Vongroup Limited
黃河實業有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 318)

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 OCTOBER 2011

The board of directors (the "Board" or "Directors") of Vongroup Limited (the "Company") is pleased to present the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 31 October 2011, together with the comparative figures for the corresponding period of the previous year, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 October 2011

		Unaudited Six months ended 31 October	
		2011	2010
	Note	***HK$'000***	*HK$'000*
Turnover	*4*	**18,911**	23,782
Other revenue	*4*	**950**	1,395
Other net income	*4*	**3,032**	7,893
Cost of inventories consumed		**(7,944)**	(7,869)
Cost of forfeited collateral sold		**(211)**	(290)
Staff costs		**(6,014)**	(7,412)
Operating lease rentals		**(2,505)**	(4,622)
Depreciation and amortisation		**(993)**	(1,052)
Other expenses		**(18,279)**	(17,951)
Change in fair value of investment properties		**339**	1,960
Loss from operations	*5*	**(12,714)**	(4,166)
Finance costs	*6*	**(233)**	(103)
Share of results of a jointly-controlled entity		**(779)**	(220)
Loss before taxation		**(13,726)**	(4,489)
Income tax	*7*	**(46)**	(130)

	Note	Unaudited Six months ended 31 October **2011** ***HK$'000***	 2010 *HK$'000*
Loss for the period		**(13,772)**	(4,619)
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**343**	424
Total comprehensive income for the period		**(13,429)**	(4,195)
Loss for the period attributable to:			
Shareholders of the Company		**(13,772)**	(1,730)
Non-controlling interests		**–**	(2,889)
		(13,772)	(4,619)
Total comprehensive income for the period attributable to:			
Shareholders of the Company		**(13,429)**	(1,306)
Non-controlling interests		**–**	(2,889)
		(13,429)	(4,195)
Loss per share			
Basic and diluted	*9*	**(HK$0.0024)**	(HK$0.0003)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 October 2011

	Note	**31 October 2011 HK$'000 (unaudited)**	30 April 2011 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*10*	**18,947**	7,678
Lease premium for land		**1,429**	1,414
Investment properties	*11*	**101,380**	99,720
Goodwill		**8,988**	8,988
Interest in a jointly-controlled entity		**1,141**	1,896
Deposits paid in respect of acquisition of property, plant and equipment and investment property	*12*	**215**	2,224
Available-for-sale investments		**21,834**	21,834
		153,934	143,754
Current assets			
Lease premium for land		**33**	33
Inventories		**7,828**	9,678
Forfeited collateral held for sale		**99**	217
Accounts receivable	*13*	**421**	489
Moneylending loan receivables	*14*	**23,100**	14,655
Deposits, prepayments and other receivables	*15*	**6,093**	14,661
Amount due from a jointly-controlled entity		**193**	267
Financial assets at fair value through profit or loss	*16*	**16,769**	46,683
Cash and cash equivalents	*17*	**203,962**	197,198
		258,498	283,881
Current liabilities			
Accounts payable	*18*	**1,027**	978
Accruals and deposits received		**12,703**	27,928
Tax payables		**21,885**	21,414
Bank borrowings	*19*	**40,728**	27,797
		76,343	78,117
Net current assets		**182,155**	205,764
Total assets less current liabilities		**336,089**	349,518
Non-current liabilities			
Deferred tax liabilities		**591**	591
NET ASSETS		**335,498**	348,927
Capital and reserves			
Share capital	*20*	**5,860**	5,860
Reserves		**329,638**	343,067
TOTAL EQUITY		**335,498**	348,927

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 October 2011

	Unaudited								
	Share capital	Share premium	Capital redemption reserve	Statutory surplus reserve	Exchange fluctuation reserve	Accumulated losses	Total shareholders' equity	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 May 2010 (audited)	5,860	533,020	262	156	531	(183,848)	355,981	9,227	365,208
Loss for the period	–	–	–	–	–	(1,730)	(1,730)	(2,889)	(4,619)
Exchange difference arising on translation of foreign operations	–	–	–	–	424	–	424	–	424
Total comprehensive income for the period	–	–	–	–	424	(1,730)	(1,306)	(2,889)	(4,195)
Disposal of a subsidiary	–	–	–	–	–	–	–	(6,338)	(6,338)
At 31 October 2010	5,860	533,020	262	156	955	(185,578)	354,675	–	354,675
At 1 May 2011 (audited)	**5,860**	**533,020**	**262**	**255**	**1,151**	**(191,621)**	**348,927**	**–**	**348,927**
Loss for the period	**–**	**–**	**–**	**–**	**–**	**(13,772)**	**(13,772)**	**–**	**(13,772)**
Exchange difference arising on translation of foreign operations	**–**	**–**	**–**	**–**	**343**	**–**	**343**	**–**	**343**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**343**	**(13,772)**	**(13,429)**	**–**	**(13,429)**
At 31 October 2011	**5,860**	**533,020**	**262**	**255**	**1,494**	**(205,393)**	**335,498**	**–**	**335,498**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended 31 October 2011

	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Net cash inflow/(outflow) from operating activities	**1,219**	(9,867)
Net cash outflow from investing activities	**(7,884)**	(70,784)
Net cash inflow from financing activities	**12,698**	66,839
Net increase/(decrease) in cash and cash equivalents	**6,033**	(13,812)
Cash and cash equivalents at beginning of the period	**197,198**	235,033
Effect of foreign exchange rate changes	**731**	619
Cash and cash equivalents at end of the period	**203,962**	221,840

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 October 2011

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention, as modified for the revaluation of investment properties and financial assets at fair value through profit or loss, which are measured at fair values, as appropriate.

The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 30 April 2011.

Adoption of new and revised HKFRSs effective in the current period

In the current period, the Group has applied, for the first time, the following new or revised standards, amendments and interpretations ("new or revised HKFRSs") issued by the HKICPA:

HKAS 24 (Revised 2009)	Related Party Disclosures
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HK(IFRIC) – Int 14 (Amendments)	Prepayments of a Minimum Funding Requirements
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments

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

3. SEGMENT INFORMATION

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

The Group has presented information by the following categories. These segments are managed separately.

1.	Financial services:	Consumer finance, moneylending, other financial/business services, and related activities
2.	Securities:	Securities and related activities
3.	Property:	Real property and related activities
4.	Technology & Media:	Smart-card financial services, other technology & media, and related activities
5.	Food & Beverage:	Catering services, other food & beverage businesses, and related activities

(a) Segment results

For the purpose of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results 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 segments. Head office and corporate expenses are not allocated to individual segments.

Segment revenue and results

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

	Unaudited		**Unaudited**	
	Segment revenue Six months ended 31 October		**Segment profit/(loss) Six months ended 31 October**	
	2011	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Financial services	**1,088**	1,498	**299**	520
Securities	**629**	3,753	**(8,471)**	2,694
Property	**1,040**	400	**972**	2,160
Technology & Media	**312**	4,728	**74**	(970)
Food & Beverage	**19,824**	22,674	**157**	(2,665)
Total	**22,893**	33,053	**(6,969)**	1,739
Unallocated items:				
Other revenue			**–**	17
Administrative and other operating expense			**(5,745)**	(5,922)
Finance costs			**(233)**	(103)
Share of results of a jointly-controlled entity			**(779)**	(220)
Loss before taxation			**(13,726)**	(4,489)
Income tax			**(46)**	(130)
Loss for the period			**(13,772)**	(4,619)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2010: Nil).

(b) Geographical segments

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

The Group's revenue from operations from external customers by location of operations are detailed below:

	Revenue from external customers	
	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong	**5,917**	10,783
PRC	**16,976**	22,270
Total	**22,893**	33,053

(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 six-month period ended 31 October 2011 and 2010.

4. TURNOVER, OTHER REVENUE AND OTHER NET INCOME

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

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

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

	Six months ended 31 October	
	2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Turnover		
Income from food & beverage businesses	**16,710**	21,528
Income from technology & media businesses	**312**	624
Financial services income	**642**	887
Sale of forfeited collateral	**284**	356
Gross rental income from investment properties	**963**	387
	18,911	23,782
Other revenue		
Bank interest income	**166**	379
Total interest income on financial assets not at fair value through profit or loss	**166**	379
Dividend income	**629**	896
Sundry income	**155**	120
	950	1,395
Other net income		
Gain on disposal of a subsidiary	**–**	4,204
Gain on disposal of property, plant and equipment	**3,032**	831
Net realised gain on financial assets at fair value through profit or loss	**–**	2,858
	3,032	7,893

5. LOSS FROM OPERATIONS

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

	Six months ended 31 October 2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Staff costs (including directors' remuneration)	**6,014**	7,412
Net exchange loss	**479**	944
Net realised loss/(gain) on financial assets at fair value through profit or loss	**3,512**	(2,858)
Net unrealised loss on financial assets at fair value through profit or loss	**4,581**	180
Gain on disposal of property, plant and equipment	**(3,032)**	(831)
Loss on disposal of an investment property	**181**	–
Net gain on disposal of a subsidiary	**–**	(4,204)
Gross rental income from investment properties less direct outgoings HK$54,000 (31 October 2010: HK$24,000)	**(909)**	(363)

6. FINANCE COSTS

	Six months ended 31 October 2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Interest on bank borrowings	**233**	99
Interest on finance lease	**–**	4
Total interest expense on financial liabilities not at fair value through profit or loss	**233**	103

7. INCOME TAX

	Six months ended 31 October 2011	2010
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profits tax:		
PRC enterprise income tax	**46**	130

No provision for profits tax in the Cayman Islands, British Virgin Islands and Hong Kong has been made as the Group has no income assessable for tax for the period in these jurisdictions (2010: Nil).

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

8. DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 31 October 2011 (2010: Nil).

9. LOSS PER SHARE

The calculation of basic loss per share is based on the unaudited condensed consolidated loss for the six months ended 31 October 2011 of HK$13,772,000 (six months ended 31 October 2010: loss of HK$1,730,000) and on the weighted average number of 5,859,860,900 (six months ended 31 October 2010: 5,859,860,900) shares in issue during the current period.

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

10. PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment during the period are summarised as follows:

	HK$'000 (unaudited)
Carrying values as at 1 May 2011 (audited)	7,678
Additions	14,147
Transfer from deposits paid in respect of property, plant and equipment and investment property *(note 12)*	2,067
Depreciation	(977)
Disposals	(3,996)
Exchange adjustments	28
Carrying values as at 31 October 2011	18,947

11. INVESTMENT PROPERTIES

The movements in investment properties during the period are summarised as follows:

	HK$'000 (unaudited)
Carrying values as at 1 May 2011 (audited)	99,720
Additions	14,728
Transfer from deposits paid in respect of property, plant and equipment and investment property *(note 12)*	2,763
Disposal	(16,170)
Increase in fair value of investment properties	339
Carrying values as at 31 October 2011	101,380

An unrealised gain on increase in fair value of investment properties of HK$0.34 million (six months ended 31 October 2010: gain of HK$1.96 million) has been recognised in the condensed consolidated statement of comprehensive income. The fair value of the Group's investment properties as at 31 October 2011 has been arrived at on the basis of a valuation carried out by an independent valuer. The valuation of the Group's investment properties has been arrived at by using direct comparison method where comparison based on price information on comparable properties is made.

12. DEPOSITS PAID IN RESPECT OF PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

	HK$'000 (unaudited)
Carrying values as at 1 May 2011 (audited)	2,224
Additions	
– others	58
– through acquisition of a subsidiary *(note 21)*	2,763
Transfer to property, plant and equipment *(note 10)*	(2,067)
Transfer to investment properties *(note 11)*	(2,763)
Carrying values as at 31 October 2011	215

13. ACCOUNTS RECEIVABLE

The general credit terms granted by the Group to its customers ranged 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:

	31 October 2011 ***HK$'000*** **(unaudited)**	30 April 2011 *HK$'000* (audited)
Within 30 days	**21**	66
31-90 days	**2**	64
91-180 days	**87**	93
Over 180 days	**311**	266
	421	489

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

	31 October 2011 ***HK$'000*** **(unaudited)**	30 April 2011 *HK$'000* (audited)
Neither past due nor impaired	**23**	130
1 to 3 months past due	**87**	93
3 to 6 months past due	**46**	45
Over 6 months, but less than 1 year past due	**265**	221
	398	359
	421	489

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.

14. MONEYLENDING LOAN RECEIVABLES

	31 October 2011	30 April 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Balance brought forward	**14,655**	11,973
Loans advanced	**12,124**	22,020
Repayment during the period/year	**(3,728)**	(19,643)
Exchange adjustment	**49**	305
Balance carried forward	**23,100**	14,655

The loans bear interest rate ranging from 5.25% to 50.4% (30 April 2011: 5.25% to 50.4%) per annum and are repayable according to the loan agreements which usually cover periods not more than one year.

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	31 October 2011	30 April 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Prepayments	**2,409**	2,387
Rental and other deposits	**1,278**	10,738
Credit card receivables	**178**	202
Staff advances *(note)*	**97**	100
Other receivables	**4,631**	3,734
Less: Impairment	**(2,500)**	(2,500)
Other receivables, net	**2,131**	1,234
	6,093	14,661

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

	31 October 2011	30 April 2011
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Brought forward	**(2,500)**	–
Impairment loss recognised	**–**	(2,500)
Carried forward	**(2,500)**	(2,500)

The impairment loss recognised was a provision for the long outstanding receivable from an individual debtor and this receivable was not expected to be recovered. The Group did not hold any collateral or other credit enhancement over this balance.

Other receivables that are not impaired:

The aging analysis of other debtors that are neither individually nor collectively considered to be impaired are as follows:

	31 October 2011 *HK$'000* **(unaudited)**	30 April 2011 *HK$'000* (audited)
Neither past due nor impaired	**1,781**	264
Less than 1 month past due	**–**	–
1 to 3 months past due	**–**	–
3 months to 1 year past due	**–**	702
Over 1 year past due	**350**	268
	2,131	1,234

Other receivables that were past due but not impaired relate to a number of independent debtors that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no allowance for impairment 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 or other credit enhancements over these balances.

All of the deposits, prepayments and other receivables are expected to be recovered or recognised as expense within one year.

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 October 2011 *HK$'000* **(unaudited)**	30 April 2011 *HK$'000* (audited)
At fair value:		
Listed equity investments in Hong Kong	**16,626**	46,405
Listed equity investments outside Hong Kong	**143**	278
	16,769	46,683

Changes in fair values of financial assets at fair value through profit or loss are recognised in the consolidated statement of comprehensive income.

17. CASH AND CASH EQUIVALENTS

	31 October 2011 *HK$'000* **(unaudited)**	30 April 2011 *HK$'000* (audited)
Cash and bank balances	**130,314**	124,478
Time deposits	**73,648**	72,720
Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows	**203,962**	197,198

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 end of the reporting period approximates to the fair value.

18. ACCOUNTS PAYABLE

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

	31 October 2011 *HK$'000* **(unaudited)**	30 April 2011 *HK$'000* (audited)
0 – 30 days	**492**	462
31 – 90 days	**89**	87
91 – 360 days	**–**	–
Over 360 days	**446**	429
	1,027	978

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

19. BANK BORROWINGS

A bank borrowing of HK$ nil as at 31 October 2011 (30 April 2011: HK$1,431,000) was secured by a personal guarantee provided by Mr. Wong Chi Man and the Group's leasehold land and buildings held for own use carried at cost with net carrying amount of HK$ nil (30 April 2011: HK$3,998,000). The interest is charged at 2.85% (30 April 2011: 2.85%) per annum.

A bank borrowing of HK$7,245,000 as at 31 October 2011 (30 April 2011: HK$ nil) was secured by the Group's leasehold land and buildings held for own use carried at cost with net carrying amount of HK$15,779,000 (30 April 2011: HK$ nil). The interest is charged at 1.25% per annum over 3-month HIBOR, and capped at 2.75% per annum below prime rate.

Bank borrowings of HK$19,795,000 as at 31 October 2011 (30 April 2011: HK$20,281,000) were secured by certain investment properties with fair value amount of HK$40,100,000 (30 April 2011: HK$39,800,000). The interest is charged at 0.7% per annum over 1-month HIBOR, and capped at 2.5% per annum below prime rate.

A bank borrowing of HK$5,954,000 as at 31 October 2011 (30 April 2011: HK$6,085,000) was secured by an investment property with fair value amount of HK$12,700,000 (30 April 2011: HK$12,670,000). The interest is charged at 1.25% per annum over 3-month HIBOR, and capped at 2.75% per annum below prime rate.

The balance of HK$7,734,000 as at 31 October 2011 (30 April 2011: HK$ nil) was secured by an investment property with fair value amount of HK$17,500,000 (30 April 2011: HK$ nil). The interest is charged at 1.5% per annum over 3-month HIBOR, and capped at 2.5% per annum below prime rate.

20. SHARE CAPITAL

	Number of shares	**Share capital** *HK$'000*
Ordinary shares of HK$0.001 each		
Authorised:		
At 1 May 2010, 30 April 2011 and 31 October 2011	200,000,000,000	200,000
Issued and fully paid:		
At 1 May 2010, 30 April 2011 and 31 October 2011	5,859,860,900	5,860

21. ACQUISITION OF ASSETS AND LIABILITIES THROUGH PURCHASE OF THE SUBSIDIARY

During this period, VG Investment Assets Holdings Incorporated ("VGI"), a wholly-owned subsidiary of the Company, acquired assets through the acquisition of 100% equity interest in Best Profit Global Trading Limited ("Best Profit"), a property investment holding company, at a consideration of HK$2,763,000.

The assets acquired in the transaction are as follow:

	Carrying amount and fair value of Best Profit *HK$'000*
Assets acquired:	
Deposit paid in respect of acquisition of an investment property *(note 12)*	2,763
Total consideration	2,763

	HK$'000
Net cash outflow arising on acquisition:	
Cash consideration	(2,763)

22. CONTINGENT LIABILITIES

In December 2005, a legal action was commenced by a former employee of Kamboat Chinese Cuisine Company Limited ("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.

23. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 11) under operating lease arrangement, with leases negotiated generally for terms of two years. The terms of the leases generally also require the lessee to pay a security deposit.

As at 31 October 2011, the Group had total future minimum lease receivables under non-cancellable operating lease with lessees falling due as follows:

	31 October 2011 *HK$'000* **(unaudited)**	30 April 2011 *HK$'000* (audited)
Within one year	**1,536**	1,012
In the second to fifth years, inclusive	**1,165**	121
	2,701	1,133

(b) As lessee

As at 31 October 2011, the Group had outstanding commitments under non-cancellable operating leases falling due as follows:

	31 October 2011 *HK$'000* **(unaudited)**	30 April 2011 *HK$'000* (audited)
Within one year	**6,116**	1,373
In the second to fifth years, inclusive	**25,089**	–
After five years	**4,438**	–
	35,643	1,373

The Group leases restaurant premises and offices under non-cancellable operating lease arrangements with lease terms ranging from one to six years.

24. RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following transactions with its related parties during the period:

	Amounts owed by the Group to related parties		**Related expenses Six months ended 31 October**	
	As at 31 October 2011 *HK$'000* **(unaudited)**	As at 30 April 2011 *HK$'000* (audited)	**2011** *HK$'000* **(unaudited)**	2010 *HK$'000* (unaudited)
Legal fees and corporate secretarial fees *(note)*	**266**	21	**289**	87
Amount due from a jointly-controlled entity				
(Repayment from)/advanced to	**(74)**	40	**N/A**	N/A
Outstanding balance	**193**	267	**Nil**	Nil

Note: The legal fees were charged for legal services rendered by a law firm, a partner of which is a close relative of a director, Mr. Vong Tat Ieong, David. The corporate secretarial service fees were charged for services rendered by a corporate secretarial firm which is controlled by a close relative of a director, Mr. Vong Tat Ieong, David.

25. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These unaudited condensed consolidated interim financial statements have been reviewed with no disagreement by the Audit Committee of the Company and were approved and authorised for issue by the Board on 28 December 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

During the six months ended 31 October 2011, the Group generated turnover of approximately HK$18.9 million (2010: approximately HK$23.8 million) with a loss for the period of approximately HK$13.8 million (2010: approximately HK$4.6 million). Our loss is attributable mainly to realised and unrealised loss on investments in listed equity securities at fair value and decrease in unrealised fair value gain on investment properties, in our Securities and Property segments, due to recent downturn in global investment market conditions and the Hong Kong property market. During this period, our Food & Beverage segment has seen improvement in operations, as we have been continuing to implement cost-cutting measures. During the period under review, demand for our financial services has been continuing from private enterprises and individuals, and we have been exploring new products to offer in order to meet customer demand. In our Technology & Media segment, we have exploring and developing potential investment opportunities, especially in new energy technologies, new media and payment systems.

Business Review

Food & Beverage

During this period, revenue for our food & beverage segment was approximately HK$19,824,000 (2010: approximately HK$22,674,000), resulting in a segment profit of approximately HK$157,000 (2010: loss of approximately HK$2,665,000).

Securities

Our securities business recorded a net realised and unrealised loss on trading of securities investments of approximately HK$8,093,000 (2010: profit of approximately HK$2,678,000) which contributed a loss for our securities segment of approximately HK$8,471,000 (2010: profit of approximately HK$2,694,000) during the six months ended 31 October 2011.

Property

The revenue of the Group's property segment was approximately HK$1,040,000 (2010: approximately HK$400,000) during this period. The business segment contributed a profit of approximately HK$972,000 (2010: approximately HK$2,160,000) to the Group. Excluding the gain on unrealised fair value, the recurring profit of the property segment would have been approximately HK$633,000 (2010: approximately HK$200,000).

Financial Services

During this period, our financial services segment contributed a profit of approximately HK$299,000 (2010: approximately HK$520,000).

Technology & Media

Our technology & media segment recorded a segment profit of approximately HK$74,000 (2010: loss of approximately HK$970,000) during this period.

Prospects

Looking forward, notwithstanding negative sentiment on the back of the sovereign debt crises in Europe, the Group will adopt a positive and pragmatic investment strategy, and grasp investment opportunities amid changes in global and local economies in order to enhance shareholder value.

Financial Review

Liquidity and Financial Resources

As at 31 October 2011, the Group had total assets of approximately HK$412.4 million (30 April 2011: approximately HK$427.6 million) and total equity attributable to shareholders of approximately HK$335.5 million (30 April 2011: approximately HK$348.9 million). The Group's current ratio, being the proportion of total current assets against total current liabilities, was 3.4 (30 April 2011: 3.6).

As at 31 October 2011, the Group's cash and cash equivalents amounted to approximately HK$204.0 million (30 April 2011: approximately HK$197.2 million).

As at 31 October 2011, the Group had bank borrowings of approximately HK$40.7 million (30 April 2011: approximately HK$27.8 million). The gearing ratio, which was calculated based on the total bank borrowings over shareholder's equity, of the Group at 31 October 2011 was 0.12 (30 April 2011: 0.08).

Since the majority of the Group's resources of income and bank balances are denominated in Hong Kong dollars and Renminbi, the impact of the fluctuation in exchange rate is immaterial to the Group's financial position.

Charges on Group's assets

The Group's leasehold land and buildings held for own use carried at cost, and certain investment properties were pledged to the Group's banks to secure the bank borrowings granted to the Group.

Contingent Liabilities

Details of the Group's contingent liabilities as set out in note 22 to the financial statements.

Capital Commitment

During this period, the Group had no significant capital commitment (30 April 2011: HK$13.2 million).

Employment and Remuneration Policy

As at 31 October 2011, the Group had 176 (30 April 2011: 180) 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 relating to its operating entities.

OTHER INFORMATION

Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As at 31 October 2011, the interests of the Directors and chief executive in the shares, 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 under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), are set out as follows:

Name	Company	Capacity	Interest in shares	Appropriate percentage of shareholding
Mr. Vong Tat Ieong, David *(note)*	The Company	Held through a controlled corporation	3,962,000,000 ordinary shares	67.61%

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

Save as disclosed above, as at 31 October 2011, none of the Directors had 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 kept by the Company under 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 under "Share Option Scheme" below, at no time during the six months ended 31 October 2011 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 or any other body corporate.

Share Option Scheme

The Company adopted a new share option scheme on 30 September 2011 (the "New Share Option Scheme"). Pursuant to the New 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-contractors 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. However, no share options were outstanding nor granted during the six months ended 31 October 2011.

Substantial Shareholders' Interests in Shares and Underlying Shares

As at 31 October 2011, the register required to be kept by the Company pursuant to section of the SFO showed that, other than the interests disclosed above in respect of the Directors or chief executive of the Company, no other interests required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

Save as disclosed above, as at 31 October 2011, the Company had not been notified by any person, other than the Director or chief executive of the Company, whose interests are disclosed under the heading "Directors' and Chief Executive's Interests in Shares, Underlying shares and Debentures" above, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

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 regarding directors' securities transactions. 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 six months ended 31 October 2011.

Interim Dividend

The Board has resolved not to declare any interim dividend for the six months ended 31 October 2011 (31 October 2010: nil).

Purchase, Sale or Redemption of listed securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

Audit Committee

During the current period, the Audit Committee of the Company comprised three independent non-executive directors, namely, Mr. Fung Ka Keung David, Dr. Lam Lee G. and Ms. Wong Man Ngar Edna. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 October 2011.

Compliance with the Code on Corporate Governance Practices

In the opinion of the Directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 of the Listing Rules throughout the six months ended 31 October 2011 except for the deviations from the code provisions as described below.

(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 its articles of association, 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.

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

APPRECIATION

I would like to take this opportunity to thank my fellow directors for their invaluable advice and guidance, and to all of our staff for their hard work and loyalty to the Group.

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

Hong Kong, 28 December 2011

As at the date of this announcement, the board of directors 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*