the Group’s operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this Standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segment was the same as the business segment previously identified under HKAS 14. The adoption of HKFRS 8 have had no material impact on the Group’s financial statements.
- On 1 January 2009, the Group adopted HKAS 1 (revised), “Presentation of financial statements”. The revised standard aims to improve users’ ability to analyse and compare information given in financial statements.

The adoption of the revised standard has no effect on the results reported in the Group’s consolidated financial statements. It does, however, result in certain presentational changes in the Group’s primary financial statements, including:

- (i) the presentation of all items of income and expenditure in two financial statements, the “Income statement” and “Statement of comprehensive income”;
- (ii) the presentation of the “Statement of changes in equity” as a financial statement, which replaces the “Reserves” note on the financial statements; and
- (iii) the adoption of revised title “Statement of financial position” for the “Balance Sheet”.

The Group has not applied any new and revised HKFRSs, that have been issued but are not yet effective in these financial statements.

3. Revenue and Segment Information

(a) Revenue

Revenue represents the invoiced value of installation service income rendered and inventories sold, net of discounts and returns.

The Group had no revenue during both periods presented.

(b) Segment information

For management purposes, the Group is organized into business units based on their products and services.

(c) Segment result

During the Period, the Group was inactive; therefore, no segment result of the Group is presented.

In the Last Period, the Group was principally engaged in provision of installation services of LED screen and façade lighting; therefore, no segment result of the Group was presented.

(d) Geographic information

The geographical regions in this analysis are classified by the location of the principal operation of the subsidiary companies. During the periods presented, the Group's business activities were carried out in Hong Kong and all the assets of the Group were located in Hong Kong as at the end of the reporting period.

(e) Seasonality of operations

During the Period, the Group was inactive. In the Last Period, the business of provision of installation services of LED screen and façade lighting engaged by the Group was not subject to seasonal fluctuations.

4. Other Income

| | Six months ended | |
|--|------------------|------------|
| | 30 June | |
| | 2009 | 2008 |
| | HK\$'000 | HK\$'000 |
| Interest income | – | 24 |
| Over-provision of printing charges in prior years | 228 | – |
| Reversal of impairment loss on land lease prepayment | 837 | 252 |
| | <u>1,065</u> | <u>276</u> |

5. Finance Costs

Interest on bank and other borrowings wholly repayable within 5 years:

| | Six months ended 30 June | |
|---------------------------------|-----------------------------|------------|
| | 2009 | 2008 |
| | HK\$'000 | HK\$'000 |
| Interest on bank overdrafts | – | 16 |
| Interest on trust receipt loans | 9 | 27 |
| Interest on bank revolving loan | 191 | 190 |
| | <u>200</u> | <u>233</u> |

6. Loss Before Tax

Loss before tax was arrived at after charging/(crediting) the following:

| | Six months ended 30 June | |
|--|-----------------------------|-------------------|
| | 2009 | 2008 |
| | HK\$'000 | HK\$'000 |
| Amortisation of land lease prepayment | 175 | 187 |
| Auditors' remuneration | 100 | 100 |
| Depreciation | 28 | 26 |
| Interest on bank and other borrowings wholly repayable within 5 years | 200 | 233 |
| Staff costs (including directors' remuneration) | | |
| – Salaries, allowances and other benefits | 426 | 557 |
| – Mandatory Provident Fund ("MPF") contributions | 19 | 19 |
| | <u>445</u> | <u>576</u> |
| | ----- | ----- |
| Interest income | – | (24) |
| Over-provision of printing charges in prior years | (228) | – |
| Reversal of impairment loss on land lease prepayment | (837) | (252) |
| | <u> </u> | <u> </u> |

7. Taxation

No Hong Kong or overseas income tax have been provided for in the Period as neither the Company nor any of its subsidiaries derived any assessable profit that is subject to Hong Kong or overseas income tax (2008: HK\$Nil).

Note: The domestic tax rate in Hong Kong is used as it is where the operation of the Group is substantially based.

8. Interim Dividend

No dividend was paid or proposed during the Period (2008: HK\$Nil).

9. Loss Per Share

The calculation of basic loss per share for the Period is based on the net loss for the Period attributable to equity shareholders of the Company of approximately HK\$1,377,000 (2008: HK\$1,352,000), and on the number of 154,801,160 (2008: 154,801,160) ordinary shares in issue during the Period.

Diluted loss per share for both periods has not been calculated as no diluting events existed during those periods.

10. Property, Plant and Equipment

| | 2009 <i>HK\$'000</i> |
|-----------------------------------|--------------------------------|
| Carrying amount at 1 January 2009 | 1,891 |
| Additions | 3 |
| Depreciation | (28) |
| | <hr/> |
| Carrying amount at 30 June 2009 | <u>1,866</u> |

The Group's leasehold building is situated in Hong Kong and is held on medium term lease.

As at 30 June 2009, the Group's leasehold building with carrying amount of approximately HK\$1,863,000 (31 December 2008: HK\$1,886,000) was pledged to secure general banking facilities as set out in note 16.

11. Land Lease Prepayment

| | 2009 <i>HK\$'000</i> |
|------------------------------------|------------------------------------|
| Carrying amount at 1 January 2009 | 13,612 |
| Amortisation | (175) |
| Reversal of impairment loss | 837 |
| | <hr/> |
| Carrying amount at 30 June 2009 | <u>14,274</u> |
| | 2009 <i>HK\$'000</i> |
| Analysed for reporting purpose as: | |
| Current asset | 371 |
| Non-current asset | 13,903 |
| | <hr/> |
| | <u>14,274</u> |

The Group's land lease prepayment is situated in Hong Kong and is held on medium term lease.

As at 30 June 2009, the Group's land lease prepayment with carrying amount of approximately HK\$14,274,000 (31 December 2008: HK\$13,612,000) was pledged to secure general banking facilities as set out in note 16.

Reversal of impairment loss made for the Period was determined by reference to property valuations carried out by an external qualified valuer, RHL Appraisal Limited.

12. Trade Receivable, Prepayments, Deposits and Other Receivables

| | Group | |
|---|-----------------|--------------------|
| | 30 June | 31 December |
| | 2009 | 2008 |
| | HK\$'000 | HK\$'000 |
| Trade receivable | — | 14,088 |
| | ----- | ----- |
| Prepayments, deposits and other receivables | 150 | 97 |
| Less: Impairment loss on other receivables | (44) | (44) |
| | ----- | ----- |
| | 106 | 53 |
| | ----- | ----- |
| Trade receivable, prepayments, deposits and other receivables | 106 | 14,141 |
| | ===== | ===== |

The trade debts of the Group are normally with credit terms of 60 days from the date of billing. At 30 June 2009 and 31 December 2008, the aging analysis of the trade receivable is as follows:

| | Group | |
|-------------------|-----------------|--------------------|
| | 30 June | 31 December |
| | 2009 | 2008 |
| | HK\$'000 | HK\$'000 |
| Trade receivable | | |
| – within 3 months | — | 14,088 |
| | ===== | ===== |

All of the trade receivable, prepayments, deposits and other receivables are expected to be recovered within one year.

13. Cash and Cash Equivalents

| | Group | |
|---|------------------------|-----------------------|
| | 30 June | 31 December |
| | 2009 | 2008 |
| | HK\$'000 | HK\$'000 |
| Cash and bank balances | <u>339</u> | <u>2,838</u> |
| Cash and cash equivalents in the consolidated statement of financial position | 339 | 2,838 |
| Bank revolving loan with maturity within one month | <u>(10,500)</u> | <u>(10,500)</u> |
| Cash and cash equivalents in the consolidated statement of cash flows | <u><u>(10,161)</u></u> | <u><u>(7,662)</u></u> |

Cash at bank earn interest at floating rates based on daily bank deposits rates.

14. Trade Payables, Other Payables and Accruals

| | Group | |
|----------------|---------------------|----------------------|
| | 30 June | 31 December |
| | 2009 | 2008 |
| | HK\$'000 | HK\$'000 |
| Trade payables | <u>466</u> | <u>12,543</u> |
| Other payables | 53 | 53 |
| Accruals | <u>1,125</u> | <u>1,957</u> |
| | <u><u>1,178</u></u> | <u><u>2,010</u></u> |
| | <u><u>1,644</u></u> | <u><u>14,553</u></u> |

At 30 June 2009 and 31 December 2008, the aging analysis of the trade payables is as follows:

| | Group | |
|------------------------|-------------------|----------------------|
| | 30 June | 31 December |
| | 2009 | 2008 |
| | HK\$'000 | HK\$'000 |
| Trade payables | | |
| – within 3 months | – | 12,543 |
| – within 3 to 6 months | <u>466</u> | <u>–</u> |
| | <u><u>466</u></u> | <u><u>12,543</u></u> |

All the trade and other payables are expected to be settled within one year.

15. Amount(s) Due to A Third Party/A Related Party/Directors

The amount(s) due to a third party/a related party/directors are unsecured, interest free and repayable on demand.

16. Interest-bearing Bank and Other Borrowings, Secured

| | 30 June 2009 HK\$'000 | 31 December 2008 HK\$'000 |
|------------------------------|--------------------------------------|--|
| Bank borrowings: | | |
| Bank revolving loan, secured | 10,500 | 10,500 |
| Trust receipt loans, secured | – | 2,000 |
| | 10,500 | 12,500 |
| Other borrowings: | | |
| Other loan, secured | 122 | 2,749 |
| | 10,622 | 15,249 |

All of the bank and other borrowings are repayable on demand or within one year and classified under current liabilities.

The bank revolving loan and trust receipt loans bear interest at HIBOR plus 3.5% (31 December 2008: HIBOR plus 3.5%) and HIBOR plus 2.5% (31 December 2008: HIBOR plus 2.5%) per annum respectively.

As at 30 June 2009, the bank borrowings facilities of HK\$14,000,000 (31 December 2008: HK\$14,000,000) granted by a banker are secured by the Group's leasehold land and building with an aggregate carrying amount of approximately HK\$16,137,000 (31 December 2008: HK\$15,498,000), jointed and several personnel guarantee to be executed by the director, Mr. Chan Chun Choi and a third party of HK\$14,000,000 (31 December 2008: HK\$14,000,000) plus accrued interest. At the end of the reporting period, the facilities were utilized by the Group to the extent of approximately HK\$10,500,000 (31 December 2008: HK\$12,500,000).

The Group borrowed a loan of HK\$30,000,000 pursuant to the loan agreement dated 28 December 2007 from a potential investor. The loan facilities are primarily for the purpose of providing funds for costs and expenses of restructuring in relation to the Agreement for the Implementation of a Restructuring Proposal dated 9 November 2007 and as working capital to revitalize the business of the Group. The loan is secured by a share mortgage in respect of entire issued shares capital in a wholly-owned subsidiary of the Company, Oriental Surplus Limited, interest free and repayable on demand. As at 30 June 2009, the balance was approximately HK\$122,000 (31 December 2008: HK\$2,749,000).

17. Share Capital

| | 30 June 2009 | | 31 December 2008 | |
|--|-----------------------------|-----------------|-----------------------------|-----------------|
| | <i>Number of shares</i> | <i>HK\$'000</i> | <i>Number of shares</i> | <i>HK\$'000</i> |
| Authorised Share Capital | | | | |
| At beginning of period/year and at end of period/year | | | | |
| Ordinary shares of HK\$0.1 each | <u>220,558,640</u> | <u>22,056</u> | <u>220,558,640</u> | <u>22,056</u> |
| Issued and Fully Paid Share Capital | | | | |
| At beginning of period/year and at end of period/year | | | | |
| Ordinary shares of HK\$0.1 each | <u>154,801,160</u> | <u>15,480</u> | <u>154,801,160</u> | <u>15,480</u> |

18. Reserves

| | Share premium account <i>HK\$'000</i> | Contributed surplus [#] <i>HK\$'000</i> | Enterprise expansion fund* <i>HK\$'000</i> | Exchange fluctuation reserves <i>HK\$'000</i> | Accumulated losses <i>HK\$'000</i> | Total <i>HK\$'000</i> |
|----------------------------|--|--|---|--|--|--------------------------|
| At 1 January 2009 | 50,091 | 710 | 445 | (165) | (72,552) | (21,471) |
| Total comprehensive income | — | — | — | — | (1,377) | (1,377) |
| At 30 June 2009 | <u>50,091</u> | <u>710</u> | <u>445</u> | <u>(165)</u> | <u>(73,929)</u> | <u>(22,848)</u> |

[#] The contributed surplus for the Group represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the reorganisation on 22 January 1998, over the nominal value of the Company's shares issued in exchange.

* The enterprise expansion fund is maintained, and annual allocations to the fund are made, in accordance with the Joint Venture Law of China.

19. Capital Commitments

At the end of the reporting period, neither the Group nor the Company had any significant capital commitments outstanding.

20. Material Related Party Transactions

Except for the transactions noted below, the Group and the Company have not been a party to any material related party transactions during the interim period.

(a) Balances with related parties:

| | 30 June 2009 HK\$'000 | 31 December 2008 HK\$'000 |
|--|--------------------------------------|--|
| Non-trade balances due to directors | <u>7,490</u> | <u>6,474</u> |
| Non-trade balance due to a related party | <u>2,197</u> | <u>2,197</u> |

(b) Key management personnel compensation

The remuneration of Directors and other members of key management of the Group during the interim period was as follows:

| | Six months ended 30 June 2009 HK\$'000 | 2008 HK\$'000 |
|------------------------------|---|--------------------------|
| Short-term employee benefits | 130 | 181 |
| Post-employment benefits | <u>6</u> | <u>6</u> |
| | <u>136</u> | <u>187</u> |

Business and Financial Review

At the request of the Company, trading of the Company's shares has been suspended since 27 September 2006. On 18 December 2008, the Listing Committee of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") decided to place the Company in the third stage of the delisting procedures in accordance with Practice Note 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). During the Period, the Directors had been actively looking for business opportunities and/or potential acquisitions which could enhance the Company's financial and operating performance.

As of the date of this announcement, the Board has been restructured and on 29 May 2009, the Company submitted a resumption proposal in relation to the resumption of trading in the Company's shares to the Stock Exchange. Upon successfully reorganized, the Group will have adequate resources to continue with sustainable business operations. The Board is confident to bring the Company back profitable track once the trading of the Company's shares is resumed.

Financial Summary

At 30 June 2009, the Group's net current liabilities amounted to HK\$23,137,000 (31 December 2008: HK\$21,145,000) and net liabilities amounted to HK\$7,368,000 (31 December 2008: HK\$5,991,000). At the same day, the Group's cash and bank balances amounted to HK\$339,000 (31 December 2008: HK\$2,838,000).

In terms of liquidity, the current ratio at the end of the Period was 0.03 (31 December 2008: 0.45). The Group's gearing ratio, resulting from a comparison of the total borrowings with issued capital was 1.55 at 30 June 2009 (31 December 2008: 2.49).

The Group's 2009 unaudited interim financial statements had not been reviewed by the auditors of the Company but had been duly reviewed by the Audit Committee with management. For the Period, the Directors are not aware of any significant change from the position as at 31 December 2008 and the information published in the report and accounts for the year ended 31 December 2008. Throughout the Period, the capital structure of the Company only consists of share capital, no other capital instrument had been issued by the Company.

DISCLOSURE OF ADDITIONAL INFORMATION

Significant Issues

During the Period, there was no significant investment and material acquisitions or disposals of subsidiaries or associated companies. The Company and the Group had no significant commitments during the Period (Last Period and the year ended 31 December 2008: nil).

Oriental Surplus Limited

Oriental Surplus Limited ("OSL") is a wholly-owned subsidiary of the Company incorporated in the British Virgin Island on 2 October 2007. The Group borrowed a loan of HK\$30,000,000 pursuant to the loan agreement dated 28 December 2007 from a potential investor. The loan facilities were primarily for the purpose of providing funds for costs and expenses of restructuring in relation to an agreement for the implementation of a restructuring proposal dated 9 November 2007 (the "Agreement") and as working capital to revitalize the business of the Group. The loan was secured by a share mortgage in respect of entire issued share capital of OSL.

As mentioned in the Company's 2008 annual report, as the Company had lost contact with the sole director of OSL since early 2008 and did not have sufficient documentary evidence available, the Directors were unable to represent as to the completeness and correctness of the financial information of OSL included in the financial statements of the Group.

The Company received a letter dated 4 September 2009 from the legal advisors of the said lender, informing the Company that the entire share capital in OSL has been transferred to the lender on 7 February 2009 and among the dispute over the execution of the Agreement. The said letter also stated that lender is now in possession of all the records and documents including company kit, and is the legal and beneficial owner of the entire share capital of OSL. As at the date of this announcement, the Company is in the course of verifying details with an aim to ascertain the ownership of OSL. The unaudited financial information of OSL for the six months ended 30 June 2009 was included in the financial statements of the Group based on the available books and records maintained by the Company and OSL.

Pledge of Assets

As at 30 June 2009, the bank borrowings facilities of HK\$14,000,000 (31 December 2008: HK\$14,000,000) granted by a banker are secured by the Group's leasehold land and building with an aggregate carrying amount of approximately HK\$16,137,000 (31 December 2008: HK\$15,498,000), jointed and several personnel guarantee to be executed by the director, Mr. Chan Chun Choi and a third party of HK\$14,000,000 (31 December 2008: HK\$14,000,000) plus accrued interest. As at 30 June 2009, the facilities were utilized by the Group to the extent of approximately HK\$10,500,000 (31 December 2008: HK\$12,500,000).

The Group borrowed a loan of HK\$30,000,000 pursuant to the loan agreement dated 28 December 2007 from a potential investor. The loan facilities are primarily for the purpose of providing funds for costs and expenses of restructuring in relation to the Agreement for the Implementation of a Restructuring Proposal dated 9 November 2007 and as working capital to revitalize the business of the Group. The loan is secured by a share mortgage in respect of entire issued shares capital in a wholly-owned subsidiary of the Company, Oriental Surplus Limited, interest free and repayable on demand. As at 30 June 2009, the balance was approximately HK\$122,000 (31 December 2008: HK\$2,749,000).

Directors' interests in contracts

None of the Directors had a significant beneficial interest in any contract of significance to the business of the Company to which the Company or any of its subsidiaries was a party during the Period (Last Period and the year ended 31 December 2008: none).

Compliance with the Code on Corporate Governance Practices

The Company is committed to the establishment of good corporate practices and procedures. The corporate governance principles of the Company emphasise a quality board, transparency and accountability to all shareholders of the Company. In the opinion of the Board, the Group has complied with the code provisions set out in Appendix 14, Code on Corporate Governance Practices, of the Rules Governing the Listing of Securities on the Stock Exchange for the six months ended 30 June 2009.

Purchase, Sale or Redemption of the Company's Listed Securities

There was no purchase, sale or redemption of the Company's shares by the Company or any of its subsidiaries during the Period (Last Period and the year ended 31 December 2008: nil).

Publication of interim results announcement and interim report

The results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk). The 2009 Interim Report will be despatched to shareholders in due course.

By the order of the Board
Victory Group Limited
Chan Chun Choi
Chairman

Hong Kong, 16 September 2009

As at the date of this announcement, the Board comprises Mr. Chan Chun Choi and Ms. Lu Su Hua as executive directors; Mr. Hong Po Kui, Martin, Mr. Leung Wai Tat, Henry and Ms. Leung Wai Kei as independent non-executive directors.