VONGROUP LIMITED
黃河實業有限公司

Stock Code: 318

Smart Money at Work

vongroup

Annual Report

2007

Corporate Information

Executive Directors

Mr VONG Tat Ieong, David
(Chief Executive Officer)
Mr WONG Chi Man
Mr XU Siping

Independent Non-executive Directors

Mr FUNG Ka Keung, David
Dr LAM Lee G.
Ms WONG Man Ngar, Edna

Audit Committee

Mr FUNG Ka Keung, David
Dr LAM Lee G.
Ms WONG Man Ngar, Edna

Remuneration Committee

Dr LAM Lee G.
Mr FUNG Ka Keung, David
Mr VONG Tat Ieong, David

Company Secretary

Mr CHUNG Yau Tong

Auditors

CCIF CPA Limited
20/F Sunning Plaza
10 Hysan Avenue
Causeway Bay
Hong Kong

Registered Office

Cricket Square
Hutchisons Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head Office and Principal Place of Business in Hong Kong

1208 Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Principal Share Registrar and Transfer Office

The Bank of Bermuda (Cayman) Limited
Bank of Bermuda Building
6 Front Street
Hamilton HM11
Bermuda

Hong Kong Branch Share Registrar and Transfer Office

Tricor Tengis Limited
26/F Tesbury Centre
28 Queen's Road East
Hong Kong

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Management's Statement

Dear Fellow Shareholders,

I am excited and optimistic as I write to you on this past year of major transition and turnaround for our Company. This is the first full reporting year since Vongroup Holdings took over control of our Company. During this year, we have been working on securing a significant platform for solid growth by focusing on non-bank financial services and other highly-regulated consumption sectors, especially in China, and it has become increasingly apparent that we are make successful progress on target towards steadily enhancing the value of our Company. Let me share with you how I have arrived at this conclusion, given what we have achieved this past year.

First, as one of the key indicia of successful corporate turnaround, we are pleased to report a significant reduction of 74% in the Company's loss for the year, from HK$58 million in 2005/2006 to HK$15 million in 2006/2007.

Secondly, during the year, the Company launched a major initiative in the China E-Ticket ("CET") smart-card financial services sector in China. We acquired a 45% equity interest in Guo Xin China Pay Systems Limited (the "JV Company"), the controlling shareholder in the CET business, for an aggregate consideration of up to US$50 million (approximately HK$390 million). Up to US$24.5 million (approximately HK$191 million) of this is earn-out payment that is linked to the CET business achieving threshold net profit milestone of US$75 million (approximately HK$585 million). The Chinese partner in, and founder of, the CET business is 北京國新投資管理有限公司(SCIO Investment Company Limited), an organisation owned by affiliates of the State Council Information Office.

CET's rollout implementation timetable targets that within the next 3 years major selected tourist sites in the PRC will have converted their admissions systems into one that deploys CET's contactless smart-cards as their admission/exit ticket, utilizing advanced RFID technology and incorporating attractive multimedia presentation. In the process, CET targets that its smart-card tickets will be a new digital media and advertising platform that focuses on information dissemination and advertising, leveraging on the ability of smart-card tickets to reach large numbers of international tourists and domestic citizens each year.

Substantial research and development work had been carried out in the past few months with the management and operation teams of different tourist sites. A unique system, which will be customised according to the requirements of different sites, has been developed and is in the final testing process. The first site is expected to be launched shortly when the final testing process is completed.

Our consumer finance business produced a small profit during this past year. The transition of this consumer finance business since we took over, from a locally managed business to one is capable of broader nationwide rollout, has been smooth. The Company has focused on pressing corporate turnaround tasks involving management retraining, management reporting systems, and other backend groundwork, in order to set the foundation for broader rollout of this business. Therefore, although the Company has not yet realised the synergy of this acquisition, we anticipate that now that we have completed our groundwork, we will begin to actively focus on the consumer finance business in the current financial year.

Management's Statement

We are also pleased to note that in 2007 two major European institutional shareholders have reported acquiring significant minority shareholdings in our Company. In May 2007, ABN AMRO Bank N.V. reported that it had acquired 9.9% shareholding in our Company. In July 2007, Deutsche Bank AG acquired 4.7% shareholding, on an enlarged capital basis, in our Company in a top-up placement.

The cumulative effect of this turnaround transitional year, and the broadening of our shareholding base with major institutional investors, has buttressed our deep philosophy about who we are and about how we create value. The theme for our Company, "Smart Money at Work", embodies our drive to generate and enhance value for our fellow shareholders by focusing on how we have the expertise and experience to secure entry into highly-regulated non-bank financial services sectors, and how we can put money at work through acquisitions and other investments, in a manner that fuels and supports growth in China and for our Company.

We have emerged from the challenges of this past transitional year, confident in our business. The Company's ability to post successful indicators this year is very encouraging to me, and is proof that our management and staff are performing with pride and success.

As I discern in the publicly listed world in Hong Kong today, I see many companies that are trying to differentiate themselves with short-term strategies, in the face of an increasingly competitive market in China. However, we will continue to pursue sustainable leading-edge initiatives in financial services, consumer finance, and highly-regulated consumption sectors, especially in China, while optimising sustained growth and maximising shareholder value. These initiatives will include new investments to spur organic growth, as well as through acquisitions, and wise investment in human resources and systems. As our platform for growth strengthens, we will then proceed to leverage our investments and accelerate our profitability. This is the most exciting part for me. And our job is to deliver this.

On behalf of your management, we appreciate the confidence you have placed in us in running your Company. We commit to protect your investments and grow your Company in a responsible manner.

Regards,

Vong Tat Ieong David
Executive Director

Hong Kong, 24 August 2007

Management Discussion and Analysis

OVERALL PERFORMANCE

Measures successfully initiated after the change in control of the Company contributed to a significant reduction in net loss for the year, from HK$57.9 million in 2006 to HK$15.2 million.

For the year ended 30 April 2007, the Group recorded a net loss for the year of HK$15.2 million (2006: HK$57.9 million). As at 30 April 2007, the Group had consolidated net current assets of HK$146.8 million (2006: HK$123.0 million) and consolidated net assets of HK$175.8 million (2006: HK$153.4 million) respectively.

BUSINESS REVIEW

Consumer Finance Business

After the change in control of the Company, the Company made its first move into the consumer finance sector by acquiring a moneylending business in Beijing in April 2006. The Company provides secured loans, mainly to individuals and SME business owners. The revenue of the moneylending business comprises finance charges at a monthly effective rate of 0.5% based on the 6-month bank lending rate that is announced by the People's Bank of China, with a mark up, plus service charges of up to 4.2% per month, as well as net proceeds of merchandise held for sale. During this post-acquisition transition year when the Company focused efforts on management and organisation improvements, the turnover of the moneylending business for the year ended 30 April 2007 was HK$1,082,000 (period from 14 April 2006 to 30 April 2006: HK$146,000). The overall result of the consumer finance business (including other same segment subsidiaries not directly related to the China consumer finance business) recorded a profit of approximately HK$23,000 (2006: loss of HK$554,000).

After having acquired the moneylending business for a year and investing time and effort into restructuring the management structure, approval systems, and loan monitoring systems, the Group is familiar with the unique operating environment for the consumer finance business in the PRC. The Group will identify opportunities to expand its consumer finance business in the PRC through acquisitions or establishment of new moneylending branches in other PRC cities.

Restaurant Business

Our restaurant business continues to face a challenging market environment. The decrease in unemployment rate and the increase in consumer spending power are favorable to the Hong Kong retail market. However, increases in rental expenses, staff costs, material costs and fuel costs for our restaurant business have resulted in challenges in our operating environment. Turnover for the restaurant operation for the year ended 30 April 2007 was approximately HK$217 million (2006: HK$217 million) and a loss of HK$14.0 million (2006: HK$20.1 million) was recorded in ordinary restaurant activities.

Management Discussion and Analysis

NEW ACQUISITION

During this past full transition year following the change of control of the Company, the Group continued to adhere to its mission to focus on business opportunities in the financial services and fast growing consumption related businesses in China. In December 2006, the Group entered into a Subscription, Share Purchase and Shareholders' agreement in relation to Guo Xin China Pay Systems Limited (the "JV Company") for the acquisition of 45% equity interest in the JV Company for an aggregate consideration of up to US$50 million (approximately HK$390 million) of which up to US$24.5 million (approximately HK$191 million) is an earn-out payment with reference to the China e-Ticket ("CET") business achieving threshold net profit milestone of US$75 million (approximately HK$585 million). The JV Company is the 55% shareholder in the CET business, the remaining 45% shareholding interest is owned by 北京國新投資管理有限公司 (SCIO Investment Company Limited), an organization owned by affiliates of the State Council Information Office of the PRC.

CET's rollout implementation timetable targets that within the next 3 years major selected tourist sites in the PRC will have converted their admissions systems into one that deploys CET's contactless smart-cards as their admission/exit ticket, utilizing advanced RFID technology and incorporating attractive multimedia presentation. In the process, CET targets that its smart-card tickets will be a new digital media and advertising platform that focuses on information dissemination and advertising, leveraging on the ability of smart-card tickets to reach large numbers of international tourists and domestic citizens each year.

Substantial research and development work had been carried out in the past few months with the management and operation teams of different tourist sites. A unique system, which will be customised according to the requirements of different sites, has been developed and is in the final testing process. The first site is expected to be launched shortly when the final testing process is completed.

SEASONAL/CYCLICAL FACTORS

The sales volume during festive periods is normally higher than the sales volume in the slack periods of the year for restaurant operation only.

Management Discussion and Analysis

FINANCIAL REVIEW

Liquidity and financial resources

The cash and cash equivalents of the Group as at 30 April 2007 amounted to HK$88.9 million (2006: HK$139.5 million). The Group's current ratio as at 30 April 2007 is 4.23 (2006: 2.95). The total equity of the Group amounted to HK$175.8 million (2006: HK$153.4 million) as at 30 April 2007.

Gearing

The gearing ratio, as a ratio of bank loans to total equity, was 0.03 as at 30 April 2007(2006: 0.13).

Exchange Rate Exposure

As at 30 April 2007, the Group's cash and cash equivalents amounted to HK$88.9 million. Since the majority of the Group's transactions, monetary assets and liabilities are denominated in Hong Kong dollars, United Stated 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. The interest rates of most of the borrowings, if applicable, are charged by reference to prevailing market rates.

Contingent liabilities

Details of the Group's contingent liabilities as set out in note 44 to the financial statements.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 April 2007, the Group had 630 (2006: 640) 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.

Profile of Directors

EXECUTIVE DIRECTORS

Mr Vong Tat Ieong, David, aged 45, appointed as director of the Company in 2005 and also served as the Chief Executive Officer of the Company. Mr Vong has acquired and run public companies, and made and advised on cross-border mergers and acquisitions, involving capital markets and private equity, for over 20 years. He was formerly Vice Chairman of the Board of Directors of CITIC 21CN Company Limited, a company listed on the Stock Exchange, from 2003-2004. Before that, he was Director and Deputy Chief Executive of i100 Limited, a company listed on the Stock Exchange, since he co-founded the i100 Group in 2000 with an international consortium whose key participants included management and leading institutional investors. Prior to that, he was Chief Executive at Pollon Infrastructure Corporation, an infrastructure investment holding company focused on power and telecom assets in the PRC, since 1997. Mr. Vong is a graduate of Yale Law School and The London School of Economics and Political Science.

Mr Wong Chi Man, aged 57, appointed as director of the Company in 2001, is responsible for corporate planning, strategic business and product development, marketing and overall management of the food and beverage business of the Group. He has approximately 45 years experience in the restaurant and catering industries.

Mr Xu Siping, aged 49, appointed as director of the Company in 2005, held a series of senior policy positions for 17 years at the PRC's State Economic and Trade Commission and the State Development Planning Commission (formerly the State Planning Commission), from 1983-2000, before retiring from public service in the central government. Mr. Xu is a graduate of Dalian University of Technology.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Fung Ka Keung, David, aged 44, appointed as Independent Non-executive Director of the Company in 2005, is Finance Manager at Golden Concord Holdings Limited. He graduated from Leicester University. He is member of both of the Company's Audit Committee and Remuneration Committee.

Dr Lam Lee G., aged 48, appointed as Independent Non-executive Director of the Company in 2005. He was formerly Vice Chairman, President and CEO of Chia Tai Group of Companies, Managing Director, Chief Operating Officer, Vice Chairman and Adviser of the Investment Banking Division at BOC International Holdings Limited, Executive Director at Singapore Technologies Telemedia, President and Chief Executive Officer at Millicom International Cellular Asia Pacific, and Managing Partner, Greater China at A.T. Kearney. He is a graduate of the University of Ottawa, Carlton University, Manchester Metropolitan University and the University of Hong Kong. He is Chairman of the Company's Audit Committee and Remuneration Committee.

Ms Wong Man Ngar, Edna, aged 40, appointed as Independent Non-executive Director of the Company, is a Director of Xact Limited, and was formerly Regional Marketing Manager at American Express, and Management Consultant at The Mitchell Madison Group. She is a graduate of Columbia Business School and is a member of the Company's Audit Committee.

Report of the Directors

The directors have pleasure to present their report and the audited financial statements of Vongroup Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 April 2007.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Group comprise consumer finance business, smart-card financial services business and restaurant business. Details of the principal subsidiaries are set out in note 18 to the financial statements.

SEGMENT INFORMATION

An analysis of the Group's turnover and results by business segments and geographical segments for the year ended 30 April 2007 is set out in note 5 to the financial statements.

RESULTS AND DIVIDENDS

The Group's loss for the year ended 30 April 2007 and the state of affairs of the Company and of the Group at that date are set out in the financial statements on pages 23 to 95. The directors do not recommend payment of any dividends in respect of the year.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published consolidated financial results and assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out on page 96. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT, LAND USE RIGHTS AND INVESTMENT PROPERTY

Details of movements in the property, plant and equipment, land use rights and investment property of the Group during the year are set out in notes 14, 15 and 16 to the financial statements, respectively. Particular of the investment property as at 30 April 2007 is set out in note 16 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's issued share capital and share options during the year, together with the reasons therefor, are set out in notes 38 and 39 to the financial statements, respectively.

Report of the Directors

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

PURCHASES, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased or sold any of the Company's listed securities during the year ended 30 April 2007.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 40 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 30 April 2007, the Company's reserves available for distribution, calculated in accordance with the Companies Law (2004 Revision) of the Cayman Islands, amounted to HK$132.2 million. This includes the Company's share premium account, in the amount of HK$244.9 million at 30 April 2007, which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. In addition, the Company's capital redemption reserve in the amount of HK$0.26 million may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

The turnover attributable to the five largest customers of the Group accounted for less than 30% of the total Group's turnover for the year. Purchases from the five largest suppliers of the Group accounted for less than 30% of the total Group's purchases for the year.

EXCHANGE RATES EXPOSURE

Details of the exchange rate exposure are set out in note 3 to the financial statement.

POST BALANCE SHEET EVENTS

Details of the post balance sheet events are set out in note 47 to financial statement.

Report of the Directors

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive directors:
Mr Vong Tat Ieong, David *(Chief Executive Officer)*
Mr Xu Siping
Mr Wong Chi Man
Mr Wong See Sum, J.P. (retired on 27 October 2006)

Independent non-executive directors:
Mr Fung Ka Keung, David
Dr Lam Lee G.
Ms Wong Man Ngar, Edna

In accordance with article 87 of the Company's articles of association, Mr Xu Siping and Mr Fung Ka Keung, David, who were determined by lot, will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

INDEPENDENCE CONFIRMATION

The Company has received from each of the independent non-executive Directors a confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The board of Directors is satisfied with the independence of each of the independent non-executive Directors.

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the transactions disclosed in note 46 to the financial statements, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, or any of its holding companies, subsidiaries or fellow subsidiaries was a party during the year.

DIRECTORS' SERVICE CONTRACTS

Each of Mr Vong Tat Ieong, David and Mr Xu Siping has an employment agreement with the respective subsidiaries of the Group commencing on 3 September 2005, and which will continue thereafter unless and until terminated by either party giving not less than one month's notice in writing or until terminated by mutual consent. Mr Vong has elected to waive part of his entitled compensation under the employment agreement for the year ended 30 April 2007.

Report of the Directors

Mr Wong Chi Man has an employment contract with a subsidiary of the Group commencing on 3 September 2005, which continues unless and until terminated by either party giving not less than one month's notice in writing or until terminated by mutual consent.

Other emoluments are determined by the the Company's board of directors with reference to the directors' duties, responsibilities and performance and the results of the Group.

Save as disclosed above, no director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 April 2007, the interests and short positions of the directors and chief executives in the shares and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issues (the "Model Code"), were set out as follows:

Interests in the shares of the Company

Name of director	The Company/ Name of associated Company	Capacity	Number of issued securities	Appropriate percentage of shareholding
Mr Vong Tat Ieong, David *(Note 1)*	The Company	Indirect beneficial owner through a controlled corporation	4,062,000,000 ordinary shares of HK$0.001 each	72.7
Mr Wong Chi Man *(Note 2)*	The Company	Direct beneficial owner and through controlled corporations	59,524,000 ordinary shares of HK$0.001 each	1.1

Report of the Directors

Note 1: The interest of Mr Vong is held by Vongroup Holdings Limited, of which he is the ultimate beneficial owner.

Note 2: The interest of Wong Chi Man includes 48,299,000 shares held by Cambo Enterprises Limited ("Cambo"), 8,563,000 shares held by New Top Investment Limited ("New Top HK"), and 2,662,000 shares held by Wong Chi Man. Cambo is approximately 49% owned by New Top HK, and approximately 3% owned by Wong Chi Man; New Top HK's ultimate beneficial owner is Wong Chi Man.

Save as disclosed above, at 30 April 2007, none of the directors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the share option scheme disclosures in note 39 to the financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them or was the Company, or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 April 2007, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO.

Name	**Interest in shares** *(Note)*	**Nature of interest**	**Percentage of the Company's issued share capital**
Vongroup Holdings Limited	4,062,000,000	Direct beneficial owner	72.7
Mr Vong Tat Ieong, David	4,062,000,000	Indirect beneficial owner through a controlled corporation	72.7

Note: The relationship between Vongroup Holdings Limited and Mr Vong is disclosed under "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" above.

Report of the Directors

Save as disclosed above, as at 30 April 2007, no person other than the Directors of the Company, whose interests are set out in the section "Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" had registered an interest or short position in the shares and underlying shares and debentures of the Company that was required to be recorded under Section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 15 September 2001 ("the Share Option Scheme"). Pursuant to the Share Option Scheme, the Directors of the Company, at their discretion, may grant options to Directors, officers and employees (whether full time or part-time) of the Company or a subsidiary and any other groups or classes of suppliers, customers, sub-contracts or agents of the Group from time to time determined by the Directors as having contributed or may contribute to the development and growth of the Group. No share options were outstanding nor granted during the year ended 30 April 2007.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES AND CONFLICTS OF INTERESTS

During the year ended 30 April 2007, the following directors were considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group, as defined in the Listing Rules, as set out below:

(i) Mr Wong Chi Man, an executive director, and his associates have interests in other companies which are engaged in restaurant businesses in and outside Hong Kong as follows:

Company	Place of operations	Position held	Percentage of interest held
Golden Cup Industries Limited	Hong Kong	None	5.3
East Ocean Teochew Restaurant Pte. Ltd.	Singapore	Director	50.0
East Ocean Seafood Restaurant Pte. Ltd.	Singapore	Director	39.0

Report of the Directors

(ii) Mr Wong See Sum, J.P., an executive director who retired on 27 October 2006, and his associates have interests in other companies which are engaged in restaurant businesses in and outside Hong Kong as follows:

Company	Place of operations	Position held	Percentage of interest held
Carrianna Chiu Chow Restaurant (T.S.T.) Ltd.	Hong Kong	Non-executive Director	1.0
Banana Leaf Holdings Limited	Hong Kong	None	0.69
East Ocean Teochew Restaurant Pte. Ltd.	Singapore	Director	40.0
East Ocean Seafood Restaurant Pte. Ltd.	Singapore	Director	40.0

Mr Wong Chi Man, Mr Wong See Sum, J.P., and their respective associates have only minority interests in the companies listed above which have operations in Hong Kong.

In respect of those companies in which Mr Wong Chi Man, Mr Wong See Sum, J.P., and their respective associates have a controlling stake, the restaurants are located and operate in Singapore, where the Group has no operations. The directors therefore consider that the Group is capable of carrying on its business independently of, and at arm's length from, the businesses of the abovementioned companies.

Save as disclosed above, none of the executive directors of the Company or any of their respective associates have engaged in any business that competes or may compete with the businesses of the Group or have any other conflict of interests with the Group.

CONNECTED TRANSACTIONS

Certain related party transactions entered by the Group during the year ended 30 April 2007, which also constitute connected transactions under the Listing Rules, are disclosed in note 46 to the financial statements.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance and has compiled with the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules. Further information on the Company's corporate governance practices is set out in the Corporate Governance Report.

Report of the Directors

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's issued share capital was held by the public as at the date of this report.

AUDITORS

Ernst & Young acted as auditors of the Company for the year ended 30 April 2005 and resigned on 30 June 2006. RSM Nelson Wheeler was appointed as auditors of the Company for the year ended 30 April 2006 on 30 June 2006 and resigned on 13 July 2007. CCIF CPA Limited has been appointed to act as the auditors of the Company with effect from 25 July 2007.

A resolution for re-appointment of CCIF CPA Limited as the auditors of the Company for the ensuing year is to be proposed at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD
Vong Tat Ieong, David
Executive Director

Hong Kong
24 August 2007

Corporate Governance Report

The Company is firmly committed to maintaining and improving the quality of corporate governance so to ensure better transparency of the Company, protection of shareholders' and stakeholders' rights and enhance shareholder value.

The Stock Exchange of Hong Kong Limited (the "Stock Exchange") introduced the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") effective from 1 January 2005. The Board responded promptly to review its corporate governance practice and took appropriate actions to ensure that they are in compliance with the CG Code. The Board also reviewed its corporate governance practices and ensured that they are in compliance with the CG Code in the year ended 30 April 2007.

Set out below are the status and details of compliance by the Company of the CG Code in the year ended 30 April 2007.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Mode Code") as set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions of the directors of the Company (the "Directors"). Having made specific enquiry of all directors, the Company confirms that all directors have complied with the required standards set out in the Model Code during the year ended 30 April 2007.

BOARD OF DIRECTORS

Composition

As at 30 April 2007, the Board of Directors of the Company comprises six members: three executive directors, namely, Mr Vong Tat Ieong, David (Chief Executive Officer), Mr Wong Chi Man and Mr Xu Siping; and three independent non-executive directors, namely, Mr Fung Ka Keung, David, who has the professional and accounting qualifications required by the Listing Rules, Dr Lam Lee G. and Ms Wong Man Ngar, Edna.

Mr Wong See Sum J.P., who was an executive Director of the Company, retired on 27 October 2006.

The biographical details of the Board members are set out on page 7 of this Annual Report.

Corporate Governance Report

Roles and Functions

The function of the Board is to formulate corporate strategy and business development. The Board meets regularly to discuss operational issues and valuate the financial performance of the Group. The Board will consider and approve acquisition and disposal, remuneration policy, appointment and retirement of directors, connected transactions, placing and repurchase of shares and dividend policy of the Group in pursuit of its strategic goals, if required. The chairmanship of the Board of the Company is elected at each Board meeting. Control and day to day operation of the Company is delegated to the Chief Executive Officer and the management of the Company.

Board meetings and attendance record

The Board held four regular Board meetings at approximately quarterly intervals during the year ended 30 April 2007 and additional board meetings would be held when necessary. The directors who cannot attend in person might participate through other electronic means of communications. Due notice and relevant materials for the meeting were given to all directors prior to the meetings in accordance with the Company's articles of association and the CG Code. Details of individual attendance of directors are set out in the table below:

Members of the Board	**Meetings Attended/Held**
Mr VONG Tat Ieong, David	4/4
Mr WONG Chi Man	4/4
Mr XU Siping	2/4
Mr FUNG Ka Keung, David	4/4
Dr LAM Lee G.	4/4
Ms WONG Man Ngar, Edna	4/4

Relationship among members of the Board

There is no relationship among members of the Board in respect of financial, business, family or other material/relevant relationship.

Independent Non-executive Directors

The Company has received from each of its independent non-executive director an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules and the Company considers the independence non-executive directors to be independent.

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 CG Code.

Corporate Governance Report

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with the code provision, the role of chairman and chief executive officer ("CEO") should be performed by different individuals. Since September 2006, 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.

BOARD COMMITTEES

The Board has established three board committees to strengthen its functions and corporate governance practices, namely, Audit Committee, Remuneration Committee and Executive Committee. The Audit Committee and the Remuneration Committee perform their specific roles in accordance with their respective written terms of reference. The Executive Committee assists the Group in corporate strategy, business development and operations.

Audit Committee

The Company's Audit Committee is composed of three independent non-executive directors, currently, Mr Fung Ka Keung, David, Dr Lam Lee G. (Chairman of the Audit Committee) and Ms Wong Man Ngar, Edna. The Audit Committee members performed their duties within written terms of reference formulated by the Company in accordance with the requirements of the Listing Rules.

The Audit Committee is responsible for considering all relationships between the Company and the auditing firm (including the provision of non-audit services), monitoring the integrity of the Company's financial statements, any issues arising from the audit and any other auditors may wish to raise and review of the Company's internal control and risk management.

The Audit Committee held two meetings during the year with an attendance rate of 100%. In the meetings, the Audit Committee reviewed the financial statements for the year ended 30 April 2006 and for the six months ended 31 October 2006, considered and approved the audit work of the auditors, and reviewed the business and financial performance of the Company and the internal control system and risk management.

The Group's results for the year ended 30 April 2007 have been reviewed by the Company's Audit Committee.

Corporate Governance Report

Remuneration Committee

The Company's Remuneration Committee is composed of two independent non-executive directors, Dr Lam Lee G. (chairman of the Remuneration Committee) and Mr Fung Ka Keung, David, and one executive director, Mr Vong Tat Ieong, David. The Remuneration Committee members performed their duties within written terms of reference formulated by the Company in accordance with the requirements of the Listing Rules.

The Remuneration Committee is responsible of developing remuneration policies and in overseeing remuneration packages of the directors whether the emoluments offered are appropriate to the duties and performance of the respective individuals concerned. It is the Company's policy to offer remuneration packages which are competitive and sufficient to retain such individuals and no director is involved in decision of his own remuneration.

The Remuneration Committee held one meeting during the year with an attendance rate of 100%. In the meeting, the Remuneration Committee reviewed and approved the remuneration of directors according to their respective responsibilities, expertise and performance.

Other information

The Board has not established a nomination committee. According to the articles of association of the Company, the Board has the power from time to time and at any time to appoint any person as a director either to fill a causal vacancy or as an additional to the Board. In assessing nomination of new directors, the Board will consider the nominee's qualification, ability and potential contributions to the Company.

AUDITORS' REMUNERATION

The amount of audit fee payable to CCIF CPA Limited for the year ended 30 April 2007 was HK$535,000. The amount of remuneration payable to RSM Nelson Wheeler and Johnny Chan CPA relating to non-audit services for the year ended 30 April 2007 were HK$100,600 and HK$66,500 respectively.

INTERNAL CONTROLS

The Board has overall responsibility for the system of internal controls of the Company and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal control system to safeguard the interest of shareholders and the Group's assets. The Board has delegated to the management the implementation of the system of internal controls and reviewing of all relevant financial, operational, compliance controls and risk management functions within an established framework.

Corporate Governance Report

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors acknowledge their responsibility for preparing the financial statements for the year under review. The Directors ensure the preparation of the financial statements of the Group are in accordance with statutory requirements and suitable accounting policies.

The statement of the Auditors of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Report of the Auditors of this Annual Report.

COMMUNICATION WITH SHAREHOLDERS

The Company communicates with its shareholders through different channels, including annual general meetings, special general meetings, annual and interim reports, notices of general meetings and circulars sent to shareholders by post, announcements on the website of the Stock Exchange and the Company's website.

Registered shareholders are notified by post of the shareholders' meetings. Any registered shareholder is entitled to attend and vote at the annual and special general meetings, provided that his/her/its shares have been fully paid up and recorded in the register of members of the Company.

Shareholders or investors can make enquiries or proposals to the Company by putting their enquiries or proposals to the Company through the contact details listed in our Company's website.

Independent Auditor's Report

CCIF

CCIF CPA LIMITED

20/F Sunning Plaza
10 Hysan Avenue
Causeway Bay Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VONGROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Vongroup Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 23 to 95, which comprise the consolidated and Company balance sheets as at 30 April 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

Independent Auditor's Report

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 April 2007 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

CCIF CPA Limited
Certified Public Accountants
Hong Kong, 24 August 2007
Kwok Cheuk Yuen
Practising Certificate Number P02412

Consolidated Income Statement

For the year ended 30 April 2007

	Note	**2007**	2006
		HK$'000	*HK$'000*
Continuing operations			
Revenue	*6*	**218,188**	217,626
Other income	*6*	**16,099**	2,844
Cost of inventories consumed		**(84,329)**	(79,761)
Cost of merchandise sold		**(461)**	(67)
Staff costs		**(60,014)**	(55,225)
Operating lease rentals		**(27,588)**	(23,583)
Depreciation and amortisation		**(4,363)**	(10,373)
Other expenses		**(67,066)**	(67,341)
Impairment loss on property, plant and equipment		**(3,875)**	(13,776)
Change in fair value of investment property		**834**	–
Operating loss		**(12,575)**	(29,656)
Finance costs	*7*	**(359)**	(101)
Share of results of:			
Jointly controlled entity		**1,115**	(171)
Associate		**896**	615
Loss before taxation		**(10,923)**	(29,313)
Income tax	*8*	**(4,257)**	(4,905)
Loss for the year from continuing operations		**(15,180)**	(34,218)
Discontinued operation			
Loss for the year from discontinued operation	*42*	**–**	(23,697)
Loss for the year	*9*	**(15,180)**	(57,915)
Attributable to:			
Equity holders of the Company		**(14,948)**	(57,915)
Minority interests		**(232)**	–
		(15,180)	(57,915)
Loss per share	*13*		
From continuing and discontinued operations			
– Basic		**(HK0.27 cents)**	(HK1.55 cents)
– Diluted		**N/A**	N/A
From continuing operations			
– Basic		**(HK0.27 cents)**	(HK0.92 cents)
– Diluted		**N/A**	N/A

The notes on pages 30 to 95 form an integral part of these financial statements.

Consolidated Balance Sheet

As at 30 April 2007

	Note	**2007** **HK$'000**	2006 HK$'000
Non-current assets			
Property, plant and equipment	14	**2,610**	6,501
Land use rights	15	**1,319**	–
Investment property	16	**8,800**	–
Goodwill	17	**8,988**	8,988
Interest in a jointly controlled entity	19	**1,368**	1,119
Interest in an associate	20	**–**	–
Rental and utility deposits		**7,871**	7,594
Deposits paid in respect of acquisition of property, plant and equipment		**5,500**	4,858
Deposit paid in respect of restaurant operations		**–**	3,000
Available-for-sale investment	21	**135**	–
		36,591	32,060
Current assets			
Inventories	22	**10,682**	13,657
Merchandise held for sale	22	**361**	14
Accounts receivables	23	**3,191**	1,973
Moneylending loan receivables	24	**970**	2,178
Promissory note receivable	25	**39,000**	–
Deposits, prepayments and other receivables	26	**36,866**	12,187
Staff advances	27	**665**	638
Amount due from a jointly controlled entity	28	**201**	312
Amount due from a related company	29	**1**	8
Financial assets at fair value through profit or loss	30	**11,355**	15,782
Cash and cash equivalents	31	**88,943**	139,451
		192,235	186,200
Current liabilities			
Accounts payables	32	**11,171**	10,786
Accruals and deposits received	33	**17,041**	19,686
Tax payable		**16,894**	12,412
Bank loan – secured	34	**156**	19,417
Finance lease payables	35	**–**	34
Amount due to former ultimate holding company	36	**–**	278
Amount due to ultimate holding company	36	**–**	36
Amounts due to directors	36	**140**	508
		45,402	63,157
Net current assets		**146,833**	123,043
Total assets less current liabilities		**183,424**	155,103
Non-current liabilities			
Other payables		**1,943**	1,141
Bank loan – secured	34	**5,061**	–
Deferred tax liabilities	37	**591**	591
		7,595	1,732
NET ASSETS		**175,829**	153,371

Consolidated Balance Sheet

As at 30 April 2007

	Note	**2007** *HK$'000*	2006 *HK$'000*
CAPITAL AND RESERVES			
Share capital	*38*	**5,587**	5,587
Reserves	*40(a)*	**131,474**	147,784
		137,061	153,371
Minority interest		**38,768**	–
TOTAL EQUITY		**175,829**	153,371

Approved and authorised for issue by the board of directors on 24 August 2007.

On behalf of the board

Vong Tat Ieong, David
Director

Wong Chi Man
Director

The notes on pages 30 to 95 form an integral part of these financial statements.

Balance Sheet

As at 30 April 2007

	Note	2007 HK$'000	2006 HK$'000
Non-current assets			
Interests in subsidiaries	18	**49,090**	49,090
Current assets			
Deposits, prepayments and other receivables	26	**5,344**	1,779
Amounts due from subsidiaries	18	**74,735**	41,661
Financial assets at fair value through profit or loss	30	**315**	657
Cash and cash equivalents	31	**8,776**	62,736
		89,170	106,833
Current liabilities			
Accruals and deposits received	33	**494**	1,785
Amount due to a jointly controlled entity	28	**–**	18
Amount due to ultimate holding company	36	**–**	36
		494	1,839
Net current assets		**88,676**	104,994
NET ASSETS		**137,766**	154,084
CAPITAL AND RESERVES			
Share capital	38	**5,587**	5,587
Reserves	40(b)	**132,179**	148,497
TOTAL EQUITY		**137,766**	154,084

Approved and authorised for issue by the board of directors on 24 August 2007.

On behalf of the board

Vong Tat Ieong, David
Director

Wong Chi Man
Director

The notes on pages 30 to 95 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 April 2007

	Note	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Exchange translation reserve HK$'000	Accumulated losses HK$'000	Attributable to equity holders of the Company HK$'000	Minority interest HK$'000	Total HK$'000
At 1 May 2005		25,016	81,110	258	–	(56,795)	49,589	–	49,589
Capital reduction	38(a)	(24,916)	24,916	–	–	–	–	–	–
Share premium cancellation	38(a)	–	(24,916)	–	–	24,916	–	–	–
Issue of shares									
– on share subscription	38(b)	5,400	48,600	–	–	–	54,000	–	54,000
– on top-up placements	38(c)	91	128,308	–	–	–	128,399	–	128,399
Repurchase of shares	38(d)	(4)	(4,556)	–	–	–	(4,560)	–	(4,560)
Issuing expenses	38(b) and (c)	–	(16,082)	–	–	–	(16,082)	–	(16,082)
Loss for the year		–	–	–	–	(57,915)	(57,915)	–	(57,915)
Exchange differences arising on translation of foreign operations		–	–	–	(53)	–	(53)	–	(53)
Share of reserve movements of:									
– jointly controlled entity		–	–	–	34	–	34	–	34
– associates		–	–	–	(41)	–	(41)	–	(41)
At 30 April 2006 and 1 May 2006		5,587	237,380	258	(60)	(89,794)	153,371	–	153,371
Loss for the year		–	–	–	–	(14,948)	(14,948)	(232)	(15,180)
Shareholders' contribution		–	–	–	–	–	–	39,000	39,000
Exchange differences arising on translation of foreign operations		–	–	–	(1,398)	–	(1,398)	–	(1,398)
Share of reserve movements of jointly controlled entity		–	–	–	36	–	36	–	36
At 30 April 2007		5,587	237,380	258	(1,422)	(104,742)	137,061	38,768	175,829

The notes on pages 30 to 95 form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the year ended 30 April 2007

	Note	**2007** **HK$'000**	2006 HK$'000
Cash flow from operating activities			
Loss for the year		**(15,180)**	(57,915)
Adjustments for			
Income tax		**4,257**	4,905
Share of results of:			
– jointly controlled entity		**(1,115)**	171
– associates		**(896)**	(615)
Interest income		**(2,894)**	(1,419)
Loan interest income		**(1,151)**	–
Dividend income from listed securities		**(256)**	(7)
Finance costs		**359**	101
Depreciation and amortisation		**4,363**	12,046
Impairment loss on property, plant and equipment		**3,875**	22,110
Impairment loss on goodwill		**–**	2,395
Impairment loss on bad and doubtful debts		**–**	70
Impairment loss on amount due from an associate		**1,801**	2,660
Change in fair value of investment property		**(834)**	–
Written off of inventories		**–**	21
Written off of deposits and other receivables		**–**	759
Written off of rental deposits		**–**	6,828
Written-back of other payables		**(180)**	–
Net realised gain on disposal of financial assets at fair value through profit or loss		**(7,445)**	(1,092)
Net unrealised loss/(gain) on disposal of financial assets at fair value through profit or loss		**421**	(181)
Gain on disposal of property, plant and equipment		**(542)**	–
Operating loss before working capital changes		**(15,417)**	(9,163)
Increase in amounts due from associates		**(905)**	(2,086)
Increase in rental and utility deposits		**(277)**	(743)
Decrease/(increase) in inventories		**2,975**	(2,201)
(Increase)/decrease in merchandise held for sale		**(347)**	14
Increase in accounts receivables		**(1,218)**	(257)
Decrease in moneylending loan receivables		**1,208**	258
Increase in deposits, prepayments and other receivables		**(24,679)**	(2,398)
(Increase)/decrease in staff advances		**(27)**	1,615
Decrease in amount due from a jointly controlled entity		**111**	458
Decrease in amount due from a related company		**7**	75
Increase/(decrease) in accounts payables		**385**	(834)
(Decrease)/increase in accruals and deposit received		**(2,645)**	4,660
(Decrease)/increase in amount due to former ultimate holding company		**(278)**	278
(Decrease)/increase in amount due to ultimate holding company		**(36)**	36
Increase/(decrease) in other payables		**802**	(1,007)
Cash used in operations		**(40,341)**	(11,295)
PRC enterprise income tax paid		**(148)**	–
Hong Kong profits tax refunded		**–**	56
Net cash outflow from operating activities		**(40,489)**	(11,239)

Consolidated Cash Flow Statement

For the year ended 30 April 2007

	Note	2007 HK$'000	2006 HK$'000
Cash flows from investing activities			
Interest received		**4,045**	1,419
Dividend received from a joint controlled entity		**902**	1,047
Dividend received from listed securities		**256**	7
Purchase of investment property		**(7,966)**	–
Purchase on property, plant and equipment	41	**(2,877)**	(2,235)
Purchase of land use rights		**(1,340)**	–
Deposit paid for acquisition of property, plant and equipment	41	**(2,000)**	(4,858)
Purchase of financial assets at fair value through profit or loss		**(88,237)**	(37,806)
Proceeds from disposal of financial assets at fair value through profit or loss		**99,688**	26,834
Proceeds from disposal of property, plant and equipment		**633**	–
Acquisition of subsidiaries	43	**–**	(10,881)
Refunded from deposit paid for a restaurant		**3,000**	–
Purchase of available-for-sale investment		**(135)**	–
Net cash inflow/(outflow) from investing activities		**5,969**	(26,473)
Cash flows from financing activities			
Interest paid		**(359)**	(92)
Interest element on finance lease		**–**	(9)
Proceeds from issue of shares		**–**	177,399
Issuing expenses		**–**	(16,082)
Repurchase of shares		**–**	(4,560)
Advanced from bank loan		**5,285**	19,417
Repayment of bank loan		**(19,485)**	–
Capital element of finance lease payables		**(341)**	(252)
Decrease in amounts due to directors		**(368)**	(1,668)
Net cash (outflow)/inflow from financing activities		**(14,961)**	174,153
Net (decrease)/increase in cash and cash equivalents		**(49,481)**	136,441
Effect of foreign exchange rate changes		**(1,027)**	19
Cash and cash equivalents at beginning of year		**139,451**	2,991
Cash and cash equivalents at end of year	31	**88,943**	139,451

The notes on pages 30 to 95 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 April 2007

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchisons Drive, P.O. Box 2681, Grand Cayman KYI-1111, Cayman Islands. The address of its principal place of business is 1208 Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 18.

In the opinion of the directors of the Company, at 30 April 2007, Vongroup Holdings Limited, a company incorporated in the British Virgin Islands, which holds 72.7% of the issued share capital of the Company, is the ultimate holding company and Mr. Vong Tat Ieong, David is the ultimate controlling party of the Company.

2. PRINCIPAL ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which 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"), accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange and the disclosure requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Group is set out below.

The consolidated financial statements of the Company have been prepared in accordance with HKFRSs and under the historical cost convention, except for the investment property, available-for-sale investment and the financial assets at fair value through profit or loss that have been measured at fair value.

The Group has adopted the following standards that have been issued and effective for the periods beginning on or after 1 January 2006. The adoption of such standards did not have material effect on these financial statements.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

a) Statement of compliance *(Continued)*

HKAS 19 (Amendment)	Actuarial gains and losses, group plans and disclosures
HKAS 21 (Amendment)	Net investment in a foreign operation
HKAS 39 (Amendment)	The fair value option
HKFRS – Int 4	Determining whether an arrangement contains a lease
HK(IFRIC) – Int 8	Scope of HKFRS 2

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 April 2007 and which have not been adopted in these financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, the following developments may result in new or amended disclosures in the financial statements:

		Effective for annual periods beginning on or after
HKFRS 7	Financial instruments: disclosures	1 January 2007
HKFRS 8	Operating results	1 January 2009
Amendment to HKAS 1	Presentation of financial statements: capital disclosures	1 January 2007
HK(IFRIC)-Int 9	Reassessment of embedded derivatives	1 June 2006
HK(IFRIC)-Int 10	Interim financial reporting and impairment	1 November 2006
HK(IFRIC)-Int 11	HKFRS 2 – Group and treasury share transactions	1 March 2007
HK(IFRIC)-Int 12	Service Concession arrangements	1 January 2008
HKAS 23 (revised)	Borrowing costs	1 January 2009

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

b) Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 30 April. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from or to the date of their acquisition or disposal, as appropriate.

All material inter-company transactions and balances are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the sales proceeds and the Group's share of its net assets together with any goodwill or capital reserves which was not previously charged or recognised in the consolidated income statement.

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

c) Subsidiaries

A subsidiary is an enterprise in which the company, directly or indirectly, controls more than half of its voting power or issued share capital, or controls the composition of its board of directors.

Interests in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

d) Associates

An associate is a company in which the Group or Company has significant influence and which is neither a subsidiary nor a joint venture of the company.

The interest in an associate is accounted for in the consolidated balance sheet under the equity method whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associate.

The results of the associate are accounted for in the consolidated income statement to the extent of the Group's share of the associate's results of operations. The consolidated balance sheet includes the Group's share of the net assets of the associates and also goodwill (net of accumulated impairment losses) or negative goodwill on acquisition.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

e) Jointly controlled entities

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

Jointly controlled entity is a contractual arrangement that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest.

The Group's share of the post acquisition results and reserves of jointly controlled entities is included in the consolidated income statement and consolidated reserves, respectively. The Group's interest in jointly controlled entity is stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting less any provision for diminution in value other than that considered to be temporary in nature deemed necessary by the directors.

f) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 "Business Combinations" are recognised at their fair values at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

g) Goodwill

Goodwill arising on an acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the relevant subsidiary at the date of acquisition. Such goodwill is carried at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of a subsidiary is presented separately in the consolidated balance sheet.

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash generating unit is less than the carrying amount of the unit the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Major costs incurred in restoring property, plant and equipment to their normal working condition are charged to the income statement. Improvements are capitalised and depreciated over their expected useful lives.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

h) Property, plant and equipment *(Continued)*

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the income statement.

Depreciation is calculated on the straight-line basis to write off the cost of each asset over its estimated useful lives and after taking into account their estimated residual value. The principal annual rates used for this purpose are as follows:

Leasehold land and buildings	over the expired lease term
Leasehold improvements	20% or over the lease terms, which is shorter
Motor vehicles	20%
Furniture, fixtures and equipment	10% – 20%
Utensils and supplies	$33^1/_3$%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

i) Investment properties

Investment properties are interests in land and/or buildings in respect of which construction work and development have been completed and which are held for their investment potential, these include land held for a currently undetermined future use.

Investment properties are stated in the balance sheet at fair value and reviewed annually. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the income statement.

j) Land use rights

Land use rights is stated at cost less amortisation and any identified impairment loss. The cost of land use rights is amortisated over the period of the rights using the straight line method.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

k) Impairment of assets

i) *Impairment of investments in debt and equity securities and other receivables*

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, any impairment loss is determined and recognised as follows:

– For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.

– For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

k) Impairment of assets *(Continued)*

i) Impairment of investments in debt and equity securities and other receivables (Continued)

– For available-for-sale securities, the cumulative loss that has been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment;

– land use rights; and

– investments in subsidiaries, associates and jointly controlled entity (except for those classified as held for sale (or included in a disposal group that is classified as held for sale)).

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

k) Impairment of assets *(Continued)*

ii) *Impairment of other assets (Continued)*

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

l) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

l) Provisions and contingent liabilities *(Continued)*

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

m) Financial assets

The Group classified its investments in securities in the following categories: held-to-maturity securities, available-for-sale financial assets, financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the investments were acquired.

i) Held-to-maturity securities

Held-to-maturity securities are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity securities are stated at amortised cost using the effective interest method.

ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity securities that are designated as available-for-sale or are not classified in any of the other categories. Purchases and sales of investments are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Changes in fair value are recognised in the investment revaluation reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair values of quoted investments are based on closing bid prices at the balance sheet date. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

m) Financial assets *(Continued)*

iii) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date. Financial assets at fair value through profit or loss are carried at fair value, realised and unrealised gains and losses arising from changes in the fair value of these investments are included in the income statement in the period in which they arise.

iv) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains or losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process. They arise when the Group provides money or services directly to a debtor or a related company with no intention of trading the receivable. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

n) Revenue recognition

i) Revenue from restaurant operations is recognised when catering services have been provided to customers.

ii) Moneylending loan service charge income, which is collected from the customer at the inception of the moneylending loan, is recognised ratably over the term of the loan made.

iii) Moneylending loan interest income is recognised using the effective interest method for all moneylending loans that the Group deems to be collectible based on historical moneylending loan redemption statistics.

iv) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

n) Revenue recognition *(Continued)*

v) Merchandise sale is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the merchandise is delivered and the title has passed to customers.

vi) Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

o) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less impairment losses for bad and doubtful debts (see note 2(k)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts (see note 2(k)).

p) Moneylending loan receivables

Moneylending loan receivables secured by the pledge of personal property are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. A typical moneylending loan has a term of thirty days. If the loan is not repaid, the loan principal becomes the cost of the forfeited collateral, which is held for sale.

q) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

r) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

r) Foreign currencies *(Continued)*

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Translation differences on non-monetary items, such as equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

Group companies

The results and financial position of all the group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

s) Retirement scheme

The Group operates a defined contribution mandatory provident fund retirement benefits scheme (the "Hong Kong Scheme") under the Mandatory Provident Fund Scheme Ordinance, for those employees who are eligible to participate in the Hong Kong Scheme. The Hong Kong Scheme became effective on 1 December 2000. Contributions are made based on a percentage of the employees' basic salaries and are charged to the income statement as they become payable in accordance with the rules of the Hong Kong Scheme. The assets of the Hong Kong Scheme are held separately from those of the group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the Hong Kong Scheme.

t) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, calculated on a first-in, first-out basis, comprises all costs of purchases, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Provision is made for obsolete, slow moving or defective items where appropriate.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

u) Merchandise held for sale

Merchandise held for sale consists of forfeited collateral, from moneylending loans not repaid. The forfeited collateral is stated at the lower of cost (moneylending loan principal) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of merchandise held for sale, computed on the specific identification basis, is recorded as a cost of revenue at the time of sale.

v) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-germ highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

w) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

w) Income tax *(Continued)*

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously: or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  – the same taxable entity; or

  – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

x) Operating leases

Lease where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the income statement on the straight-line basis over the lease terms. Where the Group is the lessees, rentals payable under the operating leases are charged to the income statement on the straight-line basis over the lease terms.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

y) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs when the operation is abandoned.

When an operation is classified as discontinued, a single amount is presented on the face of the income statement, which comprises:

– the post-tax profit or loss of the discontinued operation; and

– the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

z) Employee benefits

i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the group of non-monetary benefits are accrued in the year in which the associated services are rendered by employee of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance, are recognised as an expense in the income statement as incurred, except to the extent that they are included in the cost of intangible assets and inventories not yet recognised as an expense.

aa) Share based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

aa) Share based payments *(Continued)*

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

ab) Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

ac) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Notes to the Financial Statements

For the year ended 30 April 2007

2. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

ac) Segment reporting *(Continued)*

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and fixed assets. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Intra-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses and minority interests.

ad) Borrowing costs

Borrowings costs are expensed in the income statement in the period in which they are incurred.

3. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi ("RMB"). Nevertheless, the exchange rate of RMB to foreign currencies is subject to rules and regulations of foreign exchange control promulgated by the People's Republic of China ("PRC") government. The Group currently does not have a foreign currency hedging policy in respect of foreign currency debt. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Notes to the Financial Statements

For the year ended 30 April 2007

3. FINANCIAL RISK MANAGEMENT *(Continued)*

b) Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 30 April 2007 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated balance sheet. The Group's credit risk is primarily attributable to its accounts and moneylending loan receivables. In order to minimise credit risk, management has delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, management reviews the recoverable amount of each individual debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, management considers that the Group's credit risk is significantly reduced. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

The credit risk on liquid funds is limited because the majority of the counterparties are banks with high credit-rating assigned by international credit-rating agencies.

c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

d) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 30 April 2007.

e) Estimation of fair values of securities

Fair values of securities is based on quoted market prices at the balance sheet date without any deduction for transaction costs. Fair values for the unquoted equity investments are estimated using the applicable price/earning ratios for similar listed companies adjusted for the specific circumstances of the issuer.

Notes to the Financial Statements

For the year ended 30 April 2007

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

b) Estimate fair value of investment property

The investment property was revalued at the balance sheet date on market value existing use basis by independent qualified valuers. Such valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement, the group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at each balance sheet date.

c) Estimated provision for impairment of trade and other receivables

The Group makes provision for doubtful debts based on an assessment of the recoverability of trade receivables and other receivables. Provision are applied to trade receivables and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of receivables and doubtful debt expenses in the period in which such estimate has been charged.

Notes to the Financial Statements

For the year ended 30 April 2007

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(Continued)*

d) Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the fair value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

e) Estimated fair value of available-for-sale financial assets

The fair value of financial instruments in active markets (such as trading securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the closing bid price at the balance sheet date.

The fair value of financial instruments that are not traded in active market is determined based on available recent market information such as most recent market transaction price with third parties and the latest available financial information existing at each balance sheet date.

f) Estimated net realisable value of inventories

The Group makes provision for slow moving or obsolete inventories based on an assessment of the net realisable value of the inventories. Provisions are applied to the inventories where events or changes in circumstances indicate that the net realisable value is less than cost. The determination of net realisable value requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact carrying value of the inventories and provision of inventory expenses in the period in which such estimate has been changed.

Notes to the Financial Statements

For the year ended 30 April 2007

5. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (a) on a primary segment reporting basis, by business segments; and (b) on a secondary segment reporting basis, by geographical segments.

Business segments

The Group comprises the following main business segments:

Consumer finance:	Consumer finance business
Smart-card financial services:	Smart-card payment financial services business
Restaurant operation:	Catering services through the operation of a chain of restaurants
Bakery, and other food and beverage operation:	Production, sale and distribution of bakery, and other food and beverage products

The bakery, and other food and beverage operation was discontinued in November 2005.

The following tables present revenue, loss and certain asset, liability and expenditure information for the Group's business segments.

Notes to the Financial Statements

For the year ended 30 April 2007

5. SEGMENT INFORMATION *(Continued)*

	Continuing operations						Discontinued operation					
	Consumer finance		Smart-card financial services		Restaurant operation		Bakery, and other food and beverage operation		Eliminations		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:												
Sales to external customers	**1,082**	146	**–**	–	**217,106**	217,480	**–**	–	**–**	–	**218,188**	217,626
Inter-segment sales	**–**	–	**–**	–	**–**	–	**–**	3,693	**–**	(3,693)	**–**	–
Total	**1,082**	146	**–**	–	**217,106**	217,480	**–**	3,693	**–**	(3,693)	**218,188**	217,626
Segment results	**23**	(554)	**(359)**	–	**(13,985)**	(20,097)	**–**	(20,004)	**–**	–	**(14,321)**	(40,655)
Change in fair value of investment property											**834**	–
Unallocated other income											**13,761**	2,758
Unallocated expenses											**(12,849)**	(15,456)
Operating loss											**(12,575)**	(53,353)
Finance costs											**(359)**	(101)
Share of results of:												
Jointly-controlled entity	**–**	–	**–**	–	**1,115**	(171)	**–**	–	**–**	–	**1,115**	(171)
Associate	**–**	–	**–**	–	**–**	–	**896**	615	**–**	–	**896**	615
Loss before tax											**(10,923)**	(53,010)
Income tax											**(4,257)**	(4,905)
Loss for the year											**(15,180)**	(57,915)

Notes to the Financial Statements

For the year ended 30 April 2007

5. SEGMENT INFORMATION *(Continued)*

	Continuing operations						Discontinued operation			
	Consumer finance		Smart-card financial services		Restaurant operation		Bakery, and other food and beverage operation		Consolidated	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**22,339**	32,401	**56,474**	–	**67,179**	72,535	**–**	–	**145,992**	104,936
Investment in a jointly-controlled entity	**–**	–	**–**	–	**1,368**	1,119	**–**	–	**1,368**	1,119
Unallocated assets									**81,466**	112,205
Total assets									**228,826**	218,260
Segment liabilities	**1,209**	469	**56**	–	**45,106**	27,312	**–**	–	**46,371**	27,781
Unallocated liabilities									**6,626**	37,108
Total liabilities									**52,997**	64,889
Other segment information:										
Capital expenditure	**176**	153	**23**	–	**2,619**	2,082	**–**	–	**2,818**	2,235
Unallocated amounts									**1,417**	–
									4,235	2,235
Depreciation and amortisation	**70**	51	**5**	–	**4,194**	10,322	**–**	1,673	**4,269**	12,046
Unallocated amounts									**94**	–
									4,363	12,046
Impairment loss on amount due from an associate – unallocated	**–**	–	**–**	–	**–**	–	**–**	–	**1,801**	2,660
Impairment loss on bad and doubtful debts	**–**	–	**–**	–	**–**	–	**–**	70	**–**	70
Impairment loss on property, plant and equipment	**–**	–	**–**	–	**3,875**	13,776	**–**	8,334	**3,875**	22,110
Impairment loss on goodwill	**–**	–	**–**	–	**–**	–	**–**	2,395	**–**	2,395
Net realised gain on disposal of financial assets at fair value through profit or loss – unallocated	**–**	–	**–**	–	**–**	–	**–**	–	**(7,445)**	(1,092)
Net unrealised loss/(gain) on financial assets at fair value through profit or loss – unallocated	**–**	–	**–**	–	**–**	–	**–**	–	**421**	(181)
Write-off of inventories	**–**	–	**–**	–	**–**	5	**–**	16	**–**	21
Write-off of deposits and other receivables	**–**	–	**–**	–	**–**	759	**–**	–	**–**	759
Write-off of rental deposit	**–**	–	**–**	–	**–**	–	**–**	6,828	**–**	6,828
Gain on disposal of property, plant and equipment	**–**	–	**–**	–	**(542)**	–	**–**	–	**(542)**	–

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For the year ended 30 April 2007

5. SEGMENT INFORMATION *(Continued)*

Geographical segments

The Group's operations are carried out in Hong Kong and Mainland China. Consumer finance and smart-card financial services businesses are carried out in Mainland China. Restaurant operation and bakery, and other food and beverage operation are carried out in Hong Kong and Mainland China.

The following table presents revenue and certain assets and expenditure information for the Group's geographical segments.

	Continuing operations					
	Hong Kong		**Mainland China**		**Consolidated**	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**172,105**	172,372	**46,083**	45,254	**218,188**	217,626
Other segment information:						
Segment assets	**183,555**	178,527	**45,271**	39,733	**228,826**	218,260
Capital expenditure	**1,910**	2,029	**2,325**	206	**4,235**	2,235

	Discontinued operation					
	Hong Kong		**Mainland China**		**Consolidated**	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**–**	–	**–**	–	**–**	–
Other segment information:						
Segment assets	**–**	–	**–**	–	**–**	–
Capital expenditure	**–**	–	**–**	–	**–**	–

Notes to the Financial Statements

For the year ended 30 April 2007

6. REVENUE AND OTHER INCOME

An analysis of the Group's revenue, which is also the Group's turnover. The Group's revenue and other income for the year arose from the following activities:

Continuing operations

	2007	2006
	HK$'000	*HK$'000*
Revenue		
Income from restaurant operations	**217,106**	217,480
Moneylending loan service charge income	**590**	61
Moneylending loan interest income	**–**	10
Merchandise sale	**492**	75
	218,188	217,626
Other income		
Interest income	**2,894**	1,419
Loan interest income	**1,151**	–
Rental income	**192**	–
Exchange gain, net	**1,024**	86
Dividend income from listed securities	**256**	7
Sundry income	**2,415**	59
Written-back of other payables	**180**	–
Gain on disposal of trading securities	**7,445**	1,092
Unrealised gain on trading securities	**–**	181
Gain on disposal of property, plant and equipment	**542**	–
	16,099	2,844

Notes to the Financial Statements

For the year ended 30 April 2007

7. FINANCE COSTS

	2007	2006
	HK$'000	*HK$'000*
Interest on bank and mortgage loan	**221**	92
Interest on finance lease payables	**–**	9
Other interest paid	**138**	–
	359	101
Representing:		
Continuing operations	**359**	101

8. INCOME TAX

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong for both years. Hong Kong profits tax, if any, is calculated at 17.5% (2006: 17.5%) of the estimated assessable profit for the year. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2007	2006
	HK$'000	*HK$'000*
Current – Hong Kong		
Overprovision in prior years	**–**	(56)
Current – outside Hong Kong	**4,257**	4,961
Deferred tax *(note 37)*	**–**	–
Income tax for the year	**4,257**	4,905
Representing:		
Continuing operations	**4,257**	4,905

Notes to the Financial Statements

For the year ended 30 April 2007

8. INCOME TAX *(Continued)*

A reconciliation of the tax expense applicable to loss before tax using the statutory rates for the jurisdictions in which the Company, the majority of its subsidiaries, a joint-controlled entity and associates are domiciled to the tax expense is as follows:

	2007	2006
	HK$'000	*HK$'000*
Loss before tax		
Continuing operations	**(10,923)**	(29,313)
Discontinued operation	**–**	(23,697)
	(10,923)	(53,010)
Tax at the applicable rates in the jurisdictions concerned	**2,326***	(4,857)*
Tax effect of share of results of a jointly-controlled entity	**(368)**	(153)
Tax effect of share of results of associates	**(157)**	(108)
Adjustments in respect of current tax of previous periods	**–**	(56)
Income not subject to tax	**(986)**	(381)
Expenses not deductible for tax	**967**	1,803
Utilisation of previously unrecognised tax losses	**(6)**	–
Tax losses not recognised as deferred tax assets	**1,556**	3,911
Tax effect of unrecognised temporary difference	**786**	4,746
Others	**139**	–
Total tax expense at the Group's effective rate	**4,257**	4,905

* *Amount included deemed corporate income tax expense for the year based on the deemed income generated from restaurant operation in Mainland China at a rate of 10% (2006: 10%).*

Notes to the Financial Statements

For the year ended 30 April 2007

9. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/(crediting):

	Continuing operations		Discontinued operation		Total	
	2007	2006	**2007**	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Cost of inventories consumed	**84,329**	79,761	**–**	1,079	**84,329**	80,840
Staff costs (including directors' emoluments – *note 10*):						
Wages and salaries	**58,020**	53,316	**–**	486	**58,020**	53,802
Retirement benefits scheme contributions	**1,994**	1,909	**–**	–	**1,994**	1,909
	60,014	55,225	**–**	486	**60,014**	55,711
Impairment loss on amount due from associate	**1,801**	2,660	**–**	–	**1,801**	2,660
Impairment loss on bad and doubtful debts	**–**	–	**–**	70	**–**	70
Auditors' remuneration	**620**	550	**–**	–	**620**	550
Depreciation and amortisation	**4,363**	10,373	**–**	1,673	**4,363**	12,046
Impairment loss on property, plant and equipment	**3,875**	13,776	**–**	8,334	**3,875**	22,110
Impairment loss on goodwill	**–**	–	**–**	2,395	**–**	2,395
Operating lease rentals in respect of land and buildings	**27,588**	23,583	**–**	1,775	**27,588**	25,358
Write-off of inventories*	**–**	5	**–**	16	**–**	21
Write-off of deposits and other receivables	**–**	759	**–**	–	**–**	759
Write-off of rental deposit	**–**	–	**–**	6,828	**–**	6,828
Dividend income from listed securities	**(256)**	(7)	**–**	–	**(256)**	(7)
Exchange gains, net	**(1,024)**	(86)	**–**	–	**(1,024)**	(86)
Gain on disposal of property, plant and equipment	**(542)**	–	**–**	–	**(542)**	–
Interest income	**(2,894)**	(1,419)	**–**	–	**(2,894)**	(1,419)
Rental income from investment property less direct outgoings of HK$8,000 (2006: Nil)	**(184)**	–	**–**	–	**(184)**	–
Write-back of other payables	**(180)**	–	**–**	–	**(180)**	–
Net realised gain on disposal of financial assets at fair value through profit or loss	**(7,445)**	(1,092)	**–**	–	**(7,445)**	(1,092)
Net unrealised loss/(gain) on financial assets at fair value through profit or loss	**421**	(181)	**–**	–	**421**	(181)

* *This item is included in cost of inventories consumed.*

Notes to the Financial Statements

For the year ended 30 April 2007

10. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' REMUNERATION

i) The details of emoluments of every director are shown below:

		Year ended 30 April 2007			
Name of Director		**Fees**	**Basic salaries, allowances and other benefits**	**Retirement benefits scheme contributions**	**Total**
	Note	***HK$'000***	***HK$,000***	***HK$'000***	***HK$'000***
Executive directors					
Vong Tat Ieong, David		400	600	–	1,000
Xu Siping		–	500	–	500
Wong Chi Man		1,455	805	12	2,272
Wong See Sum	*(e)*	3,000	–	–	3,000
Independent non-executive directors					
Fung Ka Keung, David		100	–	–	100
Lam Lee G.		150	–	–	150
Wong Man Ngar, Edna		100	–	–	100
		5,205	1,905	12	7,122

Notes to the Financial Statements

For the year ended 30 April 2007

10. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' REMUNERATION *(Continued)*

i) *(Continued)*

Name of Director	Note	Fees *HK$'000*	Basic salaries, allowances and other benefits *HK$,000*	Retirement benefits scheme contributions *HK$'000*	Total *HK$'000*
		Year ended 30 April 2006			
Executive directors					
Vong Tat Ieong, David	*(a)*	1,000	–	–	1,000
Xu Siping	*(a)*	–	333	–	333
Wong Chi Man		–	830	12	842
Wong See Sum		–	–	–	–
Wong Chi Wing, Tenny	*(b)*	–	–	–	–
Wong Lan Fun, Roberta	*(b)*	–	–	–	–
Ng Suk Bing, Mclanly	*(b)*	–	–	–	–
Non-executive director					
Tam Fook Yee	*(b)*	–	–	–	–
Independent non-executive directors					
Fung Ka Keung, David	*(a)*	67	–	–	67
Lam Lee G.	*(a)*	100	–	–	100
Wong Man Ngar, Edna	*(c)*	33	–	–	33
Chan Chiu Fan	*(d)*	–	–	–	–
Lee Man Youn, Montareal	*(b)*	–	–	–	–
Chan Kam Fai, Robert	*(b)*	–	–	–	–
Cheung Man Yau, Timothy	*(b)*	40	–	–	40
		1,240	1,163	12	2,415

Notes:

(a) Appointed on 30 August 2005

(b) Resigned on 30 August 2005

(c) Appointed on 1 January 2006

(d) Appointed on 30 August 2005 and resigned on 31 December 2005

(e) Retired on 27 October 2006

Notes to the Financial Statements

For the year ended 30 April 2007

10. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUALS' REMUNERATION

(Continued)

i) *(Continued)*

For the year ended 30 April 2007, except for Mr. Vong Tat Ieong, David who has waived his salary and having allowance in aggregate of HK$5,000,000 (2006: HK$4,000,000), there was no arrangement under which a director waived or agreed to waive any emoluments.

ii) The five highest paid individuals during the year included three (2006: two) directors, details of whose emoluments have been disclosed above. Details of the emoluments of the remaining two (2006: three) non-director, highest paid individuals are as follows:

	2007	2006
	HK$'000	*HK$'000*
Salaries and other benefits	**1,155**	1,348
Retirement benefits scheme contributions	**24**	24
	1,179	1,372

During the year, no emoluments were paid to the five highest paid individuals (including directors and employees) as inducement to join or upon joining the Group as compensation for loss of office.

The number of the two (2006: three) non-director, highest paid individuals whose remuneration fall within the following band is as follows:

	2007	2006
Nil – HK$1,000,000	**2**	3

11. LOSS FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The loss for the year attributable to equity holders of the Company for the year dealt with in the financial statements of the Company is net loss of HK$16,318,000 (2006: net loss of HK$70,282,000).

Notes to the Financial Statements

For the year ended 30 April 2007

12. DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 30 April 2007 (2006: Nil).

13. LOSS PER SHARE

a) Basic loss per share

From continuing and discontinued operations

The calculation of basic loss per share is based on the loss for the year of approximately HK$14,948,000 (2006: HK$57,915,000) and the weighted average number of 5,587,385,900 (2006: 3,738,456,105) ordinary shares in issue during the year.

Form continuing operations

The calculation of basic loss per share from continuing operations is based on the loss for the year from continuing operations of approximately HK$14,948,000 (2006: HK$34,218,000) and the weighted average number of 5,587,385,900 (2006: 3,738,456,105) ordinary shares in issue during the year.

From discontinued operation

Basic loss per share for the discontinued operation is HK nil cents per share (2006: HK0.63 cents per share) based on the loss for the year from discontinued operation of approximately HK$ nil (2006: HK$23,697,000) and the weighted average number of 5,587,385,900 (2006: 3,738,456,105) ordinary shares in issue during the year.

b) Diluted loss per share

There were no dilutive potential shares in issue during the year ended 30 April 2007, accordingly, no diluted loss per share has been presented.

Diluted loss per share for the prior year has not been disclosed as the Company's share options outstanding during the prior year had an anit-dilutive effect on the basic loss per share.

Notes to the Financial Statements

For the year ended 30 April 2007

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold land and building	Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Utensils and supplies	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost						
At 1 May 2005	–	39,923	18,087	1,591	11,084	70,685
Additions	–	1,325	502	152	256	2,235
Acquired on acquisition of subsidiaries	–	–	90	–	–	90
Exchange adjustment	–	243	215	9	19	486
At 30 April 2006 and 1 May 2006	–	41,491	18,894	1,752	11,359	73,496
Additions	1,358	2,132	527	146	72	4,235
Disposals	–	(6,024)	(9,568)	(568)	–	(16,160)
Exchange adjustment	60	192	45	–	155	452
At 30 April 2007	1,418	37,791	9,898	1,330	11,586	62,023
Accumulated depreciation and impairment losses						
At 1 May 2005	–	11,932	10,408	845	9,310	32,495
Charge for the year	–	7,420	2,799	310	1,517	12,046
Impairment loss	–	16,621	4,600	399	490	22,110
Exchange adjustment	–	149	175	9	11	344
At 30 April 2006 and 1 May 2006	–	36,122	17,982	1,563	11,328	66,995
Charge for the year	14	3,582	496	124	126	4,342
Impairment loss	–	3,364	511	–	–	3,875
Written back on disposals	–	(6,142)	(9,424)	(503)	–	(16,069)
Exchange adjustment	–	169	39	–	62	270
At 30 April 2007	14	37,095	9,604	1,184	11,516	59,413
Net book value						
At 30 April 2007	1,404	696	294	146	70	2,610
At 30 April 2006	–	5,369	912	189	31	6,501

Notes to the Financial Statements

For the year ended 30 April 2007

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The net book value of the Group's leasehold land and building, which is held under long term lease, is analysed as follows:

	2007	2006
	HK$'000	*HK$'000*
Situated in PRC	**1,404**	–

At 30 April 2006 and 2007, the Group provided impairment loss of approximately HK$13,776,000 and HK$3,875,000 respectively in respect of restaurant operation to which the property, plant and equipment belong. The items are being written down to recoverable amount due to uncertainty over the future profitability. The recoverable amount of the property, plant and equipment has been determined based on value-in-use calculations using cash flow projections based on financial forecasts approved by management covering a five-year period. The discount rate applied to cash flow projections is 12%.

15. LAND USE RIGHTS

The Group's interests in land use rights represent prepaid operating lease payments and their net book value are analysed as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Cost		
Brought forward	**–**	–
Additions	**1,340**	–
Carried forward	**1,340**	–
Accumulated amortisation		
Brought forward	**–**	–
Amortisation for the year	**21**	–
Carried forward	**21**	–
Net carrying amount	**1,319**	–
Leases of between 10 to 50 years, held in PRC	**1,319**	–

Notes to the Financial Statements

For the year ended 30 April 2007

16. INVESTMENT PROPERTY

	Group	
	2007	2006
	HK$'000	*HK$'000*
At cost/valuation		
Balance at beginning of year	**–**	–
Additions	**7,966**	–
Increase in fair value	**834**	–
Balance at end of year	**8,800**	–

The Group's investment property is situated at Flat E, 5th Floor, Tower 1, Starcrest, 9 Star Street, Hong Kong. It is held under a long term lease for residential use. The investment property was revalued on 30 April 2007 by RHL Appraisal Limited, an independent qualified valuers, on an open market, existing use basis.

The investment property is leased to a third party under operating lease, further summary details of which are included in note 45(a) to the financial statements.

The Group's investment property was pledged to the Group's banker to secure banking facilities granted to the Group (note 34).

Notes to the Financial Statements

For the year ended 30 April 2007

17. GOODWILL

	Group 2007 HK$'000	2006 HK$'000
Cost		
Brought forward	**11,383**	5,989
Arising on acquisition of subsidiaries *(note 43)*	**–**	8,988
Elimination of accumulated amortisation upon the adoption of HKFRS 3	**–**	(3,594)
Carried forward	**11,383**	11,383
Accumulated amortisation		
Brought forward	**2,395**	3,594
Impairment loss for the year	**–**	2,395
Elimination of accumulated amortisation upon the adoption of HKFRS 3	**–**	(3,594)
Carried forward	**2,395**	2,395
Net carrying value	**8,988**	8,988

Goodwill acquired in business combinations was allocated, at acquisition, to the cash-generating units that are expected to benefit from that business combination. The carrying amount of goodwill was allocated to the following cash-generating units for the purposes of impairment testing:

	Group 2007 HK$'000	2006 HK$'000
Continuing operations		
Golden Throne Holdings Limited ("Golden Throne")	**55**	55
北京順通典當有限責任公司 ("北京順通")	**8,933**	8,933
	8,988	8,988

Notes to the Financial Statements

For the year ended 30 April 2007

17. GOODWILL *(Continued)*

The Group tests goodwill annually for impairment, or more frequently if there is indication that goodwill might be impaired.

Goodwill arising on acquisition of Golden Throne and 北京順通 has been allocated to the consumer finance cash-generating unit, one of the business segments of the Group, for impairment testing. The recoverable amount of the consumer finance cash-generating unit has been determined based on a value in use calculation using cash flow projections of the most recent financial forecasts approved by management for the next five years. The discount rate applied to cash flow projections is 10%.

The key assumptions for the value in use calculation are as follows:

(a) Budgeted turnover

Budgeted turnover is based on the expected growth rate of the market and the expected market share.

(b) Budgeted gross margins

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements.

(c) Business environment

There have been no significant changes in the existing political, legal and economic conditions in the PRC.

Based on the impairment testing of goodwill, in the opinion of the directors, no further impairment loss for goodwill is considered necessary.

Notes to the Financial Statements

For the year ended 30 April 2007

18. INTERESTS IN SUBSIDIARIES

	Company	
	2007	2006
	HK$'000	*HK$'000*
Unlisted shares, at cost	**136,072**	136,072
Less: Impairment loss	**(86,982)**	(86,982)
	49,090	49,090
Amounts due from subsidiaries	**115,217**	68,224
Less: Impairment	**(40,482)**	(26,563)
	74,735	41,661

The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment.

As determined by the directors of the Company, in view of the decrease in fair value of certain subsidiaries, the carrying amounts of the amounts due from subsidiaries are greater than the recoverable amounts. Therefore, impairment losses are recognised accordingly.

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group:

Name	**Place of incorporation/ registration and operations**	**Nominal value of issued share capital**	**Percentage of equity attributable to the company Direct**	**Indirect**	**Principal activities**
E-Rapid Development Limited ("E-Rapid")	The British Virgin Islands ("BVI")	Ordinary US$6,950,526	100	–	Investing holding
Glory Billion Industrial Limited	Hong Kong	Ordinary HK$2	–	100	Properties investment
Win Investment Limited	Hong Kong	Ordinary HK$10	–	100	Properties investment
Max Wide Finance Limited	Hong Kong	Ordinary HK$1	100	–	Securities investment

Notes to the Financial Statements

For the year ended 30 April 2007

18. INTERESTS IN SUBSIDIARIES *(Continued)*

Name	Place of incorporation/ registration and operations	Nominal value of issued share capital	Percentage of equity attributable to the company		Principal activities
			Direct	Indirect	
Vongroup Consumer Finance Corporation ("VCFC")	BVI	Ordinary US$1	100	–	Investment holding
Honning Limited	Hong Kong	Ordinary HK$1	–	100	Property investment
Golden Throne	BVI	Ordinary US$1	–	100	Investment holding
Guo Xin China Pay Systems Limited ("Guo Xin")	BVI	Ordinary US$10,000	–	45	Investment holding
China e-ticket Investment Holdings Limited ("CET")	BVI	Ordinary US$5,000,001	–	55	Investment holding
Kamboat China Limited	BVI/ Mainland China	Ordinary US$1	–	100	Investment holding and operation of Chinese restaurants
Kamboat Trading Limited	BVI/ Mainland China	Ordinary HK$2	–	100	Trading of wine and food
Kamboat Chinese Cuisine Company Limited ("KCCC")	BVI/ Hong Kong	Ordinary US$6,950,523 Non-voting deferred US$101 *(note (i))*	–	100	Operations of Chinese restaurants
北京順通 *(notes (ii) and (iii))*	PRC/ Mainland China	Registered capital RMB10,000,000	–	100	Consumer finance
龐通投資咨詢(深圳)有限公司 ("龐通投資") *(note (iii))*	PRC/ Mainland China	Registered capital HK$23,000,000	–	100	Provision of investment and consultancy services

Notes to the Financial Statements

For the year ended 30 April 2007

18. INTERESTS IN SUBSIDIARIES *(Continued)*

Notes:

(i) The non-voting deferred shares carry no rights to dividends, no rights to attend or vote at general meetings and no rights to receive any surplus assets in a return of capital in a winding up (other than the nominal amount paid up or credited as fully paid on such shares, after the sum of US$100,000,000,000,000 has been distributed to the holders of the ordinary shares of the company in such winding-up).

(ii) 北京順通 is a limited liability company established in the PRC. On 12 November 2005, 上海國旅聯合投資管理有限公司 ("上海國旅"), 深圳市思樂數據技術有限公司 ("深圳市思樂"), 北京思樂信息技術有限公司 ("北京思樂") and Mr. Bao Dunkui ("Mr. Bao") (collectively referred to as "PRC shareholders"), and the Company's wholly owned subsidiary, VCFC and 北京順通 entered into an Exclusive Right to Purchase Agreement (the "Exclusive Right to Purchase Agreement") whereby the PRC shareholders, for a consideration of RMB20,000,000 (equivalent to HK$19,417,000), irrevocably granted to the Group an option to purchase such PRC shareholders' respective equity interest in 北京順通, as to 40%, 30%, 20% and 10% by 上海國旅, 深圳市思樂, 北京思樂 and Mr. Bao, respectively. In particular, the PRC shareholders and required under their contractual arrangement with the Group to transfer their interests in 北京順通 to the Group or the Group's designated transferee upon the Group's request at a pre-determined nominal consideration.

Subsequently, 深圳市思樂 agreed to transfer its 30% equity interest in 北京順通 to 北京思樂, which is subject to and pending transfer registration. As a result, 北京思樂 will take up the rights and responsibilities of 深圳市思樂 under the Exclusive Right to Purchase Agreement, subject to and pending transfer registration.

Pursuant to the Exclusive Right to Purchase Agreement, the Group controls 北京順通 by way of controlling more than half of the voting rights, governing its financial and operating policies and appointing or removing the majority of the member of the board of directors. In view of the above, the directors decided to account for 北京順通 have been consolidated in these financial statements. In addition, pursuant to the Exclusive Technical and Consultancy Services Agreement entered in April 2006 between 北京順通 and 龐通投資, 龐通投資 is entitled to substantially all of the operating profits generated by 北京順通.

(iii) Registered as a wholly-foreign owned enterprise under the PRC Law.

Notes to the Financial Statements

For the year ended 30 April 2007

19. INTEREST IN A JOINTLY CONTROLLED ENTITY

Details of the jointly-controlled entity are as follows:

Name of jointly-controlled entity	Business structure	Place of incorporation/ and operations	Percentage of Ownership interest	Percentage of Voting power	Percentage of Profit sharing	Principal activity
上海金龍船餐飲有限公司	Corporation	PRC/ Mainland China	50	50	50	Operating of a Chinese restaurant

The Group's jointly-controlled entity is a Sino-foreign joint equity enterprise established in the PRC and is indirectly held by the Company.

Summary financial information on the jointly controlled entity:

	Group			
	2007		2006	
	100%	**Group's effective interest**	100%	Group's effective interest
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Non-current assets	**1,272**	**636**	2,053	1,027
Current assets	**5,086**	**2,543**	3,179	1,589
Current liabilities	**(3,623)**	**(1,811)**	(2,994)	(1,497)
Total equity	**2,735**	**1,368**	2,238	1,119
Income	**22,960**	**11,480**	18,360	9,180
Expenses	**(20,730)**	**(10,365)**	(18,701)	(9,351)
Profit/(loss) for the year	**2,230**	**1,115**	(341)	(171)

Notes to the Financial Statements

For the year ended 30 April 2007

20. INTEREST IN AN ASSOCIATE

	Group 2007 HK$'000	2006 HK$'000
Unlisted investment, at cost	**1,000**	1,000
Share of post-acquisition results	**(17,133)**	(18,029)
Share of other reserves	**(41)**	(41)
	(16,174)	(17,070)
Amount due from an associate	**21,109**	20,204
Impairment loss on amount due from an associate	**(4,935)**	(3,134)
	–	–

The amount due from an associate is unsecured, interest free and has no fixed term of repayment.

In view of the net liability position of the associate, the directors of the Company considered that it is appropriate to make full impairment for the investment cost and amount due from the associate.

Details of the principal associate are as follows:

Name	Business structure	Place of incorporation and operations	Nominal value of issued share	Percentage of ownership interest	Principal activities
Kamboat Bakery Limited	Corporate	Hong Kong	Ordinary HK$2,040,000	49	Bakery operation

The Group's associate is indirectly held by the Company.

The above table lists the associate of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors, result in particulars of excessive length.

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For the year ended 30 April 2007

20. INTEREST IN AN ASSOCIATE *(Continued)*

Summary financial information on associate:

	2007		2006	
	100%	**Group's effective interest**	100%	Group's effective interest
	HK$'000	***HK$'000***	*HK$'000*	*HK$'000*
Assets	**1,790**	**877**	1,426	699
Liabilities	**(35,502)**	**(17,396)**	(36,968)	(18,114)
Net liabilities	**(33,712)**	**(16,519)**	(35,542)	(17,415)
Revenue	**9,185**	**4,501**	16,867	8,265
Profit for the year	**1,829**	**896**	2,652	1,299

21. AVAILABLE-FOR-SALE INVESTMENT

	Group	
	2007	2006
	HK$'000	*HK$'000*
Unlisted investment:		
Club membership, at fair value	**135**	–

22. INVENTORIES/MERCHANDISE HELD FOR SALE

	Group	
	2007	2006
	HK$'000	*HK$'000*
Inventories – food and beverage products	**10,682**	13,657
Merchandise held for sale	**361**	14
	11,043	13,671

Notes to the Financial Statements

For the year ended 30 April 2007

23. ACCOUNTS RECEIVABLES

The general credit terms granted by the Group to its customers range from 30 to 90 days. An aged analysis of the Group's accounts receivables as at the balance sheet date, based on invoice date, is as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**1,465**	1,402
31 – 90 days	**673**	211
91 – 180 days	**477**	230
Over 180 days	**576**	130
	3,191	1,973

24. MONEYLENDING LOAN RECEIVABLES

The Group offers loans secured by tangible personal property, such as real estate and jewellery, and intangible property, such as shares and other financial instruments, commonly known as moneylending loans. A typical moneylending loan generally has a term of thirty days.

All the Group's moneylending loan receivables are denominated in Renminbi. The moneylending loan receivables carry interest at a monthly effective rate of approximately 0.5% based on the 6-month bank lending rate that is announced by the People's Bank of China, with a mark up.

Notes to the Financial Statements

For the year ended 30 April 2007

25. PROMISSORY NOTE RECEIVABLE

On 12 December 2006, CET issued 275,000,000 and 225,000,000 shares (totaling 500,000,000 shares) of US$0.01 each to Guo Xin and SCIO Investment Company Limited respectively, in consideration of a promissory note of US$5,000,000 ("Promissory Note") issued by Red Star Holdings Enterprises Limited ("Red Star"), a shareholder of Guo Xin, in favour of CET. The Promissory Note bears interest to be charged and accrued on a daily basis at the Hong Kong dollar prime rate announced by The Hongkong and Shanghai Banking Corporation Limited from time to time. The liabilities in respect of the Promissory Note was subsequently transferred to and assumed by Smart View Technology Limited ("Smart View") by a novated promissory note dated 13 December 2006. As a result of the novation agreement, the original promissory note of US$5,000,000 issued by Red Star was replaced by the novated promissory note of US$5,000,000 ("Novated Promissory Note") issued by Smart View in favour of CET. The Novated Promissory Note also bears interest to be charged and accrued on a daily basis at the Hong Kong dollar prime rate announced by The Hongkong and Shanghai Banking Corporation Limited from time to time.

According to the Novated Promissory Note, Smart View agrees to settle the promissory note of US$5,000,000 and the interest therefrom by providing consultancy services in CET's e-ticket/ smart-card programs. For satisfactory services provided to each site that participates in the CET's e-ticket/smart-card programs, the services will be valued at US$1,000,000 each.

Subsequently, a supplementary agreement dated on 22 August 2007 (Supplementary Agreement) was signed. Smart View agrees to settle the Novated Promissory Note by cash in 8 equal installments of US$625,000 each. The settlement will be made in each of the 8 consecutive calendar months starting from August 2007. The Supplementary Agreement resulted in the change in method of settlement as stated in the Novated Promissory Note. The payment method by the provision of consultancy services has been superseded.

26. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Included in deposits, prepayments and other receivables of the Group are amounts of HK$nil (2006: HK$200,000) and HK$150,000 (2006: HK$204,000), due from a former director, Mr Wong Chi Wing, Tenny and Mr Wong Chi Kuen, respectively who are close family members of the director of the Company, Mr Wong Chi Man. The amounts are unsecured, interest free and have no fixed terms of repayment.

Included in deposits, prepayments and other receivables of the Company is an amount of HK$nil (2006: HK$200,000) due from a former director, Mr Wong Chi Wing, Tenny.

Notes to the Financial Statements

For the year ended 30 April 2007

27. STAFF ADVANCES

The Group's staff advances represent advances to the non-director employees. The advances are unsecured, interest free and are repayable in accordance with the repayment schedules agreed by the staff and the Group.

28. AMOUNT DUE FROM/(TO) A JOINTLY CONTROLLED ENTITY

The amount due from/(to) a jointly controlled entity is unsecured, interest free and has no fixed terms of repayment.

29. AMOUNT DUE FROM A RELATED COMPANY

The amount due from a related company, Hong Thai Travel Services Limited ("Hong Thai"), is unsecured, interest free and has no fixed terms of repayment. The maximum outstanding balance during the year was HK$8,000.

30. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		**Company**	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
At fair value:				
Listed equity investments in Hong Kong	**9,825**	12,525	**315**	657
Listed equity investments outside Hong Kong	**1,530**	2,084	**–**	–
Unlisted equity investments in Hong Kong	**–**	1,173	**–**	–
	11,355	15,782	**315**	657

The above equity investments are classified as held for trading. The fair values of these equity investments are usually based on quoted market prices.

Notes to the Financial Statements

For the year ended 30 April 2007

31. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Cash and bank balances	**55,677**	31,679	**8,776**	25
Time deposits	**32,266**	107,772	**–**	62,711
Pledged time deposits *(note)*	**1,000**	–	**–**	–
	88,943	139,451	**8,776**	62,736

Cash and cash equivalents include short-term bank deposits carrying interest at prevailing market rates. The directors consider the carrying value of the amount at the balance sheet date approximates to the fair value.

Note: The time deposit is pledged to a bank in respect of the guarantee given in lieu of utility deposits.

Included in the cash and cash equivalents are the following amounts denominated in a currency other than functional currency of the entity to which they relate:

	Group		Company	
	2007	2006	**2007**	2006
	'000	*'000*	***'000***	*'000*
United States Dollars ("USD")	**2,104**	11	**–**	–
Renminbi ("RMB")	**17,920**	9,798	**–**	–
New Zealand Dollars ("NZD")	**240**	–	**–**	–

Notes to the Financial Statements

For the year ended 30 April 2007

32. ACCOUNTS PAYABLES

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

	Group	
	2007	2006
	HK$'000	*HK$'000*
Within 30 days	**5,549**	5,160
31-90 days	**5,458**	5,508
91-180 days	**117**	118
181-360 days	**34**	–
Over 360 days	**13**	–
	11,171	10,786

33. ACCRUALS AND DEPOSITS RECEIVED

Included in accruals of the Group are amounts of approximately HK$850,000 (2006: HK$1,533,000) representing accrued remuneration due to the Company's directors and HK$56,000 (2006: HK$75,000) representing accrued legal fees and office expenses due to related companies.

Included in accruals of the Company are amounts of approximately HK$35,000 (2006: HK$266,000) representing accrued remuneration due to the Company's directors and HK$50,000 (2006: HK$70,000) representing accrued legal fees and office expenses due to related companies.

Notes to the Financial Statements

For the year ended 30 April 2007

34. BANK LOAN – SECURED

	Group	
	2007	2006
	HK$'000	*HK$'000*
Bank loan	**–**	19,417
Mortgage loan is repayable as follows:		
– within one year	**156**	–
– between two to five years	**622**	–
– after five years	**4,439**	–
	5,217	19,417
Less: Amount due within one year included in current liabilities	**(156)**	(19,417)
Amount due after one year	**5,061**	–

The bank loan of HK$19,417,000 as at 30 April 2006 was secured by the Group's time deposit of HK$20,000,000 and bears interest at a rate based on the 6-month bank lending rate that is announced by the People's Bank of China multiplied by a factor of 1.05.

The mortgage loan of HK$5,217,000 as at 30 April 2007 was secured by the Group's investment property (note 16) with fair value amounted of HK$8,800,000. The interest is to be charged at 0.55% per annum over 6-month HIBOR with capped rate of 2.75% per annum below Prime.

Notes to the Financial Statements

For the year ended 30 April 2007

35. FINANCE LEASE PAYABLES

	Minimum lease payments		Present value of minimum lease payments	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Amounts payable:				
Within one year	**–**	34	**–**	34
Less: Future finance charges	**–**	–		
Present value of finance lease payables	**–**	34		
Less: Portion classified as current liabilities	**–**	(34)		
Non-current portion	**–**	–		

The finance lease payables are secured by a motor vehicle of the Group with net book value of approximately HK$nil (2006: HK$119,000). The remaining lease term is less than one year. Effective interest rate is fixed at 3% (2006: 3%) per annum. No arrangement have been entered into for contingent rental payment.

36. AMOUNTS DUE TO FORMER ULTIMATE HOLDING COMPANY, ULTIMATE HOLDING COMPANY AND DIRECTORS

The amounts due to former ultimate holding company, ultimate holding company and directors are unsecured, interest free and have no fixed terms of repayment.

Notes to the Financial Statements

For the year ended 30 April 2007

37. DEFERRED TAX LIABILITIES

The movement in deferred tax liabilities during the year is as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
At beginning of the year	**591**	591
Deferred tax credited to the income statement *(note 8)*	**–**	–
At end of the year	**591**	591

At 30 April 2007, the Group had unused tax losses of approximately HK$22,034,000 (2006: HK$29,026,000) available for offset against future profits. No deferred tax asset (2006: Nil) has been recognised for the above unused tax losses due to the unpredictability of future profit streams. Included in the above unused tax losses are losses of approximately HK$1,849,000 (2006: HK$16,658,000) that will expire after five years from the year of assessment they relate to. Other unused tax losses may be carried forward indefinitely.

At 30 April 2007, the Group also had deductible temporary differences of approximately HK$20,185,000 (2006: HK$12,570,000). No deferred tax asset has been recognised in relation to the above deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Notes to the Financial Statements

For the year ended 30 April 2007

38. SHARE CAPITAL

	Note	**Number of shares**	*HK$'000*
Authorised:			
At 1 May 2005:			
Ordinary shares of HK$0.25 each		800,000,000	200,000
Subdivision	*(a)*	199,200,000,000	–
At 30 April 2006 and 2007			
Ordinary shares of HK$0.001 each		200,000,000,000	200,000
Issued and fully paid:			
At 1 May 2005:			
Ordinary shares of HK$0.25 each		100,065,900	25,016
Capital reduction	*(a)*	–	(24,916)
Issue of shares			
– on share subscription	*(b)*	5,400,000,000	5,400
– on top-up placements	*(c)*	90,925,000	91
Repurchase of shares	*(d)*	(3,605,000)	(4)
At 30 April 2006 and 2007			
Ordinary shares of HK$0.001 each		5,587,385,900	5,587

Notes to the Financial Statements

For the year ended 30 April 2007

38. SHARE CAPITAL *(Continued)*

(a) Pursuant to the special resolutions passed on 26 May 2005 and with the sanction of an Order of the Grand Court of the Cayman Islands dated 29 July 2005:

(i) the nominal value of all the existing issued shares of the Company be reduced from HK$0.25 to HK$0.001 each, respectively, by the cancellation of HK$0.249 per share of the Company's paid-up capital on each issued share (the "Capital Reduction");

(ii) each share of HK$0.25 each in the authorised but unissued share capital of the Company upon completion of the Capital Reduction was subdivided into 250 ordinary shares of HK$0.001 each such that the nominal value of the authorised share capital of the Company became HK$200,000,000 divided into 200,000,000,000 new ordinary shares (the "Subdivision"); and the entire amount of approximately HK$24,916,000 arising from the Capital Reduction credited to the share premium account was cancelled and utilised to eliminate part of the accumulated losses of the Company.

(b) On 29 August 2005, the Company placed 5,400,000,000 shares of HK$0.001 each (the "Subscription") of the Company at a subscription price of HK$0.01 per share to Vongroup Holdings and other placees. The net proceeds from the Subscription (after deducting share issue expenses of approximately HK$1,303,000) was approximately HK$52,697,000 and resulted in an increase in share premium of HK$48,600,000 (note 39(b)).

(c) Pursuant to a placing agreement and a subscription agreement both dated 12 December 2005, Vongroup Holdings placed 11,045,000 share of HK$0.001 each of the Company through a placing agent at HK$1.50 per share and, in turn, subscribed for 11,045,000 new shares in the Company at the same price (the "First Top-up Placement"). The First Top-up Placement brought in net proceeds of approximately HK$15,923,000 (after deducting share issue expenses of approximately HK$644,000) and resulted in an increase in share premium of approximately HK$16,556,000 (note 39(b)).

Pursuant to a placing agreement and a subscription agreement both dated 8 March 2006, Vongroup Holdings placed 79,880,000 shares of HK$0.001 each of the Company through a placing agent at HK$1.40 per share and, in turn, subscribed for 79,880,000 new shares in the Company at the same price (the "Second Top-up Placement"). The Second Top-up Placement brought in net proceeds of approximately HK$97,697,000 (after deducting share issue expenses of approximately HK$14,135,000) and resulted in an increase in share premium of approximately HK$111,752,000 (note 39(b)).

Notes to the Financial Statements

For the year ended 30 April 2007

38. SHARE CAPITAL *(Continued)*

(d) The Company repurchased its own shares on the Stock Exchange during the year ended 30 April 2006 as follows:

Month	Number of shares repurchased	Price per share		Total price paid
		Lowest	Highest	
		HK$	*HK$*	*HK$'000*
April 2006	3,605,000	1.15	1.32	4,560

The above shares were cancelled upon repurchase and accordingly the issued share capital of the Company was reduced by the nominal value of these shares. The premium on repurchase of the shares, of approximately HK$4,556,000 has been charged to the shares premium account in accordance with the provision of the Companies Law of the Cayman Islands.

39. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors, including non-executive directors, employees of the Group, any other groups or classes of suppliers, customers, subcontractors or agents of the Group and the Company's shareholders determined by the directors as having contributed or who may contribute to the development and growth of the Group. The Scheme became effective on 9 October 2001 and, unless otherwise cancelled or amended, remains in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholder's approval in a general meeting.

Share options granted to any director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors of the Company. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the official closing price of the Company's shares at the date of the grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

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39. SHARE OPTION SCHEME *(Continued)*

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon the payment of a nominal consideration of HK$1 in total by the grantee. An option may be exercised in accordance with the terms of the Scheme at any time during the period commencing from the date on which the option is deemed to be granted and accepted and expiring on a date to be notified by the directors to each grantee, which shall not be more than 10 years from the date on which the option is deemed to be granted and accepted. There is no minimum holding period before an option may be exercised.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of grant of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No share options under the Share Option Scheme were granted and outstanding during the year ended 30 April 2007.

40. RESERVES

a) Group

The Group's reserves and the movements therein for the current and prior year are presented in the consolidated statement of changes in equity.

The share premium account of the Group includes (i) shares issued at a premium; and (ii) the difference between the nominal value of the share capital of the subsidiaries acquired, together with the share premium arising on the acquisition of the restaurant operations from Cambo Enterprises Limited by KCCC pursuant to the Group reorganisation completed on 16 August 2001 and the nominal value of the shares of the Company issued in exchange.

Notes to the Financial Statements

For the year ended 30 April 2007

40. RESERVES *(Continued)*

b) Company

	Note	Share premium HK$	Capital redemption reserve HK$	Accumulated losses HK$	Total HK$
At 1 May 2005		88,676	258	(51,341)	37,593
Loss for the year	*11*	–	–	(70,282)	(70,282)
Capital reduction	*38(a)*	24,916	–	–	24,916
Share premium cancellation	*38(a)*	(24,916)	–	24,916	–
Issue of shares					
– on share subscription	*38(b)*	48,600	–	–	48,600
– on top-up placements	*38(c)*	128,308	–	–	128,308
Share issue expenses	*38(b) and 38(c)*	(16,082)	–	–	(16,082)
Repurchase of shares	*38(d)*	(4,556)	–	–	(4,556)
At 30 April 2006 and 1 May 2006		244,946	258	(96,707)	148,497
Loss for the year	*11*	–	–	(16,318)	(16,318)
At 30 April 2007		244,946	258	(113,025)	132,179

The share premium account of the Company includes (i) shares issued at a premium; and (ii) the difference between the nominal value of the shares of the Company issued in exchange for the issued share capital of the subsidiaries and the value of the underlying net assets of the subsidiaries pursuant to the Group reorganisation completed on 16 August 2001. Under the Companies Law of the Cayman Islands, the share premium account is distributable to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

The capital redemption reserve represents the amount by which the Company's issued share capital has been diminished on the cancellation of the shares repurchased. Under the Companies Law of the Cayman Islands, the capital redemption reserve may be applied by the Company in paying up its unissued shares to be allocated to shareholders of the Company as fully-paid bonus shares.

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For the year ended 30 April 2007

41. NON-CASH TRANSACTION

The Group had purchase property, plant and equipment amounting to HK$1,358,000 during the year ended 30 April 2007. The consideration for such purchase was settled by the deposit paid which has been included in cash outflow of investing activities for the year ended 30 April 2006.

42. DISCONTINUED OPERATION

In November 2005, the Company's wholly owned subsidiary, 東莞新聯食品有限公司 ceased its bakery, and other food and beverage operation by closing down its factory in Mainland China as the above operation had incurred substantial losses. As a consequence, the bakery, and other food and beverage operation of the Group has been reported as discontinued operation.

The loss for the year from discontinued operation is analysed as follows:

	2007	2006
	HK$'000	*HK$'000*
Loss of discontinued operation	**–**	(21,302)
Impairment loss on goodwill	**–**	(2,395)
	–	(23,697)

The results of the discontinued operation for the years ended 30 April 2006 and 2007 are as follows:

	2007	2006
	HK$'000	*HK$'000*
Revenue	**–**	–
Other income	**–**	–
Cost of inventories consumed	**–**	(1,079)
Staff costs	**–**	(486)
Operating lease rentals	**–**	(1,775)
Depreciation	**–**	(1,673)
Other expenses	**–**	(7,955)
Impairment loss on fixed assets	**–**	(8,334)
Loss before tax	**–**	(21,302)
Income tax	**–**	–
Loss for the year	**–**	(32,302)

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For the year ended 30 April 2007

42. DISCONTINUED OPERATION *(Continued)*

The net cash flows of the discontinued operation dealt with in the financial statements for the years ended 30 April 2006 and 2007 are as follows:

	2007	2006
	HK$'000	*HK$'000*
Net cash outflow from operating activities	**–**	(3,862)
Net cash outflow from investing activities	**–**	–
Net cash outflow of the discontinued operation	**–**	(3,862)

43. ACQUISITION OF SUBSIDIARIES

During the year ended 30 April 2006, the Group acquired certain subsidiaries, details of which are as follows:

(a) On 9 November 2005, the Group acquired 100% of the issued share capital of Golden Throne at a consideration of HK$70,000. Golden Throne is an investment holding company. Its wholly owned subsidiary, 龐通投資, is principally engaged in the provision of investment and consultancy services. This acquisition has been accounted for using the purchase method of accounting.

(b) As detailed in footnote (ii) of note 18, the Exclusive Right to Purchase Agreement was completed on 14 April 2006. 北京順通 has been accounted for as a subsidiary by the purchase method of accounting.

Notes to the Financial Statements

For the year ended 30 April 2007

43. ACQUISITION OF SUBSIDIARIES *(Continued)*

The fair value of the identifiable assets and liabilities of the subsidiaries acquired during the year at their respective dates of acquisition, which have no significant differences from their respective carrying amounts and the goodwill arising, are as follows:

	Golden Throne	北京順通	2006
	HK$'000	*HK$'000*	*HK$'000*
Net assets acquired:			
Fixed assets	16	74	90
Merchandise held for sale	–	28	28
Moneylending loan receivables	–	2,436	2,436
Deposits, prepayments and other receivables	–	127	127
Cash and cash equivalents	4	8,602	8,606
Accruals	(5)	(783)	(788)
	15	10,484	10,499
Goodwill arising on acquisition *(note 17)*	55	8,933	8,988
Consideration satisfied by cash	70	19,417	19,487
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries:			
Cash consideration paid	(70)	(19,417)	(19,487)
Cash and cash equivalents acquired	4	8,602	8,606
	(66)	(10,815)	(10,881)

The goodwill arising from the acquisition of the subsidiaries is attributable to the anticipated profitability of the acquired business and the anticipated future operating synergies from the combinations.

Since the respective dates of acquisition, the subsidiaries acquired contributed approximately HK$146,000 to the Group's revenue and approximately HK$154,000 to the Group's loss for the year.

Notes to the Financial Statements

For the year ended 30 April 2007

43. ACQUISITION OF SUBSIDIARIES *(Continued)*

If the acquisition of the subsidiaries had been completed on 1 May 2005, the Group's revenue from continuing operations would have been approximately HK$220,234,000 and the Group's loss for the year and loss for the year from continuing operations would have been approximately HK$59,189,000 and HK$35,492,000, respectively. This proforma information is for illustrative purposes only and is not necessarily indication of the revenue and results of the Group that would actually have been impacted had the acquisition been completed on 1 May 2005, nor is intended to be a projection of future results.

44. CONTINGENT LIABILITIES

a) In December 2005, a legal action was commenced by a former employee of KCCC, a wholly owned subsidiary of the Company, against KCCC for the claim of approximately HK$1,569,000 for personal injuries, loss and damages suffered during the work in KCCC. In the opinion of the directors, such claim should be adequately covered by the Group's insurance. Hence, no provision has been made in the financial statements.

b) At 30 April 2007, a number of current employees achieved the required number of years of service to the Group in order to be eligible for long service payments under the Employment Ordinance should their employment be terminated under certain prescribed circumstances. A provision has not been recognised in respect of such possible payments, as it is not considered probable that there will be a material future outflow of resources from the Group in respect thereof. The Group has a contingent liability in respect of possible future payments to employees under the Employment Ordinance with a maximum possible amount of approximately HK$1,200,000 (2006: HK$1,300,000) at 30 April 2007.

c) At 30 April 2006 and 2007, the Company provided corporate guarantee to a landlord to the extent of approximately HK$370,000 in respect of the operating lease payment of its subsidiary. No recognition of such guarantee was made for the years ended 30 April 2006 and 2007 because the directors of the Company did not consider it probable that a claim would be made against the Group under the guarantee.

Notes to the Financial Statements

For the year ended 30 April 2007

45. OPERATING LEASE ARRANGEMENTS

a) As lessor

The Group leases its investment property (note 16 to the financial statements) under operating lease arrangement, with leases negotiated for terms of two years. The terms of the lease generally also require the lessee to pay security deposit and provide for periodic rent adjustment according to the then prevailing market conditions.

At the balance sheet, the Group had total future minimum lease receivables under non-cancellable operating lease with its lessee falling due as follows:

	Group	
	2007	2006
	HK$'000	*HK$'000*
Within one year	**396**	–
In the second to fifth years, inclusive	**204**	–
	600	–

b) As lessee

At 30 April 2007, the Group and the Company had outstanding commitments under non-cancellable operating leases falling due as follows:

	Group		Company	
	2007	2006	**2007**	2006
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Within one year	**26,467**	24,668	**–**	319
In the second to fifth years, inclusive	**62,703**	48,686	**–**	362
After the fifth years	**–**	1,709	**–**	–
	89,170	75,063	**–**	681

The Group leases restaurant premises, staff quarters, offices and warehouses under non-cancellable operating lease arrangements with lease terms ranging from three to nine years.

The operating lease rentals of certain restaurant premises are based on the higher of a minimum guaranteed rental or a sales level based rental, ranging from 6% to 7.5% on the sales level. The minimum guaranteed rental has been used to arrive at the above commitments.

Notes to the Financial Statements

For the year ended 30 April 2007

46. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with its related parties during the year:

	Note	**2007** **HK$'000**	2006 HK$'000
Associate			
Purchase of bakery products	*(i)*	**6,635**	3,159
Jointly controlled entity			
Sale of wine	*(ii)*	**–**	18
Related companies			
Sale of food	*(iii)*	**54**	83
Legal fees	*(iv)*	**390**	522
Secretarial fees	*(v)*	**55**	–
Rental expense	*(vi)*	**438**	279
Rental expense	*(vii)*	**180**	–
Director			
Sale of food	*(viii)*	**509**	1,033
Other related parties			
Salaries and other allowances paid	*(ix)*	**240**	241

Notes:

(i) The Group purchases bakery products from its associate. The purchase prices were determined through negotiations with its associate on a case-by-case basis.

(ii) The Group made sales to a jointly-controlled entity. The selling prices were based on the original costs of wine, plus a make-up of approximately 40%.

(iii) The Group made sales to Hong Thai during the year ended 30 April 2007. The sales were based on the published selling prices of the Group, less discounts ranging from 30% to 50%.

(iv) The legal fees were charged for legal services rendered by Vongs, a law firm, a partner of which is a close relative of a director, Mr Vong Tat Ieong, David.

(v) The secretarial services rendered was charged by Vongs Corporate Services Limited, of which a director and a shareholder of the company, is a close relative of a director, Mr Vong Tat Ieong, David.

Notes to the Financial Statements

For the year ended 30 April 2007

46. RELATED PARTY TRANSACTIONS *(Continued)*

(a) The Group had the following transactions with its related parties during the year: *(Continued)*

Notes: (Continued)

(vi) The rental expense was charged in accordance with a licence agreement between the Group and Jenco Limited. Jenco Limited is owned and controlled by a close relative of a director, Mr Vong Tat Ieong, David.

(vii) The Group paid rental expense to Cambo Enterprises Limited, in which Mr Wong Chi Man is a shareholder and director of the company. Cambo Enterprises Limited is also a former ultimate holding company of the Group.

(viii) The Group made sales to a director, Mr Wong Chi Man. The sales were based on the published selling prices of the Group, less discounts at 10%.

(ix) The salaries and other allowances were paid to Mr Wong Chi Kuen, a close relative of a director, Mr Wong Chi Man.

(b) Key management personnel:

The key management personnel of the Group comprises all directors, details of their emoluments are disclosed in note 10.

(c) Other transactions with related parties:

As detailed in footnote (ii) of note 18, 北京思樂, being one of the PRC shareholders of 北京順通has irrevocably granted to the Group the option to purchase all of its equity interest in 北京順通. One of the directors of the Company, Mr. Xu Siping, is one of the three directors and a 5% shareholder of 北京思樂.

Notes to the Financial Statements

For the year ended 30 April 2007

47. POST BALANCE SHEET EVENTS

a) Subsequent to the balance sheet date, in July 2007, the ultimate holding company, the Company and Deutsche Bank AG entered into a placing agreement, pursuant to which Deutsche Bank AG agreed to place on behalf of the ultimate holding company 276,575,000 existing shares to Deutsche Bank AG, at HK$1.141 per share, representing an aggregate consideration of approximately HK$316 million.

On the same day, the ultimate holding company entered into a subscription agreement ("Subscription") with the Company for the subscription of 276,575,000 shares at the same price per share. The placing shares represent approximately 4.9% of the existing issued share capital of the Company and approximately 4.7% of the total issued share capital of the Company as enlarged by the Subscription.

b) Subsequent to the balance sheet date, two subsidiaries, Berries Limited ("Berries") and 北京國新萬聯科技有限公司 ("北京國新萬聯") are established in which China e-ticket Investment Holdings Limited directly holds 100% equity interest in Berries and Berries then holds 100% equity interest in 北京國新萬聯. Berries is incorporated in Hong Kong, with issued share capital of HK$1. 北京國新萬聯 is a wholly foreign owned enterprise with registered paid-up capital of US$1.3 million and established in the PRC to be operated for 30 years up to 30 July 2037. Up to the date of the annual report, the registered paid-up capital has not yet been paid.

48. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation.

Summary of Financial Information

A summary of the published consolidated results and assets and liabilities of the Group for the last five financial years prepared on the basis as hereunder stated is as set out below:

CONSOLIDATED RESULTS

	Consolidated for the year ended 30 April				
	2007	2006	2005	2004	2003
	HK$'000	*HK$'000*	*HK$'000* (restated)	*HK$'000*	*HK$'000*
Turnover	**218,188**	217,626	238,373	318,113	324,906
Loss before tax	**(10,923)**	(29,313)	(18,123)	(23,056)	(5,909)
Income tax	**(4,257)**	(4,905)	(2,859)	(3,785)	(2,050)
Loss for the year from continuing operations	**(15,180)**	(34,218)	(20,982)	(26,841)	(7,959)
Loss for the year from discontinued operation	**–**	(23,697)	(3,932)	–	–
Loss for the year	**(15,180)**	(57,915)	(24,914)	(26,841)	(7,959)
Attributable to:					
Equity holders of the company	**(14,948)**	(57,915)	(24,914)	(26,841)	(7,959)
Minority interest	**(232)**	–	–	–	–
	(15,180)	(57,915)	(24,914)	(26,841)	(7,959)

CONSOLIDATED ASSETS AND LIABILITIES

	Consolidated as at 30 April				
	2007	2006	2005	2004	2003
	HK$'000	*HK$'000*	*HK$'000* (restated)	*HK$'000*	*HK$'000*
TOTAL ASSETS	**228,826**	218,260	92,885	126,047	149,680
TOTAL LIABILITIES	**(52,997)**	(64,889)	(43,296)	(55,279)	(49,668)
	175,829	153,371	49,589	70,768	100,012