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Vongroup Limited

黃河實業有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 318)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 APRIL 2010

The board of directors (the "Directors") of Vongroup Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 30 April 2010 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**2010** *HK$'000*	2009 *HK$'000*
Revenue	*4*	**102,784**	156,178
Other revenue	*4*	**3,564**	4,264
Other net income	*4*	**17,314**	473
Cost of inventories consumed		**(33,867)**	(52,802)
Cost of forfeited collateral sold		**(121)**	(376)
Staff costs		**(37,900)**	(49,832)
Operating lease rentals		**(16,584)**	(21,374)
Depreciation and amortisation		**(2,901)**	(2,693)
Other expenses		**(46,510)**	(80,710)
Impairment loss on property, plant and equipment		**–**	(340)
Impairment loss on lease premium for land		**–**	(303)
Change in fair value of investment properties		**7,043**	(2,448)
Loss from operations	*5*	**(7,178)**	(49,963)
Finance costs	*6*	**(141)**	(182)
Share of profit/(loss) of:			
Jointly-controlled entity		**136**	348
Associate		**–**	(182)
Loss before taxation		**(7,183)**	(49,979)
Income tax	*7*	**(757)**	(304)
Loss for the year		**(7,940)**	(50,283)
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**(21)**	(163)
Total comprehensive income for the year		**(7,961)**	(50,446)
Loss for the year attributable to:			
Owners of the Company		**(6,507)**	(45,229)
Minority interests		**(1,433)**	(5,054)
		(7,940)	(50,283)
Total comprehensive income for the year attributable to:			
Owners of the Company		**(6,528)**	(45,392)
Minority interests		**(1,433)**	(5,054)
		(7,961)	(50,446)
Loss per share			
– Basic and diluted	*9*	**(HK$0.0011)**	(HK$0.0077)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment		**9,962**	12,120
Lease premium for land		**5,161**	5,296
Investment properties		**63,940**	45,500
Goodwill		**8,988**	8,988
Interest in a jointly-controlled entity		**2,216**	2,080
Interest in an associate		**–**	–
Rental and utility deposits		**–**	5,201
Deposits paid in respect of acquisition of property, plant and equipment and investment properties		**1,761**	5,264
Available-for-sale investments	*10*	**21,414**	635
		113,442	85,084
Current assets			
Lease premium for land		**135**	135
Inventories		**10,951**	11,121
Forfeited collateral held for sale		**203**	164
Accounts receivable	*11*	**451**	518
Moneylending loan receivables	*12*	**11,973**	1,824
Deposits, prepayments and other receivables		**9,872**	10,847
Amount due from a jointly-controlled entity		**227**	178
Financial assets at fair value through profit or loss		**42,789**	20,349
Cash and cash equivalents		**235,223**	291,525
		311,824	336,661
Current liabilities			
Accounts payable	*13*	**3,456**	7,308
Accruals and deposits received		**20,193**	14,374
Tax payables		**20,247**	19,561
Finance lease payable – current portion		**234**	270
Bank borrowings – current portion		**2,459**	858
Amount due to a director		**–**	830
		46,589	43,201
Net current assets		**265,235**	293,460

	Note	2010 HK$'000	2009 HK$'000
Total assets less current liabilities		**378,677**	378,544
Non-current liabilities			
Other payables		**–**	760
Finance lease payable – long-term portion		**–**	234
Bank borrowings – long-term portion		**12,878**	3,329
Deferred tax liabilities		**591**	591
		13,469	4,914
NET ASSETS		**365,208**	373,630
CAPITAL AND RESERVES			
Share capital		**5,860**	5,864
Reserves		**350,121**	357,106
		355,981	362,970
Minority interests		**9,227**	10,660
TOTAL EQUITY		**365,208**	373,630

Notes:

1. 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 collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) Basis of preparation

The consolidated financial statements for the year ended 30 April 2010 comprise the Company and its subsidiaries, the Group's interest in a jointly-controlled entity and interest in an associate.

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the entity. These financial statements are presented in Hong Kong dollars ("HK$"), rounded to the nearest thousand except for per share data. Hong Kong dollar is the Company's functional and presentation currency.

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

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

The Group has adopted the following new and revised Standards, Amendments and Interpretations ("new and revised HKFRSs") that are first effective for the current accounting period.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 which is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

The amendments to HKAS 23, HKFRS 2 and HKFRS 7 have had no material impact on the Group's financial statements as the amendments and interpretations were consistent with policies already adopted by the Group. The impact of the remainder of these developments is as follows:

* HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group's financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group's chief operating decision maker, and has resulted in additional reportable segments being identified and presented (see note 3). Corresponding amounts have been provided on a basis consistent with the revised segment information.

* As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are presented in the consolidated statement of comprehensive income, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

* The "Improvements to HKFRSs (2008)" comprise a number of amendments to a range of HKFRSs. Of these, the following three amendments have resulted in changes to the Group's accounting policies:

  – As a result of amendments to HKAS 28, Investments in associates, impairment losses recognised in respect of the associates and jointly-controlled entities carried under the equity method are no longer allocated to the goodwill inherent in that carrying value. As a result, when there has been a favourable change in the estimates used to determine the recoverable amount, the impairment loss will be reversed. Previously, the Group allocated impairment losses to goodwill and, in accordance with the accounting policy for goodwill, did not consider the loss to be reversible. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any impairment losses that arise in the current or future periods and previous periods have not been restated.

– As a result of amendments to HKAS 40, Investment property, investment property which is under construction will be carried at fair value at the earlier of when the fair value first becomes reliably measurable and the date of completion of the property. Any gain or loss will be recognised in profit or loss, consistent with the policy adopted for all other investment properties carried at fair value. Previously such property was carried at cost until the construction was completed, at which time it was fair valued with any gain or loss being recognised in profit or loss. As the Group does not currently have any investment property under construction, this change in policy has no impact on the net assets or profit or loss for any of the periods presented.

– The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009, all dividends receivable from subsidiaries, associates and jointly-controlled entities, whether out of pre- or post-acquisition profits, will be recognised in the entity's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the entity would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated.

3. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor standard (HKAS 14 "Segment Reporting") required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segment. The application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14.

Operating segments are identified on the basis of internal reports which provides information about components of the Group. These information are reported to and reviewed by the chief operating decision maker for the purposes of resource allocation and performance assessment.

(a) Segment revenue, results, assets and liabilities

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

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segment. Head office and corporate expenses are not allocated to individual segments.

Segment assets principally comprise all tangible assets, intangible assets and current assets directly attributable to each segment. Segment liabilities include trade creditors, accruals and deposit received attributable to each segments and finance lease payable and mortgage loans managed directly by the segments.

The five reportable operating segments are listed as follows:

(i)	Financial services:	Consumer finance, moneylending, other financial/business services, and related activities
(ii)	Securities:	Trading of securities and related activities
(iii)	Property:	Real property and related activities
(iv)	Technology & Media:	Smart-card financial services, technology & media, and related activities
(v)	Food & Beverage:	Catering services, other food & beverage businesses, and related activities

Business segments

The following tables present revenue, results and certain assets, liabilities and expenditure information for the Group's business segments.

	Financial services		Securities		Property		Technology & Media		Food & Beverage		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
				(restated)								(restated)
Segment revenue:												
Turnover	**1,646**	1,639	**–**	–	**554**	444	**–**	–	**100,584**	154,095	**102,784**	156,178
Other revenue and net income	**286**	807	**14,771**	1,269	**2,067**	–	**66**	120	**2,041**	193	**19,231**	2,389
Total	**1,932**	2,446	**14,771**	1,269	**2,621**	444	**66**	120	**102,625**	154,288	**122,015**	158,567
Segment results	**489**	233	**9,671**	(18,613)	**9,420**	(2,165)	**(1,851)**	(11,114)	**(5,803)**	(7,812)	**11,926**	(39,471)
Unallocated other revenue											**1,647**	2,348
Unallocated expenses											**(20,751)**	(12,840)
Loss from operations											**(7,178)**	(49,963)
Finance costs											**(141)**	(182)
Share of results of:												
Jointly-controlled entity											**136**	348
Associate											**–**	(182)
Loss before taxation											**(7,183)**	(49,979)
Income tax											**(757)**	(304)
Loss for the year											**(7,940)**	(50,283)

	Financial services		Securities		Property		Technology & Media		Food & Beverage		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	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 assets	**30,761**	24,401	**57,825**	40,147	**72,857**	49,555	**8,984**	10,688	**26,071**	36,375	**196,498**	161,166
Investment in a jointly-controlled entity	**–**	–	**–**	–	**–**	–	**–**	–	**2,216**	2,080	**2,216**	2,080
Unallocated assets											**226,552**	258,499
Total assets											**425,266**	421,745
Segment liabilities	**723**	760	**–**	–	**12,116**	120	**116**	159	**32,915**	40,462	**45,870**	41,501
Unallocated liabilities											**14,188**	6,614
Total liabilities											**60,058**	48,115
Other segment information:												
Interest income	**293**	790	**–**	–	**–**	–	**2**	52	**5**	10	**300**	852
Unallocated amounts											**–**	2,278
											300	3,130
Interest expenses	**–**	–	**–**	–	**16**	–	**–**	–	**85**	109	**101**	109
Unallocated amounts											**40**	73
											141	182
Capital expenditure	**–**	30	**–**	–	**26,014**	22,157	**–**	68	**464**	1,879	**26,478**	24,134
Unallocated amounts											**2,380**	2,138
											28,858	26,272
Depreciation and amortisation	**19**	63	**–**	–	**4**	3	**202**	198	**1,685**	1,801	**1,910**	2,065
Unallocated amounts											**991**	628
											2,901	2,693

	Financial services		Securities		Property		Technology & Media		Food & Beverage		Consolidated	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Impairment loss on accounts receivable	**–**	–	**–**	–	**–**	–	**–**	–	**–**	15	**–**	15
Impairment loss on property, plant and equipment and lease premium for land	**–**	–	**–**	–	**–**	–	**–**	–	**–**	456	**–**	456
Unallocated amounts											**–**	187
											–	643
(Gain)/loss on disposal of property, plant and equipment and investment properties	**–**	–	**–**	–	**(2,067)**	–	**–**	–	**692**	9	**(1,375)**	9
Unallocated amounts											**(1,646)**	–
											(3,021)	9
(Gain)/loss on change in fair value of investment properties	**–**	–	**–**	–	**(7,043)**	2,448	**–**	–	**–**	–	**(7,043)**	2,448
Reversal of impairment loss on amount due from an associate	**–**	–	**–**	–	**–**	–	**–**	–	**–**	(1,543)	**–**	(1,543)

(b) Geographical segments

The Group's operations are carried out mainly in Hong Kong and PRC. Financial services are carried out in Hong Kong and PRC, and technology and media businesses are carried out mainly in PRC. Securities and property businesses are carried out mainly in Hong Kong. Food and beverage businesses are carried out in Hong Kong and PRC.

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

	Hong Kong		**PRC**		**Consolidated**	
	2010	2009	**2010**	2009	**2010**	2009
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Revenue	**62,263**	113,439	**40,521**	42,739	**102,784**	156,178
Other segment information:						
Segment assets	**385,332**	380,841	**39,934**	40,904	**425,266**	421,745
Capital expenditure	**28,660**	24,624	**198**	1,648	**28,858**	26,272

(c) Information about major customers

The Group has a very wide customer base, and no single customer contributed more than 10% of the Group's revenue for each of the years ended 30 April 2009 and 2010.

4. REVENUE, OTHER REVENUE AND OTHER NET INCOME

The principal activities of the Group are financial services businesses, securities business, property business, technology and media businesses, and food and beverage businesses.

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

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

	Group	
	2010	2009
	HK$'000	*HK$'000*
Revenue		
Income from food & beverage businesses	**100,584**	154,095
Financial services charges and loan interest income	**1,502**	1,195
Sales of forfeited collateral	**144**	444
Gross rental income from investment properties	**554**	444
	102,784	156,178
Other revenue		
Bank interest income	**300**	3,130
Total interest income on financial assets not at fair value through profit or loss	**300**	3,130
Dividend income	**536**	865
Sundry income	**2,728**	269
	3,564	4,264
Other net income		
Exchange gain, net	**57**	69
Gain on disposal of investment properties	**2,067**	–
Net gain on disposal of property, plant and equipment	**954**	–
Net realised gain on financial assets at fair value through profit or loss	**14,236**	–
Net unrealised gain on financial assets at fair value through profit or loss	**–**	404
	17,314	473

5. LOSS FROM OPERATIONS

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

	2010	2009
	HK$'000	*HK$'000*
Cost of inventories consumed	**33,867**	52,802
Cost of forfeited collateral sold	**121**	376
	33,988	53,178
Staff costs (including directors' emoluments):		
Wages and salaries	**36,332**	48,412
Retirement benefits scheme contributions	**1,568**	1,420
	37,900	49,832
Reversal of impairment loss on amount due from an associate	**–**	(1,543)
Auditors' remuneration	**703**	635
Depreciation and amortisation	**2,901**	2,693
Research and development costs*	**–**	7,020
Gain on disposal of investment properties	**(2,067)**	–
Net (gain)/loss on disposal of property, plant and equipment	**(954)**	9
Loss on disposal of subsidiaries	**–**	3,648
Impairment loss on accounts receivable	**–**	15
Impairment loss on property, plant and equipment	**–**	340
Impairment loss on lease premium for land	**–**	303
Operating lease rentals	**16,584**	21,374
Rental income from investment properties less direct outgoings of HK$43,000 (2009: HK$35,000)	**(511)**	(409)
Dividend income from listed securities	**(536)**	(865)
Net realised (gain)/loss on financial assets at fair value through profit or loss	**(14,236)**	18,200
Net unrealised loss/(gain) on financial assets at fair value through profit or loss	**3,384**	(404)

* This item is included in other expenses.

6. FINANCE COSTS

	Group	
	2010	2009
	HK$'000	*HK$'000*
Interest on bank borrowings	**125**	140
Interest on finance lease	**16**	40
Other interest paid	**–**	2
Total interest expense on financial liabilities not at fair value through profit or loss	**141**	182

7. INCOME TAX

The taxation in the consolidated statement of comprehensive income represents:

	Group	
	2010	2009
	HK$'000	*HK$'000*
Current tax		
PRC Enterprise Income Tax	**757**	304
Income tax for the year	**757**	304

Income tax for the year can be reconciled to the loss before taxation per the consolidated statement of comprehensive income as follows:

	2010	2009
	HK$'000	*HK$'000*
Loss before taxation	**(7,183)**	(49,979)
Notional tax on loss before taxation, calculated at the rate applicable to profits in the tax jurisdictions concerned	**(1,174)**	(6,837)
Income not subject to taxation	**(507)**	(4,435)
Expenses not deductible for taxation purposes	**532**	3,712
Tax losses not yet recognised	**1,506**	7,742
Tax effect of unrecognised temporary differences	**400**	(137)
Under provision for previous year	**–**	259
Tax charge	**757**	304

No provision for profits tax in the Cayman Islands, British Virgin Islands ("BVI") and Hong Kong has been made as the Group has no income assessable for tax for the year in these jurisdictions (2009: Nil).

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

8. DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 30 April 2010 (2009: Nil).

9. LOSS PER SHARE

The calculation of basic loss per share for the year is based on the net loss attributable to owners of the Company of HK$6,507,000 (2009: HK$45,229,000) and the weighted average number of 5,860,111,585 (2009: 5,863,960,900) ordinary shares in issue during the year.

Diluted loss per share is equal to basic loss per share as there were no dilutive potential ordinary shares in existence in both years presented.

10. AVAILABLE-FOR-SALE INVESTMENTS

	Group	
	2010	2009
	HK$'000	*HK$'000*
Unlisted investments:		
Club memberships, at cost	**1,532**	135
Unlisted equity investments, at cost *(Note)*	**19,882**	500
	21,414	635

Note:

Unlisted equity investments:

	2010	2009
	HK$'000	*HK$'000*
Honest Pro (Holdings) Limited ("Honest Pro")	**500**	500
Tian Da Energy Holdings Limited ("Tian Da")	**19,382**	–
	19,882	500

Honest Pro is a company incorporated in BVI with limited liability. The Group has 20% effective interest in Honest Pro through its subsidiary.

Tian Da is a company incorporated in BVI with limited liability. The Group has 20.54% effective interest in Tian Da through its subsidiary.

The Group does not exercise significant influence in relation to Honest Pro and Tian Da pursuant to HKAS 28, therefore the investments are accounted for under HKAS 39 as "Available-for-sale Financial Assets".

11 ACCOUNTS RECEIVABLE

	Group	
	2010	2009
	HK$'000	*HK$'000*
Accounts receivable	**451**	603
Less: Allowance for doubtful debts	**–**	(85)
	451	518

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

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

	Group	
	2010	2009
	HK$'000	*HK$'000*
Within 30 days	**20**	245
31 – 90 days	**175**	223
91 – 180 days	**246**	32
Over 180 days	**10**	18
	451	518

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

	Group	
	2010	2009
	HK$'000	*HK$'000*
Neither past due nor impaired	**195**	468
1 to 3 months past due	**246**	32
3 to 6 months past due	**–**	14
Over 6 months, but less than 1 year past due	**10**	4
Over 1 year past due	**–**	–
	256	50
	451	518

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

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

Movement in the allowance for doubtful debts

	Group	
	2010	2009
	HK$'000	*HK$'000*
Balance at beginning of the year	**85**	70
Impairment loss recognised on receivables	**–**	15
Uncollectible amount written off	**(85)**	–
Balance at end of the year	**–**	85

Included in the allowance for doubtful debts made for the year are individually impaired trade receivables with a balance of HK$nil (2009: HK$15,000 which have been placed under liquidation). The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not held any collateral over these balances.

Aging of impaired trade receivables

	2010 HK$'000	2009 HK$'000
91 – 180 days	**–**	–
Over 180 days	**–**	15
Total	**–**	15

12. MONEYLENDING LOAN RECEIVABLES

	Group	
	2010	2009
	HK$'000	*HK$'000*
Balance brought forward	**1,824**	5,175
Loans advanced	**17,116**	11,880
Repayment during the year	**(6,967)**	(15,319)
Exchange adjustment	**–**	88
Balance carried forward	**11,973**	1,824

The Group offers loans as a moneylender. A typical moneylending loan generally has a term of range not more than one year. All the Group's moneylending loan receivables in the PRC are denominated in Renminbi.

13. ACCOUNTS PAYABLE

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

	Group	
	2010	2009
	HK$'000	***HK$'000***
0 – 30 days	**859**	2,487
31 – 90 days	**1,669**	3,453
91 – 180 days	**520**	917
181 – 360 days	**–**	18
Over 360 days	**408**	433
	3,456	7,308

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

14. EVENTS AFTER REPORTING PERIOD

Subsequent to the end of the reporting period, Kamboat Chinese Cuisine Company Limited ("KCCC") and Win Investment Limited, subsidiaries of the Group, entered into sale and purchase agreements with independent third parties to dispose of four premises in buildings held for own use and the related lease premium for land with carrying value of HK$2,459,000 and HK$739,000 respectively and completion took place on 30 July 2010 at a consideration in total of HK$4,480,000.

15. **OTHER INFORMATION**

The consolidated financial statements of the Company and its subsidiaries for the year ended 30 April 2010 have been reviewed by the Audit Committee of the Company and audited by the Company's auditor, CCIF CPA Limited. The unqualified auditor's report will be included in the Annual Report to shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFOMANCE

For the year ended 30 April 2010, the Group generated revenue of approximately HK$102.8 million (2009: approximately HK$156.2 million) with a loss for the year of approximately HK$7.9 million (2009: approximately HK$50.3 million).

Business Review

Financial Services

During this year, the revenue of our financial services businesses was approximately HK$1.6 million, which reflected no significant change as compared to last year.

Securities

Our securities business returned a profit of approximately HK$9.7 million (2009: loss of approximately HK$18.6 million) which was mainly contributed by net realised and unrealised gain on securities investment of HK$11.4 million (2009: loss of approximately HK$16.9 million) for this year.

Property

Our property business contributed steady rental income to the Group. The revenue of the Group's property business segment was HK$554,000 (2009: HK$444,000). The business segment contributed a profit of HK$9.4 million (2009: loss of HK$2.2 million) to the Group. The increase in segment profit was mainly due to (i) the unrealised fair value gain on investment properties of approximately HK$7.0 million (2009: fair value loss of approximately HK$2.4 million) as at 30 April 2010; and (ii) gain on disposal of certain investment properties of approximately HK$2.1 million during this year. Excluding the gain on unrealised fair value and disposed of certain properties in 2010, the recurring profit of the property business segment would have been HK$310,000 (2009: HK$283,000).

Technology and Media

Our technology and media businesses recorded a loss of approximately HK$1.9 million, a decrease in loss of approximately HK$9.3 million or 83.3% as compared to last year.

Food & Beverage

During this year, revenue for our food & beverage businesses was approximately HK$100.6 million (2009: approximately HK$154.1 million), resulting in a segment loss of approximately HK$5.8 million (2009: approximately HK$7.8 million).

SEASONAL/CYCLICAL FACTORS

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

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintains a stable financial position with cash and cash equivalents of the Group as at 30 April 2010 amounting to approximately HK$235.2 million (2009: approximately HK$291.5 million). The Group's current ratio as at 30 April 2010 is 6.7 (2009: 7.8). The total equity of the Group amounted to approximately HK$365.2 million (2009: approximately HK$373.6 million) as at 30 April 2010.

Gearing

The gearing ratio, as a ratio of bank loans to total equity, was 0.04 as at 30 April 2010 (2009: 0.01).

Exchange Rate Exposure

As at 30 April 2010, the Group's cash and cash equivalents amounted to HK$235.2 million, the majority of which was in Hong Kong dollars. Since the majority of the Group's transactions, monetary assets and liabilities is denominated in Hong Kong dollars, United States dollars and Renminbi, with relatively stable exchange rates of Renminbi to Hong Kong dollars and Hong Kong's linked exchange rate between United States dollar and Hong Kong dollar, the Group has minimal exposure to exchange rate fluctuations.

Treasury Policies

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

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 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) As at 30 April 2010, 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$233,000 (2009: approximately HK$976,000) at 30 April 2010.

(c) As at 30 April 2009 and 2010, KCCC provided corporate guarantee to a landlord to the extent of approximately HK$370,000 and HK$190,000 respectively in respect of the operating lease payments. No recognition of such guarantee was made for the years ended 30 April 2009 and 2010 because the directors of the Company did not consider it probable that a claim would be made against the Group under the guarantee.

Commitments

The Group has capital commitments, which are contracted but not provided for, in respect of purchase of property, plant and equipment and investment properties amounting to HK$nil as at 30 April 2010 (2009: approximately HK$5.7 million).

FUTURE PROSPECTS

The Group anticipates that the next year will be no less challenging than the previous year, but we will continue to seek potential investment opportunities, to diversify our business portfolios, and improve our business performance.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 April 2010, the Group had 344 (2009: 431) employees in Hong Kong and the PRC. The Group has not had any significant problems with its employees or disruptions due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare, share options and statutory contributions, if any, are made in accordance with individual performance and prevailing labour laws of its operating entities.

PURCHASES, SALE OR REDEMPTION OF SECURITIES

During the year, the Company had repurchased a total of 4,100,000 shares of HK$0.001 each on the Stock Exchange at an aggregate consideration of HK$460,802. All of the shares repurchased have been cancelled during the year.

Date of repurchase	**Total number of shares repurchased**	**Purchase price per share Highest**	**Lowest**	**Aggregate consideration**
22 May 2009	2,500,000	0.115	0.108	282,476
25 May 2009	1,000,000	0.111	0.111	112,285
26 May 2009	600,000	0.113	0.103	66,041
	4,100,000			460,802

The repurchases were made by the Directors, pursuant to the mandate granted by the shareholders, with a view to benefit the Company and the shareholders as a whole in the enhancement of the net assets per share and earnings per share.

Save as disclosed above, none of the Company or any of its subsidiaries had purchased, sold or redeemed any of its listed securities during the year ended 30 April 2010.

CORPORATE GOVERNANCE REPORT

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

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

2. In accordance with the code provision, the role of chairman and chief executive officer ("CEO") should be performed by different individuals. Since September 2006, Mr Vong Tat Ieong, David, who is director and CEO of the Company, has also carried out the responsibilities of the chairman of the Company. The Board considers the present structure is more suitable to the Company for it can provide strong and consistent leadership and allow for more efficient formulation and implementation of the Company's development strategies.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

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

The Group's final results for the year ended 30 April 2010 have been reviewed by the Audit Committee.

SCOPE OF WORK OF CCIF CPA LIMITED

The figures in respect of the preliminary announcement of the Group's results for the year ended 30 April 2010 have been agreed by the Group's auditor, CCIF CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by CCIF CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by CCIF CPA Limited on the preliminary announcement.

PUBLICATION OF FINANCIAL INFORMATION

The results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.thevongroup.com). The Company's 2010 annual report containing all the information required by the Listing Rules will be despatched to shareholders and will be available on the above websites in due course.

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

Hong Kong, 23 August 2010

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

* *For identification purpose only*