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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 2017

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 2017 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Note</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
CONTINUING OPERATIONS			
Revenue	4	12,767	11,967
Other revenue	4	1,078	850
Other gains	4	–	350
Cost of inventories consumed		(64)	(117)
Staff costs		(8,454)	(7,082)
Operating lease rentals		(579)	(564)
Depreciation		(525)	(534)
Other operating expenses		(15,084)	(25,411)
Change in fair value of investment properties		6,620	1,525
Loss from operations	5	(4,241)	(19,016)
Finance costs	6	(486)	(461)
Loss before taxation		(4,727)	(19,477)
Income tax	7	(80)	87
Loss for the year from continuing operations		(4,807)	(19,390)
DISCONTINUED OPERATION			
Profit for the year from discontinued operation		–	27,749
(Loss)/profit for the year attributable to the owners of the Company		(4,807)	8,359
Other comprehensive (loss)/income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translating of foreign operations:			
Exchange difference arising during the year		(1,648)	(1,631)
Reclassification adjustment relating to foreign operations disposed of during the year		–	1,710
Other comprehensive (loss)/income for the year, net of tax		(1,648)	79
Total comprehensive (loss)/income for the year attributable to the owners of the Company		(6,455)	8,438
Basic and diluted (loss)/earnings per share (HK\$)	9		
– from continuing and discontinued operations		(0.0264)	0.0535
– from continuing operations		(0.0264)	(0.1240)
– from discontinued operation		–	0.1775

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		14,024	13,941
Investment properties		193,939	187,959
Deposits paid for acquisition of property, plant and equipment		367	367
Available-for-sale investments		48,499	2,452
		<u>256,829</u>	<u>204,719</u>
Current assets			
Inventories		1,947	2,011
Forfeited collateral held for sale		699	705
Accounts receivable	<i>10</i>	4,050	4,050
Loans and advances to money lending customers		15,664	15,043
Deposits, prepayments and other receivables		38,912	32,772
Equity investments at fair value through profit or loss		21,483	16,201
Cash and bank balances		36,676	72,389
		<u>119,431</u>	<u>143,171</u>
Current liabilities			
Accruals and deposits received		2,886	4,490
Bank borrowings		30,140	32,076
Tax payables		829	829
		<u>33,855</u>	<u>37,395</u>
Net current assets		<u>85,576</u>	<u>105,776</u>
Total assets less current liabilities		<u>342,405</u>	<u>310,495</u>
Non-current liabilities			
Deferred tax liabilities		611	539
NET ASSETS		<u>341,794</u>	<u>309,956</u>
CAPITAL AND RESERVES			
Share capital		7,688	6,754
Reserves		334,106	303,202
TOTAL EQUITY		<u>341,794</u>	<u>309,956</u>

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated 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 consolidated 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. 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 consolidated financial statements.

(b) Basis of preparation of the financial statements

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 consolidated 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 consolidated financial statements is the historical cost basis, except for investment properties and equity investments at fair value through profit or loss that are 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

The Group has applied the following amendments to HKFRSs issued by HKICPA for the first time in the current year:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2012 – 2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exemption
Amendments to HKFRS 11	Accounting for the Acquisitions of Interest in Joint Operations
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
HKFRS 14	Regulatory Deferral Accounts

The application of the amendments to 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.

3. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's executive directors, being the Group's chief operating decision maker ("CODM") for the purposes of resources allocation and performance assessment, the Group has presented the following six reportable segments. No operating segments have been aggregated to form the following reportable segments.

- | | | |
|----|--------------------------------|--|
| 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 |

The restaurant operation in the People's Republic of China (the "PRC") that had been identified and included under the food & beverage segment in previous years was discontinued during the year ended 30 April 2016. The Group will continue to pursue opportunities in more financially effective food and beverage businesses in Hong Kong and/or other countries.

The segment information reported below does not include any amounts for the discontinued operation.

(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:

Segment assets principally comprise all tangible assets and current assets with the exception of certain available-for-sale investments and other corporate assets. Segment liabilities include accruals and deposits received, tax payables and deferred tax liabilities attributable to the operating activities of the individual segments and bank borrowings managed directly by the segments.

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 of assets attributable to those segments.

Segment revenue and results

Information regarding the Group's reportable segments as provided to the Group's CODM for the purpose of resources allocation and assessment of segment performance for the years ended 30 April 2017 and 2016 is set out below.

	Continuing operations			
	Segment revenue		Segment (loss)/profit	
	2017	2016	2017	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from external customers:				
Financial services	2,413	10,513	1,583	1,232
Securities	5,633	(11,675)	5,619	(11,794)
Property	4,553	5,912	10,385	6,643
Technology & Media	12	7,117	(5,224)	(2,251)
Food & Beverage	156	100	92	(17)
Inter-segment:				
Corporate treasury management	7,992	7,705	–	–
Segment total	<u>20,759</u>	19,672	<u>12,455</u>	(6,187)
Elimination	<u>(7,992)</u>	(7,705)	–	–
Total	<u><u>12,767</u></u>	<u><u>11,967</u></u>	<u><u>12,455</u></u>	<u><u>(6,187)</u></u>
Unallocated items:				
Other revenue and other gains			985	1,128
Unallocated corporate expenses			(17,681)	(13,957)
Finance costs			(486)	(461)
Loss before taxation			<u>(4,727)</u>	(19,477)
Income tax			(80)	87
Loss for the year from continuing operations			<u><u>(4,807)</u></u>	<u><u>(19,390)</u></u>

Funds 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 profit earned by each segment without allocation of other revenue and other net income, corporate expenses and finance costs of the Group that are not allocated to individual segments are classified as unallocated items. This is the measurement basis reported to the CODM for the purposes of resources allocation and assessment of segment performance.

Segment assets and liabilities

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Segment assets		
Financial services	33,843	34,187
Securities	21,483	21,984
Property	199,613	194,931
Technology & Media	63,807	11,275
Food & Beverage	3,274	2,931
Corporate treasury management	17,101	45,665
Total reportable segment assets	<u>339,121</u>	<u>310,973</u>
Unallocated property, plant and equipment	13,995	13,896
Unallocated available-for-sale investments	1,532	1,532
Unallocated cash and bank balances	358	228
Unallocated other receivables*	19,903	19,153
Unallocated corporate assets	1,351	2,108
Consolidated total assets	<u><u>376,260</u></u>	<u><u>347,890</u></u>

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

Segment liabilities

Financial services	164	676
Property	31,760	34,344
Technology & Media	551	677
Total reportable segment liabilities	<u>32,475</u>	<u>35,697</u>
Unallocated liabilities	1,991	2,237
Consolidated total liabilities	<u><u>34,466</u></u>	<u><u>37,934</u></u>

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, other receivables and other unallocated corporate assets as these assets are managed on a group basis.
- segment liabilities exclude certain accruals and deposits received and other unallocated corporate liabilities as these liabilities are managed on a group basis.

	Additions to non-current assets*		Depreciation		Bank interest income	
	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Continuing operations						
Financial services	–	–	13	14	36	44
Technology & Media	–	–	–	–	1	1
Food & Beverage	–	–	–	–	–	–
Corporate treasury management	–	–	–	–	114	91
Unallocated	611	6	512	520	–	–
Total	<u><u>611</u></u>	<u><u>6</u></u>	<u><u>525</u></u>	<u><u>534</u></u>	<u><u>151</u></u>	<u><u>136</u></u>

* Non-current assets excluded available-for-sale investments.

(b) **Geographical information**

The Group's operations are mainly located in Hong Kong, PRC and Macau.

Information about the Group's revenue from continuing operations from external customers is presented based on the location of goods physically delivered to or location of services provided to customers and the location of the investments being listed. Information about its non-current assets is based on geographical location of the assets.

	Revenue		Non-current assets	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Continuing operations:				
Hong Kong	12,241	10,873	232,875	180,250
PRC	526	959	8,854	9,969
Macau	–	135	15,100	14,500
Total	<u>12,767</u>	<u>11,967</u>	<u>256,829</u>	<u>204,719</u>

(c) **Information about major customers**

During the year ended 30 April 2017, no external customers in all segments contributed over 10% of total revenue of the Group.

During the year ended 30 April 2016, two external customers in the Technology & Media segment, two external customers in the Financial Services segment and one external customer in the Property segment contributed over 10% of total revenue of the Group: HK\$5 million and HK\$1.67 million, HK\$8.55 million and HK\$1.24 million and HK\$1.9 million respectively.

4. **REVENUE, OTHER REVENUE AND OTHER GAINS**

	2017	2016
	HK\$'000	HK\$'000
Continuing operations:		
Revenue		
Financial services income	2,413	10,513
Unrealised gain/(loss) on equity investments at fair value through profit or loss ("FVTPL")	4,849	(10,814)
Realised gain/(loss) on equity investments at FVTPL	519	(1,454)
Gross rental income from investment properties	4,553	5,912
Income from technology & media businesses	12	7,117
Income from food & beverage businesses	156	100
Dividend income on equity investments	265	593
	<u>12,767</u>	<u>11,967</u>
Other revenue		
Bank interest income	151	136
Other interest income	750	584
Management fee income	120	120
Sundry income	57	10
	<u>1,078</u>	<u>850</u>
Other gains		
Exchange gain, net	–	350

5. LOSS FROM OPERATIONS

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

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Continuing operations:		
Cost of inventories consumed	64	117
Staff costs (including directors' emoluments):		
Wages and salaries	8,362	6,999
Contributions to retirement benefits scheme	92	83
	<u>8,454</u>	<u>7,082</u>
Auditor's remuneration – audit services*	500	500
Depreciation of property, plant and equipment	525	534
Exchange loss, net*	557	–
Operating lease rentals – minimum lease payments	579	564
Gross rental income from investment properties less direct outgoings of approximately HK\$209,000 (2016: approximately HK\$123,000)	<u>(4,344)</u>	<u>(5,789)</u>

* This item is included in other expenses.

6. FINANCE COSTS

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Continuing operations:		
Interest on bank borrowings not wholly repayable within five years	<u>486</u>	<u>461</u>

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 year ended 30 April 2017, the interest on bank borrowings which contain a repayment on demand clause amounted to approximately HK\$486,000 (2016: approximately HK\$461,000).

7. INCOME TAX

Income tax in the consolidated statement of profit or loss and other comprehensive income relating to continuing operations represents:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Continuing operations:		
PRC Enterprise Income Tax ("EIT")	8	60
Deferred tax		
– Current year	72	(147)
Income tax charge/(credit) for the year	<u>80</u>	<u>(87)</u>

No provision for profits tax in the Cayman Islands, British Virgin Islands and Hong Kong has been made as the Group has no assessable income for the year in these jurisdictions (2016: Nil).

The provision for PRC EIT is calculated at the standard rate of 25% (2016: 25%) on the estimated assessable income for the year as determined in accordance with the relevant income tax rules and regulations of the PRC.

8. DIVIDENDS

The Directors do not recommend the payment of dividends for the year ended 30 April 2017 (2016: Nil).

9. (LOSS)/EARNINGS PER SHARE

From continuing and discontinued operations

The calculation of the basic and diluted (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
(Loss)/earnings		
(Loss)/earnings for the purpose of basic and diluted (loss)/earnings per share	<u>(4,807)</u>	<u>8,359</u>
Number of shares	2017	2016
Weighted average number of ordinary shares for the purposes of basic and diluted (loss)/earnings per share	<u>182,018,435</u>	<u>156,375,921</u>

The weighted average number of ordinary shares for the purpose of basic and diluted earnings per share for the year ended 30 April 2016 has been adjusted for the share consolidation on 11 February 2016 and the bonus elements in the shares issued under the placing of existing shares and subscription for new shares completed on 4 January 2016.

From continuing operations

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Loss		
(Loss)/profit for the year attributable to the owners of the Company	(4,807)	8,359
Less: Profit for the year from discontinued operation	<u>–</u>	<u>27,749</u>
Loss for the purpose of basic and diluted loss per share from continuing operations	<u>(4,807)</u>	<u>(19,390)</u>

The denominators used are the same as those detailed above for both basic and diluted loss per share.

From discontinued operation

Basic and diluted earnings per share for discontinued operation for the year ended 30 April 2016 is HK\$0.1775 per share, based on the earnings for the year from discontinued operation of approximately HK\$27,749,000 and the denominators detailed above for both basic and diluted earnings per share.

10. ACCOUNTS RECEIVABLE

The following aging analysis of the accounts receivable is based on contract dates:

	2017 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Recoverable on demand	<u>4,050</u>	<u>4,050</u>

Accounts receivable relates to an independent customer for whom there was no recent history of default. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of the receivable 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.

The Group maintains a defined credit policy including stringent credit evaluation. Receivables are regularly reviewed and closely monitored to minimise any associated credit risk.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

During the year under review, the Group generated revenue of approximately HK\$12.8 million (2016: approximately HK\$12.0 million), with a loss for the year of approximately HK\$4.8 million (2016: profit of approximately HK\$8.4 million). As disclosed in the annual report for the previous year, there was a one-time net gain during such previous year upon the disposal of subsidiaries; excluding such one-time net gain, the loss for such previous year as disclosed in such annual report would have been approximately HK\$19.4 million. The decrease in loss for the year under review as compared with the loss during the previous year (excluding such one-time net gain) was mainly due to net realised/unrealised gain in our Securities business segment and unrealised fair value gain in our Property business segment of approximately HK\$5.4 million and approximately HK\$6.6 million, respectively.

Our Securities business has been continuing to achieve risk-adjusted returns under relatively volatile conditions in the global capital markets. Our Financial Services business has been contributing a steady increase in its revenue from our money lending customers base during this year. Our Property business has seen an increase in unrealised fair value gain due to capital value appreciation. Our Food & Beverage business has been exploring different investment opportunities in this sector, by focusing on smaller-scale operations, and casual food & beverage and related businesses. Our Technology & Media business made an investment in a financial technology business, as announced in the Company's announcement of 26 September 2016, and has been continuing to identify different potential business or investment opportunities in Hong Kong and internationally to diversify income sources in this sector.

BUSINESS REVIEW

Financial Services

Our financial services business recorded a business segment profit for the year of approximately HK\$1.6 million (2016: approximately HK\$1.2 million).

Securities

Our securities business recorded a net realised and unrealised gain on trading of securities investment and dividend income in equity investments in aggregate of approximately HK\$5.6 million (2016: loss of approximately HK\$11.7 million), which contributed a gain for our securities segment of approximately HK\$5.6 million (2016: loss of approximately HK\$11.8 million) for the year ended 30 April 2017.

Property

The revenue of the Group's property business segment was approximately of HK\$4.6 million (2016: approximately HK\$5.9 million). The business segment contributed a profit of approximately HK\$10.4 million (2016: approximately HK\$6.6 million) to the Group. Excluding the gain on unrealised fair value, the recurring profit of the property business segment would have been approximately HK\$3.8 million (2016: approximately HK\$5.1 million).

Technology & Media

Our technology & media business recorded a business segment loss for the year of approximately HK\$5.2 million (2016: approximately HK\$2.3 million).

Food & Beverage

During the year, revenue from our food & beverage business was approximately HK\$0.2 million (2016: approximately HK\$0.1 million), resulting in a segment gain of approximately HK\$0.1 million (2016: approximately HK\$nil).

RISKS AND UNCERTAINTIES

The Group is exposed to the risk of negative, volatile or of uncertain developments, including but not limited to negative, volatile or uncertain developments in the global, regional and local economies, in the financial and property markets, and in the changes in patterns of consumption. These developments might reduce revenue or result in reduced valuations of the Group's investment properties or in the Group being unable to meet its strategic objectives or in negative effect to its financial condition, results of operations and businesses. The Company will continue to adopt prudent financial policies to cope with the impact of uncertain factors.

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintained cash and bank balances as at 30 April 2017 amounting to approximately HK\$36.7 million (2016: approximately HK\$72.4 million). The Group's current ratio as at 30 April 2017 was 3.5 (2016: 3.8). The total equity of the Group amounted to approximately HK\$341.8 million (2016: approximately HK\$310.0 million) as at 30 April 2017.

Gearing

The gearing ratio, as a ratio of bank borrowings to total equity, was 0.09 as at 30 April 2017 (2016: 0.10).

Exchange Rate Exposure

The Group's assets, liabilities and cash flow from operations are mainly denominated in Renminbi, United States dollars and Hong Kong dollars. The Group currently does not have any related foreign exchange hedges, however the Company monitors its foreign exchange exposure and will consider hedges should the need arise.

Treasury Policies

The Group generally finances its 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 (2016: nil).

FUTURE PROSPECTS

The Group expects the global and local business environment to remain uncertain in the coming year. In addition to our core businesses, we intend to actively explore other potential investment opportunities to maximise shareholders' value and diversify business risk.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 April 2017, the Group had 14 (2016: 16) 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 2017.

CORPORATE GOVERNANCE REPORT

During the year under review, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code"), except for the deviation from code provisions A.2.1, A.4.1 and A.6.7 of the Code as described below.

Under code provision A.2.1 of the Code, 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 a 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.

Under code provision A.4.1 of the Code, non-executive Directors should be appointed for a specific term, subject to re-election. The non-executive Directors of the Company, including the independent non-executive Directors, are not appointed for a specific term but are subject to retirement by rotation and re-election at the annual general meetings of the Company at least once every three years as specified in the Bye-laws of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code.

Under code provision A.6.7 of the Code, independent non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. There are three independent non-executive Directors of the Company and they were unable to attend the 2016 annual general meeting of the Company held on 27 September 2016 due to their engagement in other commitments.

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 2017 have been reviewed by the Audit Committee.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 April 2017 as set out in this announcement have been agreed by the Group's auditors, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng 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 HLB Hodgson Impey Cheng Limited on the announcement.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.thevongroup.com). The Company's 2017 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, 31 July 2017

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

* *For identification purpose only*