Vongroup Limited

黃河實業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 318)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2014

The board of directors (the "Directors") of Vongroup Limited (the "Company") wishes to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 April 2014 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**2014** *HK$'000*	2013 *HK$'000*
Turnover	*4*	**25,939**	34,216
Other revenue	*4*	**1,939**	1,706
Other gains	*4*	**4,216**	960
Cost of inventories consumed		**(10,332)**	(9,728)
Staff costs		**(23,860)**	(19,097)
Operating lease rentals		**(5,276)**	(5,210)
Depreciation and amortisation		**(1,551)**	(2,159)
Impairment loss on goodwill		**(4,631)**	(1,581)
Impairment loss on an available-for-sale investment		**(9,430)**	–
Other expenses		**(14,248)**	(21,359)
Change in fair value of investment properties	*11*	**4,850**	13,725
Loss from operations	*5*	**(32,384)**	(8,527)
Finance costs	*6*	**(507)**	(549)
Loss before taxation		**(32,891)**	(9,076)
Income tax	*7*	**(1,691)**	475

	Note	**2014**	2013
		HK$'000	*HK$'000*
Loss for the year attributable to owners of the Company		**(34,582)**	(8,601)
Other comprehensive income/(loss) for the year			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising on translation of financial statements of overseas subsidiaries		**830**	(1)
Total comprehensive loss for the year attributable to owners of the Company		**(33,752)**	(8,602)
		HK$	*HK$*
Loss per share			
– Basic and diluted	*9*	**(0.0059)**	(0.0015)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment	*10*	**15,660**	17,093
Lease premium for land		**–**	1,392
Investment properties	*11*	**187,882**	182,751
Goodwill		**–**	4,631
Deposits paid for acquisition of property, plant and equipment		**367**	274
Available-for-sale investments		**2,452**	16,882
		206,361	223,023
Current assets			
Lease premium for land		**–**	34
Inventories		**3,871**	6,979
Forfeited collateral held for sale		**583**	493
Accounts receivable	*12*	**1,756**	273
Moneylending loan receivables	*13*	**4,388**	4,784
Deposits, prepayments and other receivables		**33,695**	24,700
Equity investments at fair value through profit or loss		**32,815**	26,877
Tax recoverable		**–**	22
Deposits placed with financial institutions		**6,423**	13,362
Cash and bank balances		**51,647**	74,069
		135,178	151,593
Current liabilities			
Accounts payable	*14*	**1,993**	1,704
Accruals and deposits received		**13,341**	13,072
Tax payables		**23,547**	22,101
Finance lease payable – current portion		**–**	125
Bank borrowings		**35,982**	37,904
		74,863	74,906
Net current assets		**60,315**	76,687

	Note	2014 HK$'000	2013 HK$'000
Total assets less current liabilities		**266,676**	299,710
Non-current liabilities			
Finance lease payable – long-term portion		**–**	70
Deferred tax liabilities		**788**	–
		788	70
NET ASSETS		**265,888**	299,640
CAPITAL AND RESERVES			
Share capital		**5,860**	5,860
Reserves		**260,028**	293,780
TOTAL EQUITY		**265,888**	299,640

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with the transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 April 2014 comprise the Company and its subsidiaries (together referred to as the "Group").

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Hong Kong dollars ("HK$"), rounded to the nearest thousand except for per share data. Hong Kong dollar is the Company's functional and the Group's presentation currency.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except for investment properties and equity investments at fair value through profit or loss that have been measured at fair value.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2011 Cycle
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
Amendments to HKFRS 7	Disclosures-Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transitional Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the new and revised HKFRSs 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 these consolidated financial statements.

Annual Improvements to HKFRSs 2009-2011 Cycle

This cycle of annual improvements contains amendments to five standards with consequential amendments to other standards and interpretations. Among them, HKAS 1 has been amended to clarify that an opening statement of financial position is required only when a retrospective application of an accounting policy, a retrospective restatement or a reclassification has a material effect on the information presented in the opening statement of financial position. The amendments also remove the requirement to present related notes to the opening statement of financial position when such statement is presented. These amendments do not have any material impact on the results of operations and financial position of the Group for the years presented.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of comprehensive income in these financial statements has been modified accordingly.

Amendments to HKFRS 7 Disclosures-Offsetting Financial Assets and Financial Liabilities

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32, Financial Instruments: Presentation and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on these financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the periods presented.

HKFRS 10 Consolidated Financial Statements

HKFRS 10 replaces the requirements in HKAS 27, Consolidated and Separate Financial Statements relating to the preparation of consolidated financial statements and HK-SIC 12 Consolidation-Special Purpose Entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 May 2013.

HKFRS 11 Joint Arrangements

HKFRS 11, which replaces HKAS 31 Interests in Joint Ventures, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

HKFRS 12 Disclosure of Interests in Other Entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards.

HKFRS 13 Fair Value Measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

3. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports which provide information about components of the Group. This information is reported to and reviewed by the chief operating decision maker ("CODM"), senior executive management, for the purposes of resource allocation and performance assessment.

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. In a manner consistent with the way in which information are reported internally to the Company's CODM for the purposes of resources allocation and performance assessment, the Group has presented the segment information by the following reportable segments. These segments are managed separately. No operating segments have been aggregated.

1. Financial services: Consumer finance, moneylending, other financial/business services and related activities

2. Securities: Securities and related activities

3. Property: Real property and related activities

4. Technology & Media: Technology & media and related activities

5. Food & Beverage: Catering services, other food & beverage businesses and related activities

6. Corporate treasury management: Management of treasury activities of the Group and related activities

(a) Segment revenue, results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's CODM monitors the revenue, results, assets and liabilities attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales or financing activities generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment assets principally comprise all tangible assets and intangible assets directly attributable to each segment. Segment liabilities include accounts payable, accruals and deposits received, tax payables and deferred tax liabilities attributable to each segments and finance lease payable and borrowings managed directly by the segments.

Segment revenue and results

The following is an analysis of the Group's revenue and results from operations by reportable segments.

	Segment revenue		**Segment profit/(loss)**	
	Year ended 30/4/2014 ***HK$'000***	Year ended 30/4/2013 *HK$'000*	**Year ended 30/4/2014** ***HK$'000***	Year ended 30/4/2013 *HK$'000*
Financial services	**631**	956	**(4,334)**	(1,431)
Securities	**(1,039)**	1,576	**(981)**	1,963
Property	**5,279**	3,915	**9,202**	17,260
Technology & Media	**1,560**	115	**(10,630)**	(1,494)
Food & Beverage	**19,508**	27,654	**(8,488)**	(5,146)
Corporate treasury management	**7,233**	6,753	**–**	–
Segment total	**33,172**	40,969	**(15,231)**	11,152
Elimination	**(7,233)**	(6,753)	**–**	–
Total	**25,939**	34,216	**(15,231)**	11,152
Unallocated items:				
Other revenue and other gains			**5,200**	1,361
Administrative and other operating expenses			**(22,353)**	(21,040)
Finance costs			**(507)**	(549)
Loss before taxation			**(32,891)**	(9,076)
Income tax			**(1,691)**	475
Loss for the year			**(34,582)**	(8,601)

Segment revenue from financial services, property, technology & media and food & beverage represents revenue generated from external customers. Segment revenue from securities represents revenue generated from trading of listed equity securities. Segment revenue from corporate treasury management represents revenue generated from fund financing to companies within the Group. Fund financing activities between segments are carried out at mutually agreed terms.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit represents the profits earned by each segment without allocation of other revenue, administrative and other operating expenses and finance costs of the Group that are not allocated to individual segments and classified as unallocated items. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

	2014	2013
	HK$'000	*HK$'000*
Segment assets		
Financial services	**20,083**	24,684
Securities	**48,774**	36,414
Property	**194,254**	190,513
Technology & Media	**10,790**	16,774
Food & Beverage	**12,551**	13,664
Corporate treasury management	**19,087**	52,783
Total segment assets	**305,539**	334,832
Unallocated property, plant and equipment	**14,932**	15,936
Unallocated available-for-sale investments	**1,532**	1,532
Unallocated cash and cash equivalents	**1,330**	958
Unallocated other receivables*	**17,765**	16,962
Unallocated corporate assets	**441**	4,396
Consolidated assets	**341,539**	374,616
Segment liabilities		
Financial services	**249**	708
Property	**37,905**	39,234
Technology & Media	**82**	29
Food & Beverage	**35,309**	30,909
Total segment liabilities	**73,545**	70,880
Unallocated liabilities	**2,106**	4,096
Consolidated liabilities	**75,651**	74,976

* Unallocated other receivables represented the right arising from the termination of an available-for-sale investment in Tian Da Energy Holdings Limited.

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

– segment assets exclude certain property, plant and equipment, available-for-sale investments, cash and bank balances and other unallocated corporate assets as these assets are managed on a group basis.

– segment liabilities exclude accruals and deposits received and other unallocated corporate liabilities as these liabilities are managed on a group basis.

Other segment information (included in the measure of segment profit or loss or regularly provided to the CODM)

	Additions to non-current assets		**Depreciation and amortisation**	
	Year ended 30/4/2014	Year ended 30/4/2013	**Year ended 30/4/2014**	Year ended 30/4/2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets				
Financial services	**43**	20	**11**	7
Property	**–**	59,825	**–**	–
Technology & Media	**–**	–	**2**	14
Food & Beverage	**7**	398	**418**	714
Unallocated	**128**	77	**1,120**	1,424
Total	**178**	60,320	**1,551**	2,159

In addition to the depreciation and amortisation reported above, impairment losses of goodwill of HK$4,631,000 (2013: HK$1,581,000) was recognised. These impairment losses were attributable to the following reportable segments:

Impairment losses recognised for the year in respect of goodwill:

	Year ended 30/4/2014	Year ended 30/4/2013
	HK$'000	*HK$'000*
Financial services	**4,631**	1,581

(b) Geographical information

The Group's operations are carried out in Hong Kong and PRC. Financial services, technology & media businesses and food & beverage operations are carried out in Hong Kong and PRC. Property businesses and securities businesses are carried out mainly in Hong Kong.

The following is an analysis of geographical location of (i) the Group's revenue and (ii) the Group's property, plant and equipment, investment properties, lease premium for land, deposits paid for the acquisition of property, plant and equipment and goodwill. The geographical location of Group's revenue refers to the location at which the services were provided or the goods delivered. The geographical locations of property, plant and equipment, investment properties, lease premium for land and deposits paid for acquisition of property, plant and equipment and investment properties are based on the physical location of the asset under consideration. In the case of goodwill, it is based on the location of operations to which these intangibles are allocated.

	Revenue		**Non-current assets**	
	Year ended 30/4/2014	Year ended 30/4/2013	**At 30/4/2014**	At 30/4/2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong (place of domicile)	**5,297**	6,499	**175,682**	175,013
PRC	**20,322**	27,420	**11,927**	18,028
Macau	**320**	297	**16,300**	13,100
Total	**25,939**	34,216	**203,909**	206,141

(c) Information about major customers

The Group has a very wide customer base, no single customer contributed more than 10% of the Group's revenue for each of the two years ended 30 April 2013 and 2014.

4. TURNOVER, OTHER REVENUE AND OTHER GAINS

The Group is principally engaged in financial services businesses, securities businesses, property businesses, technology & media businesses and food & beverage businesses.

Turnover represents income from financial services businesses, securities businesses, property businesses, technology & media businesses and food & beverage businesses received or receivable during the year.

The Group's turnover, other revenue and other gains for the year arose from the following activities:

	Group	
	2014	2013
	HK$'000	*HK$'000*
Turnover		
Income from food & beverage businesses	**19,508**	27,654
Income from technology & media businesses	**1,560**	115
Net (loss)/gain on equity investments at fair value through profit or loss	**(1,039)**	1,576
Financial services income	**631**	956
Gross rental income from investment properties	**5,279**	3,915
	25,939	34,216
Other revenue		
Bank interest income	**108**	132
Other interest income	**803**	803
Total interest income on financial assets not at fair value through profit or loss	**911**	935
Dividend income from listed securities	**572**	760
Management fee income	**120**	–
Sundry income	**336**	11
	1,939	1,706
Other gains		
Gain from deregistration of a joint venture	**–**	470
Gain on disposal of land lease premium	**2,011**	–
Gain on disposal of investment properties	**–**	490
Written back of accruals	**2,205**	–
	4,216	960

5. LOSS FROM OPERATIONS

The Group's loss from operations is arrived at after charging/(crediting):

	2014	2013
	HK$'000	*HK$'000*
Cost of inventories consumed	**10,332**	9,728
Staff costs (including directors' emoluments):		
Wages and salaries	**23,790**	19,008
Defined contribution retirement benefits scheme contributions	**70**	89
	23,860	19,097
Auditor's remuneration*	**753**	727
Depreciation of property, plant and equipment	**1,540**	2,125
Amortisation of lease premium for land	**11**	34
Gain on disposal of investment properties	**–**	(490)
Exchange loss, net*	**14**	61
Operating lease rentals – minimum lease payments	**5,276**	5,210
Rental income from investment properties less direct outgoings of HK$86,000 (2013: HK$79,000)	**(5,193)**	(3,836)
Dividend income from listed securities	**(572)**	(760)
Gain from deregistration of a joint venture	**–**	(470)
Impairment loss on goodwill	**4,631**	1,581
Impairment loss on available-for-sale investment	**9,430**	–

* This item is included in other expenses.

6. FINANCE COSTS

	Group	
	2014	2013
	HK$'000	*HK$'000*
Interest on bank borrowings not wholly repayable within five years	**493**	534
Bank overdraft interest	**4**	–
Interest on finance lease	**10**	15
Total interest expense on financial liabilities not at fair value through profit or loss	**507**	549

The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayment dates set out in the loan agreements. For the years ended 30 April 2014, the interest on bank borrowings which contain a repayment on demand clause amounted to HK$493,000 (2013: HK$534,000).

7. INCOME TAX

Income tax in the consolidated statement of comprehensive income represents:

	Group 2014 HK$'000	2013 HK$'000
Current tax		
PRC Enterprise Income Tax ("EIT")	**201**	22
Under/(Over)-provision in prior year		
Hong Kong Profits Tax	**–**	112
EIT	**74**	(18)
	74	94
Land Appreciation Tax ("LAT")	**628**	–
Deferred tax	**788**	(591)
Income tax expense/(credit) for the year	**1,691**	(475)

No provision for profits tax in the Cayman Islands, British Virgin Islands ("BVI") and Hong Kong has been made as the Group has no assessable income for the year in these jurisdictions (2013: Nil).

The provision for Enterprise Income Tax (the "EIT") is calculated at the standard rate of 25% (2013: 25%) on the estimated assessable income for the year as determined in accordance with the relevant income tax rules and regulations of the PRC.

The provision for the PRC Land Appreciation Tax (the "LAT") is estimated according to the requirements set forth in the relevant PRC tax laws and regulations, LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowance exemptions and deductions.

8. DIVIDEND

The directors do not recommend the payment of dividends for the year ended 30 April 2014 (2013: Nil).

9. LOSS PER SHARE

The calculation of basic loss per share for the year is based on the loss attributable to owners of the Company of HK$34,582,000 (2013: HK$8,601,000) and the number of 5,859,860,900 (2013: 5,859,860,900) ordinary shares in issue during the year.

Diluted loss per share is equal to basic loss per share as there was no potential dilutive ordinary shares outstanding during the year ended 30 April 2014 and 2013.

10. PROPERTY, PLANT AND EQUIPMENT

	Group	
	2014	2013
	HK$'000	*HK$'000*
Balance at beginning of year	**17,093**	18,742
Additions	**72**	476
Transfer from deposits paid for acquisition of property, plant and equipment	**13**	–
Depreciation	**(1,540)**	(2,125)
Exchange adjustments	**22**	–
Balance at end of year	**15,660**	17,093

11. INVESTMENT PROPERTIES

	Group	
	2014	2013
	HK$'000	*HK$'000*
At fair value		
Balance at beginning of year	**182,751**	119,541
Additions		
– acquisitions	**–**	7,843
– capitalised subsequent expenditure	**–**	2
– through acquisition of a subsidiary	**–**	51,980
	–	59,825
Disposal	**–**	(10,340)
Net increase in fair value recognised in profit or loss	**4,850**	13,725
Exchange adjustments	**281**	–
Balance at end of year	**187,882**	182,751

12. ACCOUNTS RECEIVABLE

	Group 2014 HK$'000	2013 HK$'000
Accounts receivable	**1,756**	273
Less: Allowance for doubtful debts	**–**	–
	1,756	273

The general credit terms granted by the Group to its customers range from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

An aging analysis of accounts receivable as at the end of the reporting period is as follows:

	Group 2014 HK$'000	2013 HK$'000
Within 30 days	**1,613**	22
31 – 90 days	**15**	41
91 – 180 days	**23**	3
Over 180 days	**105**	207
	1,756	273

The aging analysis of accounts receivable that are not considered to be impaired is as follows:

	Group 2014 HK$'000	2013 HK$'000
Neither past due nor impaired	**1,651**	66
Past due but not impaired		
1 to 3 months past due	**–**	–
3 to 6 months past due	**–**	–
Over 6 months, but less than 1 year past due	**105**	207
	105	207
	1,756	273

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

13. MONEYLENDING LOAN RECEIVABLES

	Group	
	2014	2013
	HK$'000	*HK$'000*
Balance at beginning of year	**4,784**	23,026
Loans advanced	**1,757**	970
Repayment during the year	**(2,180)**	(19,212)
Exchange adjustments	**27**	–
Balance at end of year	**4,388**	4,784

The loans bear interest rate ranging from 5.25% to 50.4% (2013: 5.25% to 50.4%) per annum and are repayable according to the respective loan agreements which usually cover periods not more than one year.

a) Maturity profile

The maturity profile of moneylending loan receivables at the end of the reporting period, based on the maturity dates, is as follows:

		2014			2013	
	Pawn loans receivable	**Unsecured short-term loans receivable**	**Total**	Pawn loans receivable	Unsecured short-term loans receivable	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Due within 1 month or on demand	**841**	**3,247**	**4,088**	1,001	3,351	4,352
Due after 1 month but within 3 months	**–**	**–**	**–**	68	–	68
Due after 3 months	**–**	**300**	**300**	–	364	364
	841	**3,547**	**4,388**	1,069	3,715	4,784

As at 30 April 2014, no moneylending loan receivables were individually determined to be impaired (2013: Nil).

b) **Moneylending loan receivables that are not considered to be impaired are as follows:**

	2014			2013		
	Pawn loans receivable	**Unsecured short-term loans receivable**	**Total**	Pawn loans receivable	Unsecured short-term loans receivable	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Neither past due nor impaired	**132**	**3,247**	**3,379**	478	3,351	3,829
Past due but not impaired						
Less than 1 month past due	**345**	**–**	**345**	282	–	282
1 to 3 months past due	**7**	**–**	**7**	–	–	–
Over 3 months past due	**357**	**300**	**657**	309	364	673
	841	**3,547**	**4,388**	1,069	3,715	4,784

Moneylending loan receivables that were neither past due nor impaired relate to recognised and creditworthy borrowers for whom there was no recent history of default.

14. ACCOUNTS PAYABLE

The aging of the Group's accounts payable is analysed as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**413**	443
31 – 90 days	**557**	691
91 – 180 days	**137**	90
181 – 360 days	**437**	35
Over 360 days	**449**	445
	1,993	1,704

The accounts payable is non-interest bearing and are normally settled on 90-day terms. The carrying amounts of the accounts payable at the end of the reporting period approximates to the fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

For the year ended 30 April 2014, the Group generated turnover of approximately HK$25.9 million (2013: approximately HK$34.2 million) with a loss for the year of approximately HK$34.6 million (2013: approximately HK$8.6 million). The reduction in loss for the year was mainly because of the recognition of the impairment losses on goodwill, available-for-sale investments and certain tax provision which were referred to in the Company's announcements dated 18 July 2014 and 25 July 2014. Due to the uncertainty of the market environment, we have been adopting a conservative and prudent strategy in our Property segment, as well as sustaining relatively stable rental income for the Group. Our Securities segment has been operating to achieve appropriate risk-adjusted returns which contributed a net realised and unrealised loss on securities investment during this year as compared with a gain on securities investment in the previous year. Our Food & Beverage business has been gradually improving its cost control in view of challenges in labour shortage and rising salaries in the PRC. We have been facing an increase in competitive environment in this industry whilst we will continue to explore different market strategies in order to strengthen our income stream in the Financial Services segment. During this year, our Technology & Media segment has generated income growth as we continue to seek different business and investment opportunities to optimise its income source.

BUSINESS REVIEW

Financial Services

During this year, the revenue of our financial services businesses reflected no significant change as compared to last year.

Securities

Our securities business recorded a net realised and unrealised loss on trading of securities investment of approximately HK$1.0 million (2013: gain of approximately HK$1.6 million), which contributed a loss for our securities segment of approximately HK$1.0 million (2013: gain of approximately of HK$2.0 million) for the year ended 30 April 2014.

Property

The revenue of the Group's property business segment was approximately HK$5.3 million (2013: approximately HK$3.9 million). The business segment contributed a profit of HK$9.2 million (2013: profit of approximately HK$17.3 million) to the Group. Excluding the gain on unrealised fair value, the recurring profit of the property business segment would have been approximately HK$4.4 million (2013: approximately HK$3.5 million).

Technology & Media

Our technology & media business recorded revenue of approximately HK$1.6 million (2013: HK$0.1 million) with a business segment loss for the year of approximately HK$10.6 million (2013: loss of approximately HK$1.5 million).

Food & Beverage

During the year, revenue for our food & beverage businesses was approximately HK$19.5 million (2013: approximately HK$27.7 million), resulting in a segment loss of approximately HK$8.5 million (2013: loss of approximately HK$5.1 million).

SEASONAL/CYCLICAL FACTORS

The sales volume during festive periods is normally higher than the sales volume in the slack periods of the year for food & beverage operations.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintained cash and bank balances as at 30 April 2014 amounting to approximately HK$51.6 million (2013: approximately HK$74.1 million). The Group's current ratio as at 30 April 2014 was 1.8 (2013: 2.0). The total equity of the Group amounted to approximately HK$265.9 million (2013: approximately HK$299.6 million) as at 30 April 2014.

Gearing

The gearing ratio, as a ratio of bank borrowings and finance lease payable to total equity, was 0.14 as at 30 April 2014 (2013: 0.13).

Exchange Rate Exposure

As at 30 April 2014, the Group's cash and bank balances amounted to approximately HK$51.6 million, the majority of which was in Hong Kong dollars. Since the majority of the Group's transactions, monetary assets and liabilities is denominated in Hong Kong dollars, United States dollars and Renminbi, with relatively stable exchange rates of Renminbi to Hong Kong dollars and Hong Kong's linked exchange rate between United States dollar and Hong Kong dollar, the Group has minimal exposure to exchange rate fluctuations.

Treasury Policies

The Group generally finances its ordinary operations with internally generated resources and bank borrowings. The interest rates of borrowings, if applicable, are generally charged by reference to prevailing market rates.

Commitments

The Group had no capital commitments during the year (2013: nil).

FUTURE PROSPECTS

Looking forward, the business environment is expected to remain uncertain all over the world. With rising labour costs and increase in competitive environment of the financing sector, the Group will continue to maintain its policy in stringent cost control, to optimize efficiency and enhance better financial results.

Apart from the existing business, the Group will continue to seek possible business and investment opportunities to diversify its business portfolio, as well as to maximize shareholders' interest.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 April 2014, the Group had 104 (2013: 144) employees in Hong Kong and the PRC. The Group has not experienced any significant problems with its employees or disruptions due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare, share options and statutory contributions, if any, are made in accordance with individual performance and prevailing labour laws of its operating entities.

PURCHASES, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 30 April 2014.

CORPORATE GOVERNANCE REPORT

The Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") with certain exceptions as follows:

1. According to the Code provisions, the non-executive directors should be appointed for a specific term, subject to re-election. All directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles, and the terms of their appointment will be reviewed when they are due for re-election. As such, the Board considers that sufficient measures are in place to ensure that the Company's corporate governance practices are no less exacting than those set out in the Code.

2. In accordance with the code provision, the role of chairman and chief executive officer ("CEO") should be performed by different individuals. Since September 2005, Mr Vong Tat Ieong, David, who is director and CEO of the Company, has also carried out the responsibilities of the chairman of the Company. The Board considers the present structure is more suitable to the Company for it can provide strong and consistent leadership and allow for more efficient formulation and implementation of the Company's development strategies.

3. Code provision A.6.7 of the CG Code stipulates that all independent non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to their personal commitments, all independent non-executive Directors were unable to attend the annual general meeting dated 27 September 2013 during the tenure of their position.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 of the Listing Rules as the code of conduct in respect of securities transactions of the directors (the "Model Code"). Having made specific enquiry with all Directors, the Company has confirmed that all Directors have complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions during the year.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors. Amongst other duties, the principal duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Company.

The Group's final results for the year ended 30 April 2014 have been reviewed by the Audit Committee.

SCOPE OF WORK OF CCIF CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 April 2014 have been agreed by the Group's auditors, CCIF CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by CCIF CPA 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 CCIF CPA Limited on the preliminary announcement.

PUBLICATION OF FINANCIAL INFORMATION

The results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.thevongroup.com). The Company's 2014 annual report containing all the information required by the Listing Rules will be despatched to shareholders and will be available on the above websites in due course.

By order of the Board
VONGROUP LIMITED
Vong Tat Ieong, David
Executive Director

Hong Kong, 28 July 2014

As at the date of this announcement, the board of the Company comprises two executive Directors, namely: Mr Vong Tat Ieong, David and Mr Xu Siping; and three independent non-executive Directors, namely: Mr Fung Ka Keung, David, Dr Lam Lee G., and Ms Wong Man Ngar, Edna.

* *For identification purpose only*