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vongroup

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 2015

The board of directors (the “Directors”) of Vongroup Limited (the “Company”) wishes to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 April 2015 together with comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
CONTINUING OPERATIONS			
Turnover	4	12,889	6,774
Other revenue	4	1,664	1,885
Other net income	4	–	4,216
Cost of inventories consumed		(122)	(329)
Staff costs		(5,183)	(16,665)
Operating lease rentals		(575)	(634)
Depreciation and amortisation		(579)	(1,065)
Impairment loss on goodwill		–	(4,631)
Impairment loss on an available-for-sale investment		–	(9,430)
Other expenses		(10,255)	(9,418)
Change in fair value of investment properties		(933)	4,850
Loss from operations	5	(3,094)	(24,447)
Finance costs	6	(469)	(497)
Loss before taxation		(3,563)	(24,944)
Income tax	7	61	(1,691)
Loss for the year from continuing operations		(3,502)	(26,635)
DISCONTINUED OPERATION			
Loss for the year from discontinued operation	8	(3,161)	(7,947)
Loss for the year attributable to owners of the Company		(6,663)	(34,582)
Other comprehensive (loss)/income for the year			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of overseas subsidiaries		(2)	830
Total comprehensive loss for the year attributable to owners of the Company		(6,665)	(33,752)
Basic and diluted loss per share (HK\$)			
– from continuing and discontinued operations	10	(0.0011)	(0.0059)
– from continuing operations		(0.0006)	(0.0045)
– from discontinued operation		(0.0005)	(0.0014)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Note</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		14,472	15,660
Lease premium for land		–	–
Investment properties		186,949	187,882
Goodwill		–	–
Deposits paid for acquisition of property, plant and equipment		367	367
Available-for-sale investments		2,452	2,452
		<u>204,240</u>	<u>206,361</u>
Current assets			
Inventories		2,128	3,871
Forfeited collateral held for sale		683	583
Accounts receivable	11	–	1,756
Loans and advances to money lending customers		8,387	4,388
Deposits, prepayments and other receivables		29,513	33,695
Equity investments at fair value through profit or loss		31,124	32,815
Deposits placed with financial institutions		1,495	6,423
Cash and bank balances		55,366	51,647
		<u>128,696</u>	<u>135,178</u>
Assets of a disposal group classified as held for sale	8	7,433	–
		<u>136,129</u>	<u>135,178</u>
Current liabilities			
Accounts payable	12	–	1,993
Accruals and deposits received		9,072	13,341
Bank borrowings		34,036	35,982
Tax payables		829	23,547
		<u>43,937</u>	<u>74,863</u>
Liabilities of a disposal group classified as held for sale	8	36,523	–
		<u>80,460</u>	<u>74,863</u>
Net current assets		<u>55,669</u>	<u>60,315</u>
Total assets less current liabilities		<u>259,909</u>	<u>266,676</u>
Non-current liabilities			
Deferred tax liabilities		686	788
NET ASSETS		<u>259,223</u>	<u>265,888</u>
CAPITAL AND RESERVES			
Share capital		5,860	5,860
Reserves		253,363	260,028
TOTAL EQUITY		<u>259,223</u>	<u>265,888</u>

Notes:

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period, as permitted by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), continue to be those of the predecessor Companies Ordinance (Cap. 32). These financial statements also comply with the applicable disclosure provisions of the Listing Rules.

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

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 April 2015 comprise the Company and its subsidiaries (together referred to as the “Group”).

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

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

Disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

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

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

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

The HKICPA has issued the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC) 21	Levies

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the new or amended HKFRSs are discussed below.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment entities

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on these financial statements as the Company does not qualify to be an investment entity.

Amendments to HKAS 32 – Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on these financial statements as they are consistent with the policies already adopted by the Group.

Amendments to HKAS 36 – Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash generating unit (“CGU”) whose recoverable amount is based on fair value less costs of disposal. The amendments do not have an impact on these financial statements for the years presented.

Amendments to HKAS 39 – Novation of derivatives and continuation of hedge accounting

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group’s consolidated financial statements.

HK(IFRIC) 21 – Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these financial statements as the guidance is consistent with the Group’s existing accounting policies.

3. SEGMENT REPORTING

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

1.	Financial services:	Consumer finance, moneylending, other financial/business services and related activities
2.	Securities:	Securities and related activities
3.	Property:	Real property and related activities
4.	Technology & Media:	Technology & media and related activities
5.	Food & Beverage:	Catering services, other food & beverage businesses and related activities
6.	Corporate treasury management:	Management of treasury activities of the Group and related activities

During the year, as disclosed in note 8, the restaurant operation in the People’s Republic of China (the “PRC”) that had been identified and included under the food & beverage segment in previous years was discontinued. The Group will continue to pursue opportunities in this segment.

The segment information reported below does not include any amounts for the discontinued operation, which is described in more detail in note 8.

(a) **Segment revenue, results, assets and liabilities**

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

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

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

Segment revenue and results

Information regarding the Group's reportable segments as provided to the Group's CODM for the purpose of resources allocation and assessment of segment performance for the years ended 30 April 2015 and 2014 is set out below.

	Continuing operations			
	Segment revenue		Segment profit/(loss)	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(Restated)		(Restated)
External:				
Financial services	777	631	(113)	(4,334)
Securities	6,036	(1,039)	6,389	(981)
Property	5,593	5,279	3,875	9,202
Technology & Media	483	1,560	(1,929)	(10,630)
Food & Beverage	–	343	(122)	(551)
Inter-segment:				
Corporate treasury management	7,601	7,233	–	–
Segment total	20,490	14,007	8,100	(7,294)
Elimination	(7,601)	(7,233)	–	–
Total for continuing operations	<u>12,889</u>	<u>6,774</u>	<u>8,100</u>	<u>(7,294)</u>
Unallocated items:				
Other revenue and other net income			1,000	5,200
Unallocated corporate expenses			(12,194)	(22,353)
Finance costs			(469)	(497)
Loss before taxation from continuing operations			(3,563)	(24,944)
Income tax			61	(1,691)
Loss for the year from continuing operations			<u>(3,502)</u>	<u>(26,635)</u>

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

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

Segment assets and liabilities

	2015 HK\$'000	2014 HK\$'000
Segment assets		
Financial services	37,532	20,083
Securities	32,619	48,774
Property	193,590	194,254
Technology & Media	10,394	10,790
Food & Beverage	3,048	12,551
Corporate treasury management	20,433	19,087
Total reportable segment assets	<u>297,616</u>	<u>305,539</u>
Assets of a disposal group classified as held for sale	7,433	–
Unallocated property, plant and equipment	14,411	14,932
Unallocated available-for-sale investments	1,532	1,532
Unallocated cash and cash equivalents	296	1,330
Unallocated other receivables*	18,569	17,765
Unallocated corporate assets	512	441
Consolidated total assets	<u><u>340,369</u></u>	<u><u>341,539</u></u>

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

Segment liabilities

Financial services	691	249
Property	39,339	37,905
Technology & Media	84	82
Food & Beverage	–	35,309
Total reportable segment liabilities	<u>40,114</u>	<u>73,545</u>
Liabilities of a disposal group classified as held for sale	36,523	–
Unallocated liabilities	4,509	2,106
Consolidated total liabilities	<u><u>81,146</u></u>	<u><u>75,651</u></u>

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

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

	Additions to non-current assets		Depreciation and amortisation		Interest income	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000 (Restated)	2015 HK\$'000	2014 HK\$'000 (Restated)
Continuing operations						
Financial services	12	43	13	11	52	45
Technology & Media	–	–	–	2	–	–
Food & Beverage	–	7	–	–	–	–
Corporate treasury management	–	–	–	–	77	62
Unallocated	45	128	566	1,052	–	–
Total	<u><u>57</u></u>	<u><u>178</u></u>	<u><u>579</u></u>	<u><u>1,065</u></u>	<u><u>129</u></u>	<u><u>107</u></u>

In addition to the depreciation and amortisation reported above, impairment loss of goodwill of HK\$4,631,000 was attributable to the financial services segment during the year ended 30 April 2014.

(b) **Geographical information**

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

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

	Revenue		Non-current assets	
	2015 HK\$'000	2014 HK\$'000 (Restated)	2015 HK\$'000	2014 HK\$'000
Continuing operations:				
Hong Kong (place of domicile)	11,925	5,297	175,167	175,682
PRC	559	1,157	10,821	11,927
Macau	405	320	15,800	16,300
Total	<u>12,889</u>	<u>6,774</u>	<u>201,788</u>	<u>203,909</u>

(c) **Information about major customers**

The Group has a very wide customer base, and no single customer contributed 10% or more of the Group's revenue for the two years ended 30 April 2015 and 2014.

4. **TURNOVER, OTHER REVENUE AND OTHER NET INCOME**

	2015 HK\$'000	2014 HK\$'000 (Restated)
Continuing operations:		
Turnover		
Financial services income	777	631
Net gain/(loss) on equity investments at fair value through profit or loss	6,036	(1,039)
Gross rental income from investment properties	5,593	5,279
Income from technology & media businesses	483	1,560
Income from food & beverage businesses	–	343
	<u>12,889</u>	<u>6,774</u>
Other revenue		
Bank interest income	129	107
Other interest income	803	803
Dividend income from listed securities	599	572
Management fee income	120	120
Sundry income	13	283
	<u>1,664</u>	<u>1,885</u>
Other net income		
Gain on disposal of land lease premium	–	2,011
Written back of accruals	–	2,205
	<u>–</u>	<u>4,216</u>

5. LOSS FROM OPERATIONS

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Continuing operations:		
Cost of inventories consumed	122	329
Staff costs (including directors' emoluments):		
Wages and salaries	5,108	16,595
Defined contribution retirement benefits scheme contributions	75	70
	5,183	16,665
Auditor's remuneration*	585	753
Depreciation of property, plant and equipment	579	1,054
Amortisation of lease premium for land	–	11
Exchange loss, net*	50	14
Operating lease rentals – minimum lease payments	575	634
Gross rental income from investment properties less direct outgoings of HK\$134,000 (2014: HK\$86,000)	(5,459)	(5,193)
	(5,459)	(5,193)

* This item is included in other expenses.

6. FINANCE COSTS

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Continuing operations:		
Interest on bank borrowings not wholly repayable within five years	468	493
Bank overdraft interest	1	4
	469	497
	469	497

The analysis shows the finance costs of bank borrowings, including term loans which contain a repayment on demand clause, in accordance with the agreed scheduled repayment dates set out in the loan agreements. For the year ended 30 April 2015, the interest on bank borrowings which contain a repayment on demand clause amounted to HK\$468,000 (2014: HK\$493,000).

7. INCOME TAX

Income tax in the consolidated statement of comprehensive income relating to continuing operations represents:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Continuing operations:		
Income tax expense comprises:		
PRC Enterprise Income Tax ("EIT")	41	201
Under-provision of EIT in prior year	–	74
Land Appreciation Tax ("LAT")	–	628
Deferred tax	(102)	788
Income tax (credit)/expense for the year	(61)	1,691

No provision for profits tax in the Cayman Islands, British Virgin Islands ("BVI") and Hong Kong has been made as the Group has no assessable income for the year in these jurisdictions (2014: Nil).

The provision for PRC Enterprise Income Tax ("EIT") is calculated at the standard rate of 25% (2014: 25%) on the estimated assessable income for the year as determined in accordance with the relevant income tax rules and regulations of the PRC.

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

8. DISCONTINUED OPERATION/DISPOSAL GROUP HELD FOR SALE

On 20 April 2015, the Group and an independent third party, entered into a sale and purchase agreement, pursuant to which, the Group agreed to sell and the independent third party agreed to acquire, 100% equity interest in Kamboat China Limited (together with its wholly-owned subsidiary, the “Disposal Group”), which has a restaurant operation in the PRC at a consideration of HK\$500,000.

The restaurant operation in the PRC was classified as discontinued operation and the assets and liabilities attributable to the restaurant operation have been classified as a disposal group held for sale as at 30 April 2015.

Loss for the year from discontinued operation, for the years ended 30 April 2015 and 2014, were as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Turnover	15,864	19,165
Other revenue	1	54
Cost of inventories consumed	(7,007)	(10,003)
Staff costs	(3,433)	(7,195)
Operating lease rentals	(4,562)	(4,642)
Depreciation	(254)	(486)
Other expenses	(3,770)	(4,830)
Loss from operation	(3,161)	(7,937)
Finance costs	–	(10)
Loss for the year from discontinued operation	(3,161)	(7,947)

Cash flows for the year from discontinued operation were as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Net cash inflows/(outflows) from operating activities	80	(790)
Net cash outflows from investing activities	–	(6)
Net cash outflows from financing activities	–	(206)
Net cash inflows/(outflows) from discontinued operation	80	(1,002)

The major classes of assets and liabilities of the restaurant operation in the PRC as at 30 April 2015, which have been presented separately as “Assets of a disposal group classified as held for sale” and “Liabilities of a disposal group classified as held for sale” in the consolidated statement of financial position, were as follows:

	2015 <i>HK\$'000</i>
Property, plant and equipment	412
Inventories	301
Accounts and other receivables	6,350
Cash and bank balances	370
Assets of a disposal group classified as held for sale	7,433
Accounts and other payables	13,862
Income tax payable	22,661
Liabilities of a disposal group classified as held for sale	36,523

9. DIVIDEND

The directors do not recommend the payment of dividends for the year ended 30 April 2015 (2014: Nil).

10. LOSS PER SHARE

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i> (Restated)
Loss for the year from continuing operations	(3,502)	(26,635)
Loss for the year from discontinued operation	(3,161)	(7,947)
Loss for the year attributable to owners of the Company	<u>(6,663)</u>	<u>(34,582)</u>
	2015	2014
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>5,859,860,900</u>	<u>5,859,860,900</u>

11. ACCOUNTS RECEIVABLE

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Accounts receivable	–	1,756
Less: Allowance for doubtful debts	–	–
	<u>–</u>	<u>1,756</u>

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 management.

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 30 days	–	1,613
31 – 90 days	–	15
91 – 180 days	–	23
Over 180 days	–	105
	<u>–</u>	<u>1,756</u>

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

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Neither past due nor impaired	–	1,651
Past due but not impaired		
1 to 3 months past due	–	–
3 to 6 months past due	–	–
Over 6 months, but less than 1 year past due	–	105
	<u>–</u>	<u>105</u>
	<u>–</u>	<u>1,756</u>

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.

12. ACCOUNTS PAYABLE

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

	2015 HK\$'000	2014 <i>HK\$'000</i>
0 – 30 days	–	413
31 – 90 days	–	557
91 – 180 days	–	137
181 – 360 days	–	437
Over 360 days	–	449
	<u>–</u>	<u>1,993</u>
	–	1,993

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 approximate to the fair values.

MANAGEMENT DISCUSSION AND ANALYSIS

Overall Performance

For the year ended 30 April 2015, the Group generated turnover from continuing operations of approximately HK\$12.9 million (2014: approximately HK\$6.8 million) with a loss for the year from continuing operations of approximately HK\$3.5 million (2014: approximately HK\$26.6 million). The smaller loss for the year was mainly due to, amongst others, (i) realised and unrealised gain on investments in listed equity securities, (ii) reduction in non-cash impairment loss, and (iii) reduction in staff costs. Our Financial Services business has broadened its customer base, resulting in an increase in its income during this financial year, and continues to explore opportunities for asset-trading of loans. Our Property business continues to provide a steady stream of income to the Group. Our Securities business has been operating to achieve risk-adjusted returns which contributed a net realised and unrealised gain on securities investment during this year as compared with a loss during the previous year. In our Food & Beverage business, the Group agreed to sell a restaurant operation in the PRC, following which we continue to seek new opportunities in smaller-scale and more casual food and related consumer services businesses. Our Technology & Media business has been developing income as we seek different business and investment opportunities, such as media and marketing related services and products, and entertainment and related technology services and products.

BUSINESS REVIEW

Financial Services

During the year, revenue of our financial services business was approximately HK\$0.8 million (2014: approximately HK\$0.6 million) with a business segment loss for the year of approximately HK\$0.1 million (2014: loss of approximately HK\$4.3 million).

Securities

Our securities business recorded a net realised and unrealised gain on trading of securities investment of approximately HK\$6.0 million (2014: loss of approximately HK\$1.0 million), which contributed a gain for our securities segment of approximately HK\$6.4 million (2014: loss of approximately HK\$1.0 million) for the year ended 30 April 2015.

Property

The revenue of the Group's property business segment was approximately HK\$5.6 million (2014: approximately HK\$5.3 million). The business segment contributed a profit of HK\$3.9 million (2014: profit of approximately HK\$9.2 million) to the Group. Excluding the gain on unrealised fair value, the recurring profit of the property business segment would have been approximately HK\$4.8 million (2014: approximately HK\$4.4 million).

Technology & Media

Our technology & media business recorded revenue of approximately HK\$0.5 million (2014: HK\$1.6 million) with a business segment loss for the year of approximately HK\$1.9 million (2014: loss of approximately HK\$10.6 million).

Food & Beverage

During the year, revenue for our food & beverage business from continuing operations was approximately HK\$nil (2014: approximately HK\$0.3 million), resulting in a segment loss of approximately HK\$0.1 million (2014: loss of approximately HK\$0.6 million).

SEASONAL/CYCLICAL FACTORS

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

FINANCIAL REVIEW

Liquidity and Financial Resources

The Group maintained cash and bank balances as at 30 April 2015 amounting to approximately HK\$55.4 million (2014: approximately HK\$51.6 million). The Group's current ratio as at 30 April 2015 was 1.7 (2014: 1.8). The total equity of the Group amounted to approximately HK\$259.2 million (2014: approximately HK\$265.9 million) as at 30 April 2015.

Gearing

The gearing ratio, as a ratio of bank borrowings to total equity, was 0.13 as at 30 April 2015 (2014: 0.14).

Exchange Rate Exposure

As at 30 April 2015, the Group's cash and bank balances amounted to approximately HK\$55.4 million, the majority of which was in Hong Kong dollars. Since the majority of the Group's transactions, monetary assets and liabilities is denominated in Hong Kong dollars, United States dollars and Renminbi, with relatively stable exchange rates of Renminbi to Hong Kong dollars and Hong Kong's linked exchange rate between United States dollar and Hong Kong dollar, the Group has minimal exposure to exchange rate fluctuations.

Treasury Policies

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

Commitments

The Group had no capital commitments during the year (2014: nil).

FUTURE PROSPECTS

Looking forward, the global business environment is expected to remain uncertain and the Group will continue to seek further business and investment opportunities.

EMPLOYMENT AND REMUNERATION POLICY

As at 30 April 2015, the Group had 49 (2014: 104) employees in Hong Kong and the PRC. The Group has not experienced any significant problems with its employees or disruptions due to labour disputes nor has it experienced difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare, share options and statutory contributions, if any, are made in accordance with individual performance and prevailing labour laws of its operating entities.

PURCHASES, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 30 April 2015.

CORPORATE GOVERNANCE REPORT

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

Under code provision A.2.1 of the Code, the role of chairman and chief executive officer ("CEO") should be performed by different individuals. Since September 2005, Mr Vong Tat Jeong, David, who is a Director and CEO of the Company, has also carried out the responsibilities of the chairman of the Company. The Board considers the present structure is more suitable to the Company for it can provide strong and consistent leadership and allow for more efficient formulation and implementation of the Company's development strategies.

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

Under code provision A.6.7 of the Code, independent non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. There are three independent non-executive Directors of the Company and they were unable to attend the 2014 annual general meeting of the Company held on 29 September 2014 due to their engagement in their own commitments.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

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

AUDIT COMMITTEE

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

The Group's final results for the year ended 30 April 2015 have been reviewed by the Audit Committee.

SCOPE OF WORK OF CCIF CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position as at 30 April 2015, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 April 2015 as set out in this announcement have been agreed by the Group's auditor, CCIF CPA Limited, to the amounts set out in the Group's 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 in this announcement.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the websites of The Stock Exchange of Hong Kong Limited (www.hkex.com.hk) and the Company (www.thevongroup.com). The Company's 2015 annual report containing all the information required by the Listing Rules will be despatched to shareholders and will be available on the above websites in due course.

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

Hong Kong, 31 July 2015

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

* *For identification purpose only*