



VICTORY GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1139)

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Chan Chun Choi

(Chairman and Managing Director)

Chan Kingsley Chiu Yin *(Deputy Chairman)*

Lo So Wa Lucy

(formerly known as Lu Su Hua)

Independent Non-executive Directors

Ip Ka Keung

Lam King Hang

Cheung Man Fu

AUDIT COMMITTEE

Ip Ka Keung *(Chairman)*

Lam King Hang

Cheung Man Fu

REMUNERATION COMMITTEE

Lam King Hang *(Chairman)*

Ip Ka Keung

Cheung Man Fu

NOMINATION COMMITTEE

Cheung Man Fu *(Chairman)*

Lam King Hang

Ip Ka Keung

COMPANY SECRETARY

Leung Wai Kei

PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited

11th Floor, The Center

99 Queen's Road Central

Central

Hong Kong

AUDITORS

ZHONGLEI (HK) CPA Company Limited

Suites 313-316, 3/F, Shui On Centre

6-8 Harbour Road

Wanchai

Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Services Limited

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

Level 22

Hopewell Centre

183 Queen's Road East

Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

PRINCIPAL PLACE OF BUSINESS

Suite 1609 New East Ocean Centre

9 Science Museum Road

Tsimshatsui East

Kowloon

Hong Kong

STOCK CODE

1139

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		Change %
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	
Revenue	5,086	16,571	(69.31)
Net loss attributable to owners of the Company	(10,666)	(10,498)	(1.60)
Loss per share	(1.24) cents	(1.22) cents	

The board of directors (the "Board") of Victory Group Limited (the "Company") announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2015 (the "Period") together with the comparative figures.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION



中磊（香港）會計師事務所有限公司
ZHONGLEI (HK) CPA Company Limited

TO THE BOARD OF DIRECTORS OF VICTORY GROUP LIMITED

華多利集團有限公司

(incorporated in Bermuda with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Victory Group Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 6 to 26, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss, condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “*Interim Financial Reporting*” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*” issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

ZHONGLEI (HK) CPA Company Limited

Certified Public Accountants (Practising)

Lam Chik Tong

Practising Certificate Number: P05612

Suites 313-316, 3/F
Shui On Centre
6-8 Harbour Road
Wanchai, Hong Kong

28 August 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Revenue	4	5,086	16,571
Interest income		1,751	93
Others		3,335	16,478
Cost of sales		(3,225)	(15,968)
Gross profit		1,861	603
Other income	6	47	183
Gain on change in fair value of contingent consideration		–	570
Selling and distribution expenses		(5,402)	(5,408)
Administrative expenses		(6,970)	(6,545)
Operating loss		(10,464)	(10,597)
Finance costs	7	(37)	(181)
Loss before tax		(10,501)	(10,778)
Income tax (expense) credit	8	(186)	10
Loss for the period	9	(10,687)	(10,768)
Loss for the period attributable to:			
Owners of the Company		(10,666)	(10,498)
Non-controlling interests		(21)	(270)
		(10,687)	(10,768)
Loss per share			
Basic (HK cents)	11	(1.24)	(1.22)
Diluted (HK cents)		N/A	N/A

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Loss for the period, representing total comprehensive expense for the period	(10,687)	(10,768)
Total comprehensive expense for the period attributable to:		
Owners of the Company	(10,666)	(10,498)
Non-controlling interests	(21)	(270)
	(10,687)	(10,768)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	<i>Notes</i>	At 30 June 2015 HK\$'000 (Unaudited)	At 31 December 2014 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	3,375	2,902
Prepaid lease payments – non-current portion		11,996	12,186
Prepayments – non-current portion		2,100	3,000
Loan and interest receivables – non-current portion	13	1,818	2,722
		19,289	20,810
CURRENT ASSETS			
Inventories		12,837	15,044
Loan and interest receivables	13	9,388	5,859
Prepayments, deposits and other receivables		19,555	28,731
Prepaid lease payments – current portion		381	381
Tax recoverable		–	55
Bank balances and cash		10,487	18,917
		52,648	68,987
CURRENT LIABILITIES			
Trade payables	14	100	100
Other payables and accruals		2,592	3,196
Deposit received		5	41
Amounts due to directors		2,378	3,069
Amount due to a minority shareholder		4,889	4,889
Tax payable		158	–
Bank borrowing		–	6,000
		10,122	17,295

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	<i>Notes</i>	At 30 June 2015 HK\$'000 (Unaudited)	At 31 December 2014 HK\$'000 (Audited)
NET CURRENT ASSETS		42,526	51,692
TOTAL ASSETS LESS CURRENT LIABILITIES		61,815	72,502
CAPITAL AND RESERVES			
Share capital	15	859	859
Reserves		61,532	72,198
Equity attributable to owners of the Company		62,391	73,057
Non-controlling interests		(576)	(555)
TOTAL EQUITY		61,815	72,502

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to owners of the Company				Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000 (Note)	Accumulated losses HK\$'000			
At 1 January 2014 (Audited)	859	158,099	710	(64,644)	95,024	25	95,049
Loss for the period, representing total comprehensive expense for the period	-	-	-	(10,498)	(10,498)	(270)	(10,768)
At 30 June 2014 (Unaudited)	859	158,099	710	(75,142)	84,526	(245)	84,281
At 1 January 2015 (Audited)	859	158,099	710	(86,611)	73,057	(555)	72,502
Loss for the period, representing total comprehensive expense for the period	-	-	-	(10,666)	(10,666)	(21)	(10,687)
At 30 June 2015 (Unaudited)	859	158,099	710	(97,277)	62,391	(576)	61,815

Note:

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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Net cash (used in) from operating activities	(359)	2,501
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	–	1
Purchase of property, plant and equipment	(1,380)	(1,841)
Net cash used in investing activities	(1,380)	(1,840)
Cash flows from financing activities:		
Repayment of bank borrowing	(6,000)	–
Decrease in amounts due to directors	(691)	(512)
Net cash used in financing activities	(6,691)	(512)
Net (decrease) increase in cash and cash equivalents	(8,430)	149
Cash and cash equivalents at 1 January	18,917	13,383
Cash and cash equivalents at 30 June, represented by bank balances and cash	10,487	13,532

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

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 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 which is incorporated in Hong Kong.

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

During the six months ended 30 June 2015, the Group was principally engaged in the investment holding, trading of motor vehicles and money lending business.

2. BASIS OF PREPARATION

The condensed consolidated financial statements of the Group for the six months ended 30 June 2015 have been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with Hong Kong Accounting Standard (“HKAS”) 34 “*Interim Financial Reporting*” issued by the Hong Kong Institute of Certified Public Accountant (“HKICPA”).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2015 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following new standards, amendments and interpretation ("new HKFRSs") issued by the HKICPA which are effective for the Group's financial year beginning 1 January 2015.

Amendments to HKAS 19 (2011)	Defined Benefits Plans: Employee Contributions
Amendments to HKFRS	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRS	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the above new HKFRSs in the current interim period has had no material effect on the amounts and/or disclosures reported in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

4. REVENUE

Turnover represents the gross proceeds received and receivable from trading of motor vehicles and money lending business. The following is an analysis of the Group's revenue:

	Six months ended 30 June	
	2015 <i>HK\$'000</i> (Unaudited)	2014 <i>HK\$'000</i> (Unaudited)
Trading of motor vehicles	3,335	16,478
Interest income from loan financing	1,751	93
	5,086	16,571

5. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group. Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Trading of motor vehicles	–	Trading and distribution of motor vehicles
Money lending	–	Business of money lending and provision of credits

Money lending business is a new reportable and operating segment of the Group for the six months ended 30 June 2014.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

5. SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

For the six months ended 30 June 2015 (Unaudited)

	Trading of motor vehicles HK\$'000	Money lending HK\$'000	Total HK\$'000
Revenue	3,335	1,751	5,086
Segment results	(9,840)	1,489	(8,351)
Unallocated corporate income			22
Unallocated corporate expenses			(2,135)
Finance costs			(37)
Loss before tax			(10,501)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

5. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

For the six months ended 30 June 2014 (Unaudited)

	Trading of motor vehicles HK\$'000	Money lending HK\$'000	Total HK\$'000
Revenue	16,478	93	16,571
Segment results	(9,606)	42	(9,564)
Unallocated corporate income			44
Unallocated corporate expenses			(1,647)
Gain on change in fair value of contingent consideration			570
Finance costs			(181)
Loss before tax			(10,778)

Segment result represents the profit earned by (loss from) each segment without allocation of central administration costs including directors' emoluments, other income, gain on change in fair value of contingent consideration and finance costs. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

5. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

At 30 June 2015 (Unaudited)

	Trading of motor vehicles HK\$'000	Money lending HK\$'000	Total HK\$'000
Segment assets	32,483	14,467	46,950
Unallocated corporate assets			24,987
Total assets			71,937
Segment liabilities	4,908	247	5,155
Unallocated corporate liabilities			4,967
Total liabilities			10,122

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

5. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 December 2014 (Audited)

	Trading of motor vehicles <i>HK\$'000</i>	Money lending <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment assets	43,221	8,590	51,811
Unallocated corporate assets			37,986
Total assets			89,797
Segment liabilities	5,144	–	5,144
Unallocated corporate liabilities			12,151
Total liabilities			17,295

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than prepaid lease payment, certain property, plant and equipment, prepayments, deposits and other receivables, tax recoverable and bank balances and cash; and
- all liabilities are allocated to operating segments other than trade payables, certain accruals and other payables, amounts due to directors and bank borrowing.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

6. OTHER INCOME

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	1	43
Gain on disposal of property, plant and equipment	–	1
Sundry income	46	139
	<u>47</u>	<u>183</u>

7. FINANCE COSTS

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest on:		
– Imputed interest on promissory note payable	–	181
– Bank borrowing	37	–
	<u>37</u>	<u>181</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

8. INCOME TAX (EXPENSE) CREDIT

	Six months ended 30 June	
	2015	2014
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Current tax:		
Hong Kong	(186)	–
Over provision in prior year:		
Hong Kong	–	10
	(186)	10

Hong Kong Profits Tax is calculated at 16.5% of the estimated profit for the six months ended 30 June 2015. No Hong Kong Profits Tax has been provided for the six months ended 30 June 2014 as the Group did not generate any assessable profits arising in Hong Kong.

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%.

No provision for profits tax have been provided for as no assessable profits were generated in other jurisdiction.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

9. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging the following items:

	Six months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Auditor's remuneration:		
– Audit services	–	50
– Other services	110	110
Cost of inventories recognised as an expense	3,225	15,898
Minimum lease payments under operating lease		
in respect of rented premises	776	364
Amortisation of prepaid lease payments	190	190
Depreciation of property, plant and equipment	907	332
Write-off of inventories included		
in administration expenses	89	629
Staff costs (including directors' remuneration)	1,099	1,082

10. DIVIDENDS

No dividend was paid or proposed during the six months ended 30 June 2015, nor has any dividend been proposed since the end of the reporting period (six months ended 30 June 2014: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

11. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the loss for the period attributable to owners of the Company of approximately HK\$10,666,000 (six months ended 30 June 2014: HK\$10,498,000) and the weighted average of 859,146,438 (six months ended 30 June 2014: 859,146,438) ordinary shares of the Company in issue during the six months ended 30 June 2015.

No diluted loss per share has been presented as there was no dilutive potential ordinary share for the six months ended 30 June 2015 and 30 June 2014.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired certain property, plant and equipment of approximately HK\$1,380,000 (six months ended 30 June 2014: HK\$1,841,000).

During the six months ended 30 June 2014, the Group disposed of certain property, plant and equipment with zero carrying amount for cash proceeds of approximately HK\$1,000, resulting in a gain on disposal of approximately HK\$1,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

13. LOAN AND INTEREST RECEIVABLES

	As at	
	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Secured loan and interest receivables	<u>11,206</u>	<u>8,581</u>
Analysed as:		
Current	<u>9,388</u>	5,859
Non-current	<u>1,818</u>	<u>2,722</u>
	<u>11,206</u>	<u>8,581</u>

The secured loan and interest receivables arising from loan financing business are secured by properties located in Hong Kong and bear interest at fixed interest rate ranging from 15% to 36% (31 December 2014: 18% to 30%) per annum. The term of loans entered with customers ranges from 1 month to 120 months.

The following table illustrates the ageing analysis, based on the loan drawn down dates, of the loan and interest receivables (net of accumulated impairment losses) outstanding at the end of the reporting period:

	As at	
	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Less than 3 months	<u>7,450</u>	2,950
More than 3 months but less than 6 months	<u>2,160</u>	1,631
More than 6 months	<u>1,596</u>	<u>4,000</u>
	<u>11,206</u>	<u>8,581</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

14. TRADE PAYABLES

	As at	
	30 June	31 December
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Trade payables	<u>100</u>	<u>100</u>

The following is an analysis of trade payables by age, presented based on the invoice date, at the end of the reporting period:

	As at	
	30 June	31 December
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Over 1 year	<u>100</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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

15. SHARE CAPITAL

	Par value per share <i>HK\$</i>	Number of shares	Amount <i>HK\$'000</i>
Authorised:			
At 1 January 2014 (Audited), 31 December 2014 (Audited) and 30 June 2015 (Unaudited)	0.001	152,055,864,000	152,056
Issued and fully paid:			
At 1 January 2014 (Audited), 31 December 2014 (Audited) and 30 June 2015 (Unaudited)	0.001	859,146,438	859

16. RELATED PARTY DISCLOSURES

(a) Balances with directors:

	As at	
	30 June 2015 <i>HK\$'000</i> (Unaudited)	31 December 2014 <i>HK\$'000</i> (Audited)
Non-trade balances due to directors	2,378	3,069

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

For the six months ended 30 June 2015

16. RELATED PARTY DISCLOSURES (Continued)

(b) Key management personnel compensation

The remuneration of the key management personnel of the Group for the six months ended 30 June 2015 and 30 June 2014 was as follows:

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Fees, allowances and benefits in kind	479	449
Contributions to retirement benefits scheme	16	14
	495	463

17. OPERATING LEASES

The Group as a lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at	
	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
Within one year	1,050	1,149
In the second to fifth years, inclusive	540	1,170
	1,590	2,319

The Group leases premises under operating leases. The leases run for an initial period of 2 years (31 December 2014: 2 years). The leases do not include contingent rental.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS

The unaudited turnover in the Period was approximately HK\$5,086,000, representing a decrease of 69.31 per cent as compared to that for the six months ended 30 June 2014 (the “Last Period”) (2014: HK\$16,571,000). The unaudited net loss attributable to owners of the Company for the Period was approximately HK\$10,666,000, a deterioration of 1.60 per cent as compared with that reported for the Last Period.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil).

BUSINESS REVIEW

The principal activities of the Group were investment holding, trading of motor vehicles and money lending. The core business of the Group during the Period was car sales business and principally engaged in the trading and distribution of second hand left-hand-drive motor vehicles. The primary market of the core business is mainland China. The business developed last year was money lending business which widen revenue of the Group.

During the period, the unstable global economic environment and the slowdown of market growth in mainland China have posed challenges to motor vehicles business. The supply and demand disparities due to the over production of cars in mainland China have led to drop on selling prices of new cars and affected the demand for second-hand cars. On the other hand, advanced car brands in China had started to operate second-hand car sales business in mainland and the implementation of limited license orders in China cause the motor vehicle market to get worse. The Group strengthens the brand awareness and promotes the development of automotive business in China through cooperation with several vehicle distributors in mainland. Even if the economic growth in China likely slowdown, the Group will take the positive and prudent management strategies to face the challenge.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE OUTLOOK

The slow recovery of the global economic environment and the moderated market conditions in the mainland China, decrease in demand for second-hand cars, increase in competitors and limited license order in mainland China may continue to affect the left hand-drive motor vehicles business of the Company in the coming year.

The Group had commenced right hand-drive motor vehicles business and the money lending business last year which will widen the revenue.

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 Group will also keep on exercising stringent cost control, quality assurance, and expense control to minimize operating costs.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the six months ended 30 June 2015, the Group has no borrowings (the year ended 31 December 2014: HK\$6,000,000).

As at 30 June 2015, neither the Group nor the Company had any significant commitments outstanding.

The current ratio at the end of the Period was 5.20 (31 December 2014: 3.99). No gearing ratio, resulting from a comparison of the total borrowings with total equity of the Group at 30 June 2015 (31 December 2014: 0.08) as there is no borrowing at 30 June 2015 (31 December 2014: HK\$6,000,000).

As at 30 June 2015, the Group had loan and interest receivables amounted to approximately HK\$11,206,000 (31 December 2014: HK\$8,581,000), no trade receivables (31 December 2014: Nil) and trade payables amounted to approximately HK\$100,000 (31 December 2014: HK\$100,000). There had inventories amounted to approximately HK\$12,837,000 as at 30 June 2015 (31 December 2014: HK\$15,044,000).

As at 30 June 2015, the Group's net current assets amounted to approximately HK\$42,526,000 (31 December 2014: HK\$51,692,000) and net assets amounted to approximately HK\$61,815,000 (31 December 2014: HK\$72,502,000). At the same day, the Group's bank balances and cash amounted to approximately HK\$10,487,000 (31 December 2014: HK\$18,917,000). There was no bank and other borrowings at 30 June 2015 (31 December 2014: HK\$6,000,000).

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS

The Group did not hold any significant investment during the six months ended 30 June 2015.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Period, there were no material acquisitions and disposals of the Company's subsidiaries.

SEGMENT INFORMATION

Operating segments, and the amounts of each segment item reported in the condensed 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 resource to, and assessment the performance of, the Group's various lines of business and geographical locations.

For the six months ended 30 June 2015, the Group's revenue were primarily from two business. The segment results of trading of motor vehicles segment recorded losses of approximately HK\$9,840,000 and the segment profit of money lending segment was approximately HK\$1,489,000. Details of segmental information are set out in Note 5 to the condensed consolidated financial information.

In view of the fact that the Company mainly operates in Hong Kong, no geographical segment information is presented.

MANAGEMENT DISCUSSION AND ANALYSIS

EMPLOYEES

As at 30 June 2015, the Group had a total of 7 (30 June 2014: 10) 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\$1,099,000 (Last Period: HK\$1,082,000). On irregular but necessary basis, adequate on-job training had been provided to staff in need.

The Group has implemented a provident fund scheme for its staff in compliance with requirements of the Mandatory Provident Fund ("MPF") Schemes Ordinance from 1 December 2000.

The Group has adopted a share option scheme, which was duly approved by the shareholders at the Annual General Meeting of the Company on 26 May 2014, available for participants including any director and employee of the Company or of any subsidiaries. No options have been granted since the approval of the scheme.

CHARGES ON ASSETS

As at 30 June 2015, the Group had pledged building and prepaid lease payments with an aggregate carrying amount of approximately HK\$13,949,000 (31 December 2014: HK\$14,163,000) to secure bank borrowing granted to the Group.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND EXPECTED SOURCES OF FUNDING

The Group had no future plans for material investments as at the date of this report.

The management, however, will continue to closely observe the development and operating condition of the industry. It will seek investments in companies or projects that could bring synergy to the Group should the targets or opportunities arise. In addition, the management may also invest in new business projects in situations they consider in favour to the future of the Group. Given to the future business development, the management may fund new projects through fundraising or loans.

MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCY EXPOSURE

The Group operates in Hong Kong with most of the transactions denominated and settled in Hong Kong dollars (“HK\$”) and Great British Pound (“GBP”). The Group’s foreign currencies are mainly GBP 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 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.

CONTINGENT LIABILITIES

At 30 June 2015, neither the Group nor the Company had any significant contingent liabilities.

DISCLOSURE OF ADDITIONAL INFORMATION

AUDIT COMMITTEE

The audit committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited interim financial results for the six months ended 30 June 2015.

The interim financial reports have been reviewed by the Company's auditors, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

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 (2014: Nil).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES CAPITAL OF THE COMPANY

As at 30 June 2015, the interests of the directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register required to be kept by the Company under section 352 of the Securities and Future Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

(i) The Company

Name of Directors	Number of shares held	Percentage of Shareholding
Chan Chun Choi (<i>Note a, b</i>)	330,350,152	38.45 per cent
Lo So Wa Lucy (<i>Note b, c</i>)	330,350,152	38.45 per cent
Chan Kingsley Chiu Yin (<i>Note b</i>)	202,575,000	23.58 per cent

DISCLOSURE OF ADDITIONAL INFORMATION

- (a) 32,843,457 shares are held by Eternal Victory Enterprises Inc. (“EVEI”), a company incorporated in the British Virgin Islands, as trustee of a unit trust, the units of which are held by a discretionary trust established for the family members of Mr. Chan Chun Choi (“Mr. Chan”). Mr. Chan holds all the issued share of EVEI.
- (b) 202,575,000 shares were beneficially held by Winsley Investment Limited (98% of its shares held by Mr. Chan, 1% by his wife, Lo So Wa Lucy (formerly known as Lu Su Hua) and 1% by his son, Chan Kingsley Chiu Yin).
- (c) Lo So Wa Lucy (formerly known as Ms. Lu Su Hua) is deemed to be interested in the shares in which her spouse, Mr. Chan Chun Choi, is interested.

(ii) Associated corporation

Name of associated corporation	Name of Directors	Number of shares held	Class of shares	Type of interest
Victory Motors Centre Limited	Chan Chun Choi	100,000	Non-voting deferred	Personal
	Chan Chun Choi	2,800,000	Non-voting deferred	Corporate (Note)
	Chan Kingsley Chiu Yin	2,800,000	Non-voting deferred	Corporate (Note)

Note:

The 2,800,000 non-voting deferred shares are held by Wazi LED Lighting Limited (formerly known as Victory Petro Chemical Limited and Kwong Hung Hing Enterprises Co. Limited) of which Mr. Chan Chun Choi and Mr. Chan Kingsley Chiu Yin together hold the entire issued share capital.

Save as disclosed above, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DISCLOSURE OF ADDITIONAL INFORMATION

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2015, so far as is known to the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, the following persons, other than any Director or the chief executive of the Company, were the substantial shareholders (within the meaning of the Listing Rules) of the Company and had the following interests in the shares and underlying shares of the Company:

Long Position

Name	Number of Shares held	Percentage of Shareholding
Winsley Investment Limited (<i>note</i>)	202,575,000	23.58 per cent
Lin Huiwen	196,880,000	22.92 per cent

Note:

Winsley Investment Limited is owned by the directors Mr. Chan Chun Choi, Ms. Lo So Wa Lucy (formerly known as Lu Su Hua) and Mr. Chan Kingsley Chiu Yin.

Save as disclosed herein, the Company has not been notified of any other person, other than a director or chief executive of the Company, who has an interest or a short position in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 30 June 2015.

CORPORATE GOVERNANCE

During the six months ended 30 June 2015, the Company had complied with the code provisions (the "Code Provisions") set out in the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") except for the deviation from the code provisions A.2.1 and A.4.2.

DISCLOSURE OF ADDITIONAL INFORMATION

Code Provision A.2.1 stipulates 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 six months ended 30 June 2015, 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.

Code Provision A.4.2 requires that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The clause 87(1) of the Company’s bye-laws states that the chairman of the Board and/or the managing director of the Company shall not be subject to retirement by rotation or be taken into account in determining the number of directors to retire. In the opinion of the Board, stability and continuation are key factors to the successful implementation of business plans. The Board believes that it is beneficial to the Group that there is continuity in the role of the chairman and the managing director and, therefore, the Board is of the view that the chairman and the managing director should be exempt from this arrangement at the present time.

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules. The Company had made specific enquire of all directors, whether the directors have complied with, or whether there has been any noncompliance with, the required standard set out in the Model Code during the year. The Company satisfied that all directors had fully complied with the required standard set out in the Model Code.

CONTINGENT CONSIDERATION RECEIVABLE

Pursuant to the announcement of the Company dated 4 June 2010, 6 January 2012 and 5 April 2012 and the circular of the Company dated 16 April 2012, the Group has entered into a sale and purchase agreement (the “Agreement”) with Long Triumph Holdings Limited (the “Vendor”) and Ms. Leung Oi Lan, Kit (the “Guarantor/Ms. Leung”) for acquiring the entire issued share capital of Jumbo Chance, at an aggregate consideration of HK\$60,000,000 (the “Jumbo Chance Acquisition”). The consideration will be satisfied by the Company as to i) HK\$38,000,000 in cash; and ii) the issue of a HK\$22,000,000 promissory note (the “Promissory Note”) upon completion. The Promissory Note was interest free and cannot be converted into shares of the Company. On 5 June 2012, the Group has completed the Jumbo Chance Acquisition.

DISCLOSURE OF ADDITIONAL INFORMATION

Pursuant to the Agreement, the Vendor and the Guarantor has jointly, severally, irrevocably and unconditionally warranted, guaranteed and undertaken to and with the Company that the consolidated net profits of the Jumbo Chance Group for each of the one-year period from 1 April 2012 to 31 March 2013 (the "First Relevant Period") and the one-year period from 1 April 2013 to 31 March 2014 (the "Second Relevant Period") as to be shown in the audited consolidated financial statements of the Jumbo Chance Group for such period to be prepared by a certified public accountants acceptable to the Company shall not be less than HK\$15,000,000 (the "Target Sum").

In the event that the net profits of the Jumbo Chance Group for each of the First Relevant Period and the Second Relevant Period is less than the Target Sum, the Company shall be entitled to a cash sum within seven business days after the issue of the audited consolidated financial statements of the Jumbo Chance Group of each of the First Relevant Period and the Second Relevant Period calculated as the Target Sum minus the net profits of the relevant year (the "Shortfall Amount").

The Shortfall Amount shall be deducted from any outstanding amounts due to the Vendor under the Promissory Note and to the extent insufficient to cover the Shortfall Amount, shall be paid by the Vendor to the Company in cash within seven business days after the issue of the audited consolidated financial statements of the Jumbo Chance Group for the relevant years. The Shortfall Amount to be paid by the Vendor and the Guarantor under the Agreement shall, in no event, exceed HK\$30,000,000.

For the First Relevant Period, the Jumbo Chance Group has incurred a consolidated loss of approximately HK\$3,962,000 and failed to meet the Target Sum, the Group is entitled for the Shortfall Amount of approximately HK\$18,962,000 for the First Relevant Period. Pursuant to the Agreement, the Group and the Vendor agreed to settle the Shortfall Amount by offsetting the Promissory Note for approximately HK\$18,962,000.

For the Second Relevant Period, the Jumbo Chance Group has also incurred a consolidated loss of approximately HK\$25,695,000 and failed to meet the Target Sum, the Group is entitled for the Shortfall Amount of approximately HK\$11,038,000 for the Second Relevant Period. Pursuant to the Agreement, the Group and the Vendor agreed to settle the Shortfall Amount by offsetting the Promissory Note for approximately HK\$3,038,000 and the remaining balance of the Shortfall Amount, which is due from the Vendor, of HK\$4,000,000 was classified as other receivables (31 December 2014: HK\$8,000,000).

By Order of the Board

Chan Chun Choi

Chairman and Managing Director

Hong Kong, 28 August 2015