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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 2022**

**FINANCIAL HIGHLIGHTS**

1. Revenue increased by 74.6% to HK\$193.2 million.
2. Technology & related business revenue increased by 74.6% to HK\$187.3 million.
3. Profit for the year increased 19.1% to HK\$24.1 million.
4. EBIDTA increased 37.5% to HK\$31.6 million.

Over the past few years, we have seen many enterprises in Hong Kong and much of the rest of the world having to intensely improvise, re-assess and re-position themselves to survive amidst the challenges of the global COVID pandemic, geopolitical tensions, supply chain disruptions, and many other upheavals that were rarely encountered in recent history. As enterprises in Hong Kong and internationally now take stock of the picture of the future, many are now managing and innovating for recovery, growth and transformation.

Embracing digital transformation is now an integral part of how enterprises and governmental organisations go about their work, initially to survive in the recent crisis, and now to recover, innovate and achieve high growth to catch up.

In the face of these global changes, together with our continued effort to expand the Group's technology business regionally in Asia and Europe, we have achieved robust and continued growth, reflecting continued strong market demand from enterprises internationally for our technology services, products and solutions, especially in higher-security and remote-interaction areas that include fintech, ecommerce, payments, cloud technology and enterprise solutions, team enterprise collaboration and messaging systems, enterprise architecture, technology transformation, virtual reality (VR) and augmented reality (AR), virtual and hybrid online-and-offline conferences and exhibitions, custom platforms, and other digital event management and "new normal" solutions.

As compared with the previous year, we have recorded continued steady growth for the year ended 30 April 2022.

- Revenue increased by 74.6% to HK\$193.2 million.
- Technology & related business revenue increased by 74.6% to HK\$187.3 million.
- Profit for the year increased 19.1% to HK\$24.1 million.
- EBIDTA increased 37.5% to HK\$31.6 million.

## CEO'S STATEMENT

Dear Shareholders,

### Performance

Over the past few years, we have seen a period of intense crisis of survival for many enterprises in Hong Kong and much of the rest of the world. They have had to improvise, re-assess and re-position themselves just to continue to do business amidst the challenges of the global COVID pandemic, geopolitical tensions, supply chain disruptions, travel restrictions, and many other upheavals that were rarely encountered in recent history. As enterprises in Hong Kong and internationally now take stock of the picture of the future, many are now managing and innovating for recovery, growth and transformation.

Embracing digital transformation is now an integral part of how enterprises and governmental organisations go about their work, initially to survive in the recent crisis, and now to recover, innovate and achieve high growth to catch up. Decision makers are facing tough market environments, having to take a leading role in securing enterprise margin and growth, where investing in proven technology and process automation has become inevitable for many of them.

Vongroup therefore believes that we are now standing solidly with strength at the beginning of a period of substantial business opportunity internationally, where many sectors reinvent themselves in the “new normal” to target maximum growth and sustainability.

It is with this background that, in the year under review, Vongroup's reliable “technology-for-business” services and solutions address this “new normal”, both in Hong Kong and regionally elsewhere in Asia, and recorded another year of continued growth. In face of these global changes, together with our continued resilience to expand the Group's technology business regionally in Asia, Vongroup has continued to achieve robust performance and steady growth during the year, underpinned by strong market demand for its core technology-for-business services and solutions. Compared with last year, the Group's revenue increased by 74.6% to HK\$193.2 million, and technology sector revenue increased by 74.6% to HK\$187.3 million.

### Innovating for Greater Business Applications – Regional Asia and Europe Focus

Since 2007, Vongroup has refined and developed our main business as a “technology service and solutions provider” which now extends to Vongroup focusing primarily in higher-security and remote-interaction areas that include fintech, ecommerce, payments, cloud technology and enterprise solutions, team enterprise collaboration and messaging systems, enterprise architecture, technology transformation, virtual reality (VR) and augmented reality (AR), virtual and hybrid online-and-offline conferences and exhibitions, custom platforms, and other digital event management and “new normal” solutions.

1. These refinements and adjustments in technology needs reflect prevailing business needs of enterprises. Recent events including COVID and supply chain disruptions have accelerated digital transformation, and represent opportunities that can contribute towards growth of the economy and of our business at Vongroup.
2. Vongroup continues to play a role in this new world of innovating for greater business applications, helping clients to embrace new technologies for business, and to upgrade their existing technology systems to specifically innovate at scale and therefore to achieve high growth for their businesses.
3. We also work with enterprises to simplify their technology infrastructure and strengthen their core capabilities by building or reinforcing their cloud-based automation, so that they can focus on what they do best, which is to offer best services to their customers.
4. Artificial intelligence and team enterprise and office automation are important core strengths for many enterprises now, and Vongroup invests in research, innovation and development towards these ends. To do so, we have multi-disciplinary alliances, including with enterprises in sectors like digital marketing, fashion technology, retail technology, education and course delivery technology, to develop cutting-edge applied technologies. We therefore are able to give clients market intelligence, business technology tools and other value-added services that help them to help their businesses.
5. Applied technology-for-business is strong only if human capital that manages it is also strong. And our staff have shown loyalty, resilience and determination in face of global and social challenges to ensure that our customers continue to receive the best service. We thank our staff for their enthusiasm.

## **Continued success in securing new and renewed business from Hong Kong and regional Asian clients**

The Group's client base continues to be diversified, and it has achieved continued success in securing clients in Hong Kong and regionally in Mainland China, South Korea, Japan, Indonesia, Thailand, and elsewhere in Southeast Asia, amongst others. Its clients range from SMEs to international businesses. New and renewal contracts have been secured during the period under review. These include businesses in investment banking, financial services, wealth management, legal services, ecommerce, education and training, media and entertainment industries, hospitality and retail, marathon and other major leisure and sporting events, amongst others.

In particular, we have seen more international clients strengthening their cloud capabilities. As they complete or strengthen this cloud transformation, we have also witnessed how they have gradually moved from desperately coping with COVID by deploying technology-for-business, to now applying technology-for-business as a way to turbo-charge accelerated growth and transformation. This therefore triggers a new wave of business and potential international business opportunities for Vongroup.

## **Additions and alliances to the Vongroup Ecosystem of technology capabilities**

It is inherent in the nature of this sector that new and emerging technologies are continually developed in the international market for business performance enhancement, and therefore the nature of our business is that we continually add to our service and solutions offerings. Each new or emerging technology that we deploy or acquire is the next step in the continuing upgrade or enhancement of our ecosystem of offerings that is expected to improve our ability to generate more revenue and profits. However, the business-driven technology applied skill sets that we deploy are not new. We have been doing so zealously, and we intend to continue to do so to grow our presence in Hong Kong and also expand regionally in Asia and elsewhere internationally.

In this regard, the Group has achieved the following business expansion and development milestones during the year, amongst others:

- Acquired majority ownership in Claman Global Limited ("Claman"), which strengthens the Group's capabilities with its international multi-function cloud management platform system and business, including SaaS platforms, with built-in multi-language systems and advanced payment tools for digital fintech management of e-commerce and large-scale international events like the Hong Kong Marathon, and virtual and hybrid events like conferences and trade shows, and which has processed online FinTech services for over 200,000 transacted customers
- Acquired entire ownership in TeamTech Digital Corporation, which strengthens the Group's capabilities with its majority-owned enterprise team collaboration system and software business, and e-commerce business, in addition to growing the Group's technology solutions business
- Entered into an agreement to acquire majority ownership in Greenie EdTech Corporation, which, when completed, would be expected to strengthen the Group's capabilities to provide EdTech services in relation to online education and digital training
- Entered into an agreement to acquire an ownership in Rosarini International Limited, which, when completed, would be expected to expand the Group's capabilities to generate business from FashionTech-related customers, especially in relation to digital sales and ecommerce
- Entered into strategic alliances and joint go-to-market co-operation with a leading Asian operator of virtual and hybrid conference and exhibitions for Asian and global clients, and with a leading Asian mobile marketing business

## **Team Enterprise Collaboration Systems and Software**

In particular, as we witness accelerated growth of the digital economy in the "new normal", we also see significant increase in cyber risks, resulting in higher vulnerabilities for enterprises, and their growing need to invest in minimizing or mitigating cyber risks. The Group will seek to grow its higher-security digital services to facilitate the digital transformation of enterprises in Hong Kong and elsewhere regionally in Asia that includes addressing security and compliance issues. According to some industry reports, a significant portion, perhaps over a quarter, of global cyber-attacks occurred in Asia, which not only damage an organisation's technology assets, but also cause financial and reputational losses, constraining future business growth. The Group expects that its higher-security TeamTech enterprise collaboration system and software business will benefit from these "new normal" business practices and address the corresponding security risks.

## **FinTech, VR, AR and Cloud Management Platforms**

Building on the Group's fintech, cloud, VR and AR technology business foundations, especially after its acquisition of Claman, it is in a unique position to support digital transformation for businesses in Asia and elsewhere internationally and to continue expanded deployment of its platforms to facilitate digital management of major events, that include international events and activities like the Hong Kong Marathon, as well as international virtual and hybrid conferences and exhibitions that have spurred significant demand due to restrictions in international travel or due to social distancing practices.

## **Outlook**

As we look ahead, we continually maintain our core technology strategy---that is, the business needs of our clients. Our investment in R&D, our human capital, and our management systems are all buttressed in what our clients need, and what we expect they will need in the future. We continue to persevere to enable every client to take away valued status from Vongroup, and to be able to access the Vongroup Ecosystem of technologies in order to transform, re-assess and grow their companies for the future.

The Group will seek to continue to reinforce its status as a quality technology-for-business provider of the Vongroup Ecosystem of post-COVID “new normal” services and solutions. We believe that in Hong Kong and regionally elsewhere in Asia, there will continue to be increased investment in digital transformation. We look forward to achieving continuing growth in our technology-for-business services and solutions business in Hong Kong and internationally.

The Group will also strive to further increase the breadth and depth of our spectrum of digital services and solutions that we offer. We intend to achieve this by both our internal R&D, as well as by acquisitions and operational business partnerships, in order to be a “digital ecosystem partner for the post-COVID new normal”, so that when enterprises need to revisit or digitally transform their business operations in light of the “new normal” of consumer and market behaviour, the Group will be one of the potential partners they should consider talking to. At the same time, as these transformation needs occur almost all over the world, we will seek to further expand internationally, including leveraging upon our experience to provide consultancy services to improve or develop customers’ technology-focused commercial models. With the combination of the Group’s applied technology and commercial operation experience over the past 15 years, we are optimistic that we will continue to grow our presence in Hong Kong, and internationally.

As Vongroup grows, we believe that we will move from pursuing opportunities, to proactively creating opportunities, which will take us to the next level of competing against legacy technology and solutions providers.

With increasing vaccinations and easing of travel restrictions, we believe that Hong Kong and international economies are heading towards clearer futures. However, the Group is cautious in its management, and will diligently monitor changes in the Hong Kong and global environment. And as we continue to strengthen our stable financial foundation, the Group is in a strong position to continue to seek and secure growth and synergistic opportunities in what appears to be somewhat uncertain business environments, with the view to generate further shareholder value.

Finally, I would like to sincerely thank all our team members, sales channel partners and other business associates for their tireless and dedicated work and trust in an extremely challenging year in making this successful year happen, and I look forward to more milestones to achieve in the years ahead.

**Vong Tat Jeong David**  
*Chief Executive Officer*

Hong Kong, 31 July 2022

The board of directors (the “Directors”) of Vongroup Limited (the “Company”) wishes to announce the preliminary consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 30 April 2022 together with comparative figures for the previous year as follows:

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2022

		2022	2021
	Notes	HK\$'000	HK\$'000
<b>Revenue</b>	4	<b>193,230</b>	110,689
Other revenue	5	158	670
Cost of inventories		(4,694)	–
Staff costs		(11,812)	(8,459)
Expenses recognised under short-term leases		(901)	(808)
Depreciation and amortisation expenses		(5,235)	(766)
Administrative and other operating expenses		(151,724)	(70,712)
Gain on disposal of a subsidiary		–	175
Gain on disposal of an investment property		792	–
Net impairment losses recognised in respect of financial assets at amortised cost		1,335	(6,302)
Change in fair value of investment properties		6,310	(2,333)
Change in fair value of financial assets at fair value through profit or loss (“FVPL”)		23	42
Change in fair value of contingent consideration payable		(1,150)	–
Finance costs	6	(591)	(357)
<b>Profit before income tax</b>	6	<b>25,741</b>	21,839
Income tax expense	7	(1,632)	(1,601)
<b>Profit for the year</b>		<b>24,109</b>	20,238
<b>Other comprehensive (loss)/income for the year</b>			
<i>Item that will not be reclassified to profit or loss</i>			
Change in fair value of financial assets at fair value through other comprehensive income (“FVOCI”)		–	116
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(628)	1,917
<b>Total other comprehensive (loss)/income for the year, net of tax</b>		<b>(628)</b>	2,033
<b>Total comprehensive income for the year</b>		<b>23,481</b>	22,271
<b>Profit for the year attributable to:</b>			
Owners of the Company		20,037	20,238
Non-controlling interests		4,072	–
		<b>24,109</b>	20,238
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		19,409	22,271
Non-controlling interests		4,072	–
		<b>23,481</b>	22,271
<b>Earnings per share</b>	9	<b>HK cents</b>	<b>HK cents</b>
– Basic and diluted		8.98	10.53

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2022

	Notes	2022 HK\$'000	2021 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		10,870	11,592
Investment properties		239,050	243,828
Intangible assets		29,750	–
Goodwill	13	39,331	–
Financial assets at FVOCI		–	23,924
Financial assets at FVPL		1,615	1,592
		<u>320,616</u>	<u>280,936</u>
<b>Current assets</b>			
Financial assets at FVPL		5,000	4,766
Forfeited collaterals held for sale		310	313
Inventories		2,533	–
Accounts receivable	10	116,361	69,636
Loan receivables		25,608	29,405
Deposits, prepayments and other receivables		37,152	28,147
Bank balances and cash		84,022	37,857
		<u>270,986</u>	<u>170,124</u>
<b>Current liabilities</b>			
Accruals, deposits received and other payables		18,230	13,547
Interest-bearing borrowings		70,952	22,139
Current portion of contingent consideration payable	11	2,351	–
Tax payables		2,610	644
		<u>94,143</u>	<u>36,330</u>
<b>Net current assets</b>		<u>176,843</u>	<u>133,794</u>
<b>Total assets less current liabilities</b>		<u>497,459</u>	<u>414,730</u>
<b>Non-current liabilities</b>			
Contingent consideration payable	11	7,862	–
Deferred tax liabilities		6,185	809
		<u>14,047</u>	<u>809</u>
<b>NET ASSETS</b>		<u>483,412</u>	<u>413,921</u>
<b>Capital and reserves</b>			
Share capital	12	9,083	7,688
Reserves		442,736	406,233
Equity attributable to owners of the Company		<u>451,819</u>	<u>413,921</u>
Non-controlling interests		31,593	–
<b>TOTAL EQUITY</b>		<u>483,412</u>	<u>413,921</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2022

### 1. BASIS OF PREPARATION

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

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2021 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period as detailed in Note 2 below.

### 2. ADOPTION OF NEW REVISED HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKAS 39, HKFRSs 7 and 9	Interest Rate Benchmark Reform – Phase 2
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021

#### ***Amendments to HKAS 39, HKFRSs 7 and 9: Interest Rate Benchmark Reform – Phase 2***

The amendments address issues that might affect financial reporting when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the interest rate benchmark reform (the reform). The amendments complement those issued in November 2019 and relate to:

- changes to contractual cash flows – a company will not have to derecognise or adjust the carrying amount of financial instruments for changes required by the reform, but will instead update the effective interest rate to reflect the change to the alternative benchmark rate;
- hedge accounting – a company will not have to discontinue its hedge accounting solely because it makes changes required by the reform, if the hedge meets other hedge accounting criteria; and
- disclosures – a company will be required to disclose information about new risks arising from the reform and how it manages the transition to alternative benchmark rates.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

#### ***Amendments to HKFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021***

The amendment extends the availability of the practical expedient in paragraph 46A of HKFRS 16 so that it applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

## Future changes in HKFRSs

At the date of authorisation of the consolidated financial statements, the IASB has issued the following new/revised HKFRSs that are not yet effective for the current reporting period, which the Group has not early adopted:

Amendments to HKAS 16	Proceeds before Intended Use <sup>1</sup>
Amendments to HKAS 37	Cost of Fulfilling a Contract <sup>1</sup>
Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>1</sup>
Annual Improvements to HKFRSs	2018-2020 Cycle <sup>1</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to HKAS 1	Disclosure of Accounting Policies <sup>2</sup>
Amendments to HKAS 8	Definition of Accounting Estimates <sup>2</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>2</sup>
HKFRS 17	Insurance Contracts <sup>2</sup>
Amendments to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2023

<sup>3</sup> The effective date to be determined

The directors of the Company anticipate that the application of these new standards and amendments will have no material impact on the Group's consolidated financial statements in the future.

### 3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers (the "CODM"), for the purposes of resource allocation and assessment of segment performance focuses on nature of services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable operating segments of the Group.

The Group has determined that there are three reportable operating segments which are set out below.

1. Technology: Technology and related activities
2. Property: Real property and related activities
3. Financial: Consumer finance, securities trading, other financial/business services and related activities

#### a) Segment revenue, results, assets and liabilities

Segment revenue represents revenue derived from provision of technology & management services, financial services, property leasing services, and trading of listed equity securities.

Segment results represent the revenue reported by each segment without allocation of certain other revenue and other gains, corporate expenses and finance costs. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.



The segment information provided to the CODM of the Group for the reportable operating segments for the year is as follows:

**Year ended 30 April 2022**

	Technology <i>HK\$'000</i>	Property <i>HK\$'000</i>	Financial <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>187,255</u>	<u>4,459</u>	<u>1,516</u>	<u>193,230</u>
Segment results	<u>26,171</u>	<u>10,762</u>	<u>1,889</u>	<u>38,822</u>
Unallocated other revenue and other gains				92
Unallocated corporate expenses				(12,582)
Finance costs				(591)
Profit before income tax				<u>25,741</u>
Income tax expense				(1,632)
Profit for the year				<u>24,109</u>

**Year ended 30 April 2021**

	Technology <i>HK\$'000</i>	Property <i>HK\$'000</i>	Financial <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>107,224</u>	<u>4,726</u>	<u>(1,261)</u>	<u>110,689</u>
Segment results	<u>36,567</u>	<u>1,583</u>	<u>(794)</u>	<u>37,356</u>
Gain on disposal of a subsidiary				175
Unallocated other revenue and other gains				452
Unallocated corporate expenses				(15,787)
Finance costs				(357)
Profit before income tax				<u>21,839</u>
Income tax expense				(1,601)
Profit for the year				<u>20,238</u>

The accounting policies of the operating segments are the same on the Group's accounting policies.

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Technology HK\$'000	Property HK\$'000	Financial HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
At 30 April 2022					
<b>Assets</b>					
Reportable segment assets	<u>243,528</u>	<u>274,788</u>	<u>35,503</u>	<u>37,783</u>	<u>591,602</u>
<b>Liabilities</b>					
Reportable segment liabilities	<u>30,074</u>	<u>69,827</u>	<u>279</u>	<u>8,010</u>	<u>108,190</u>
<b>Other information</b>					
Amortisation	4,458	-	-	-	4,458
Depreciation	5	125	2	645	777
Gain on disposal of an investment property	-	(792)	-	-	(792)
Net reversal of impairment losses recognised in respect of financial assets at amortised costs	(401)	-	(789)	(145)	(1,335)
Change in fair value of investment properties	-	(6,310)	-	-	(6,310)
Change in fair value of financial assets at FVPL	-	-	-	(23)	(23)
Change in fair value of contingent consideration payable	1,150	-	-	-	1,150
Additions to intangible assets	34,208	-	-	-	34,208
Additions to property, plant and equipment	<u>43</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>55</u>
	Technology HK\$'000	Property HK\$'000	Financial HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
At 30 April 2021					
<b>Assets</b>					
Reportable segment assets	<u>123,507</u>	<u>258,474</u>	<u>37,523</u>	<u>31,556</u>	<u>451,060</u>
<b>Liabilities</b>					
Reportable segment liabilities	<u>7,748</u>	<u>24,393</u>	<u>302</u>	<u>4,696</u>	<u>37,139</u>
<b>Other information</b>					
Depreciation	117	2	1	646	766
Gain on disposal of a subsidiary	-	-	-	175	175
Net (reversal of) impairment losses recognised in respect of financial assets at amortised costs	4,999	(5)	(636)	1,944	6,302
Change in fair value of investment properties	-	2,333	-	-	2,333
Change in fair value of financial assets at FVPL	-	-	-	(42)	(42)
Write-off of deposits and other receivables	-	-	-	4,255	4,255
Additions to property, plant and equipment	<u>-</u>	<u>20</u>	<u>-</u>	<u>2</u>	<u>22</u>

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

- segment assets include certain property, plant and equipment, (including right-of-use assets), investment properties, intangible assets, goodwill, financial assets at FVOCI, certain financial assets at FVPL, forfeited collateral held for sale, inventories, accounts receivable, loan receivables, certain deposits and other receivables and certain bank balances and cash. Other assets are not allocated to operating segments as these assets are managed on a corporate basis; and
- segment liabilities include certain accruals and deposits received, interest-bearing borrowings, contingent consideration payable, certain tax payables and certain deferred tax liabilities. Other liabilities are not allocated to operating segments as these liabilities are managed on a corporate basis.

**b) Geographical information**

The following table sets out information about the geographical location of (i) the Group’s revenue from external customers and (ii) the Group’s investment properties, property, plant and equipment, intangible assets and goodwill (the “Specified Non-current Assets”). The geographical location of the revenue is presented based on the entity’s countries of domicile. The geographical location of the Specified Non-current Assets is presented based on the physical location of the assets, in the case of investment properties and property, plant and equipment, and the location of the operation to which they are allocated, in the case of intangible assets and goodwill.

	Revenue		Non-current assets	
	2022 HK\$’000	2021 HK\$’000	2022 HK\$’000	2021 HK\$’000
Hong Kong	90,211	67,996	296,280	230,396
Mainland China (the “PRC”)	8,168	14,896	8,721	8,293
Macau	–	–	14,000	16,731
South Korea	27,686	–	–	–
Thailand	15,884	8,950	–	–
Indonesia	37,670	13,260	–	–
Others	13,611	5,587	–	–
Total	<u>193,230</u>	<u>110,689</u>	<u>319,001</u>	<u>255,420</u>

**c) Information about major customers**

Revenue from customers individually contributing 10% or more of the total revenue of the Group is as follows:

	2022 HK\$’000	2021 HK\$’000
Customer A (Technology segment)	<u>Note</u>	<u>13,620</u>

Note: The individual customer contributed less than 10% of the total revenue of the Group in the respective year.

#### 4. REVENUE

An analysis of the Group's revenue for the year is as follows:

	2022 HK\$'000	2021 HK\$'000
<i>Revenue from contracts with customers within HKFRS 15 – point in time</i>		
<b>Provision of technology &amp; management services</b>	<u>187,255</u>	<u>107,224</u>
<i>Revenue from other sources</i>		
<b>Provision of property leasing services</b>		
– Gross rental income from investment properties	<u>4,459</u>	<u>4,726</u>
<b>Provision of financial related services</b>		
– Interest income from consumer finance business	1,156	1,193
– Dividend income from listed equity securities	126	210
– Net gain/(loss) on listed equity securities at FVPL (Note)	<u>234</u>	<u>(2,664)</u>
	<u>1,516</u>	<u>(1,261)</u>
	<u>193,230</u>	<u>110,689</u>

Note:

	2022 HK\$'000	2021 HK\$'000
Net gain/(loss) on listed equity securities at FVPL		
– Change in fair value	234	(1,789)
– Realised loss*	<u>–</u>	<u>(875)</u>
	<u>234</u>	<u>(2,664)</u>

\* The amount represented the proceeds from the disposal of listed equity securities less relevant costs and carrying value of the listed equity securities sold, no listed equity securities was disposed during the year ended 30 April 2022.

#### 5. OTHER REVENUE

	2022 HK\$'000	2021 HK\$'000
<b>Other revenue</b>		
Bank interest income	32	36
Management fee income	66	216
Others	<u>60</u>	<u>418</u>
	<u>158</u>	<u>670</u>

## 6. PROFIT BEFORE INCOME TAX

This is stated after charging (crediting):

	2022 HK\$'000	2021 HK\$'000
<b>Finance costs</b>		
Interest on banking facilities	522	357
Interest on other borrowings	69	–
Total finance costs	<u>591</u>	<u>357</u>
<b>Staff costs (including directors' remuneration)</b>		
Salaries, allowances and other benefits in kind	11,614	8,350
Contributions to defined contribution plans	198	109
Total staff costs	<u>11,812</u>	<u>8,459</u>
<b>Other items</b>		
Auditor's remuneration		
– Audit services	1,050	780
– Non-audit services	–	–
Amortisation of intangible assets	4,458	–
Depreciation		
– Property, plant and equipment	349	338
– Right-of-use assets	428	428
Direct operating expenses arising from investment properties that generated leasing income	117	164
Exchange loss, net	2	4
Research and development expenses (included in “Administrative and other operating expenses”)	17,760	–
Retainer fees (included in “Administrative and other operating expenses”) (Note)	103,311	37,028
Net (reversal of) impairment losses recognised in respect of financial assets at amortised costs		
– Accounts receivable	(572)	3,961
– Loan receivables	(54)	(689)
– Deposits and other receivables	(709)	3,030
Write-off of deposits and other receivables (included in “Administrative and other operating expenses”)	–	4,255
Write-off of loan and interest receivables	311	–
	<u><u>311</u></u>	<u><u>–</u></u>

Note: Retainer fees include, for example, payments to our business partners who are retained to provide services to the Group and in relation to services that we provide to our customers.

## 7. INCOME TAX

	2022 HK\$'000	2021 HK\$'000
<b>Current tax</b>		
Hong Kong Profits Tax		
Current year	1,900	1,652
	<u>1,900</u>	<u>1,652</u>
<b>Deferred taxation</b>		
Changes in temporary differences	(268)	(51)
Total income tax expense for the year	<u>1,632</u>	<u>1,601</u>

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which entities in the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax under these jurisdictions.

The two-tiered profits tax rates regime in Hong Kong is applicable to years of assessment beginning on or after 1 April 2018, under which, the profit tax rate for the first HK\$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK\$2,000,000 will continue to be taxed at the rate of 16.5%. As only one of the subsidiaries in the Group is eligible to elect the two-tiered profits tax rates, profits of the remaining subsidiaries of the Group will continue to be taxed at a flat rate of 16.5%.

For the years ended 30 April 2022 and 2021, Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime.

PRC Enterprise Income Tax has not been provided for the years ended 30 April 2022 and 2021 as the Group's entities in the PRC incurred a loss for taxation purposes.

## 8. DIVIDEND

No dividend has been paid or declared by the Company for the year ended 30 April 2022 (2021: Nil). The directors of the Company do not recommend for payment of a final dividend for the year ended 30 April 2022 (2021: Nil).

## 9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share for the current and prior year is based on profit for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the years.

Diluted earnings per share were same as the basic earnings per share as there were no potentially dilutive ordinary shares in existence during the years ended 30 April 2022 and 2021.

The calculations of basic and diluted earnings per share are based on:

### Earnings

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Profit for the year attributable to owners of the Company, for the purpose of basic and diluted earnings per share	<u>20,037</u>	<u>20,238</u>

### Number of shares

	2022	2021
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>223,157,247</u>	<u>192,189,833</u>

## 10. ACCOUNTS RECEIVABLE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
<b>Accounts receivable</b>		
From third parties	125,586	79,433
Less: Loss allowance	(9,225)	(9,797)
	<u>116,361</u>	<u>69,636</u>

The ageing of accounts receivable based on invoice date, net of loss allowance for expected credit losses, at the end of each reporting period is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 30 days	9,584	7,606
31 to 60 days	13,477	6,991
61 to 90 days	11,101	6,201
91 to 180 days	35,396	11,724
Over 180 days	46,803	37,114
	<u>116,361</u>	<u>69,636</u>

At the end of the reporting period, the ageing analysis of accounts receivable, net of loss allowance for expected credit losses, by due date is as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Not past due	<u>34,162</u>	<u>26,597</u>
Past due:		
Less than 30 days	11,820	2,129
31 to 60 days	12,191	2,437
61 to 90 days	11,384	5,233
91 to 180 days	28,563	10,091
Over 180 days	<u>18,241</u>	<u>23,149</u>
	<u>82,199</u>	<u>43,039</u>
	<u><b>116,361</b></u>	<u><b>69,636</b></u>

The Group generally allows an average credit period range from 30 to 180 days (2021: 30 to 180 days) to its customers. The Group does not hold any collateral over these balances.

#### 11. CONTINGENT CONSIDERATION PAYABLE

	<i>HK\$'000</i>
At 30 April 2021 and 1 May 2021	–
Contingent consideration arising from acquisition of TeamTech	9,663
Net change in fair value recognised in profit or loss	1,150
Realised during the year	<u>(600)</u>
<b>At 30 April 2022</b>	<u><b>10,213</b></u>
Analysed for reporting purposes as:	
Current portion	2,351
Non-current portion	<u>7,862</u>
	<u><b>10,213</b></u>

The contingent consideration payable is measured at fair value, which is calculated based on the expected business performance of the acquired companies of the Group. Since the certain levels of revenue and profit and other conditions for the year ended 30 April 2022 have been fulfilled accordingly consideration payable of HK\$600,000 was redesignated as consideration payable.

#### 12. SHARE CAPITAL

	2022		2021	
	No. of shares	<i>HK\$'000</i>	No. of shares	<i>HK\$'000</i>
<b>Authorised:</b>				
Ordinary shares of HK\$0.04 each				
<b>At the beginning and the end of the reporting period</b>	<u><b>5,000,000,000</b></u>	<u><b>200,000</b></u>	<u><b>5,000,000,000</b></u>	<u><b>200,000</b></u>
<b>Issued and fully paid:</b>				
At the beginning	192,189,833	7,688	192,189,833	7,688
Issue of shares in respect of acquisition of a subsidiary (note)	<u>34,885,000</u>	<u>1,395</u>	–	–
<b>At the end of the reporting period</b>	<u><b>227,074,833</b></u>	<u><b>9,083</b></u>	<u><b>192,189,833</b></u>	<u><b>7,688</b></u>

Note:

On 11 June 2021, the company allotted and issued 34,885,000 consideration shares at an issue price of HK\$0.45 per share to acquire approximately 17.8% equity interest in Claman. Details are set out in Note 13 to consolidated financial statements included in this announcement.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

### 13. ACQUISITION OF SUBSIDIARIES

#### 13(a) Acquisition of Claman and its subsidiaries (“Claman Group”)

On 22 October 2020, VG Investment, a directly wholly-owned subsidiary of the Company, entered into a share and purchase agreement with Allyking International Limited (“Allyking”), an independent third party, pursuant to which VG Investment conditionally agreed to acquire, and Allyking conditionally agreed to sell, 23 shares or approximately 17.8% equity interest in Claman at a consideration of HK\$15,689,250 by allotment and issue of 34,885,000 consideration shares of the Company (“Consideration Shares”) at an issue price of HK\$0.45 per share (the “Further Acquisition of Claman”).

On 27 November 2020, VG Investment and Claman entered into a subscription agreement, pursuant to which Claman conditionally agreed to issue, and VG Investment conditionally agreed to subscribe for, 26 additional shares issued by Claman at a cash consideration of approximately HK\$14,100,000 (the “Subscription of Claman”). Immediately after the Subscription of Claman, the number of shares issued by Claman will be increased from 129 shares to 155 shares.

Immediately after the Further Acquisition of Claman and the Subscription of Claman, the number of shares held in Claman was 78 shares or approximately 50.3% equity interest.

VG Investment has stepped up its equity interest in Claman to approximately 50.3%, in which the Group has obtained control. After the completion of the Further Acquisition of Claman and the Subscription of Claman on 11 June 2021, Claman became a subsidiary of the Group. The Claman Group is principally engaged in the financial technology industry in relation to technologies and services that seek to increase the efficiency of online financial transactions.

#### 13(b) Acquisition of TeamTech and its subsidiaries (“TeamTech Group”)

On 17 August 2021, a wholly-owned subsidiary of the company entered into a share purchase agreement (“Agreement”) with Faith Honest International Co. Ltd. In relation to the acquisition of the entire equity interest in TeamTech, which is an investment holding company and holds approximately 51% equity interest in its operating subsidiaries, TeamSoft Technologies Limited (“TeamSoft”) and Four Directors Ecommerce Limited, and; TeamTech Group is principally engaged in software and ecommerce business.

Pursuant to the Agreement, the maximum consideration is HK\$16,500,000 which comprises of and is to be satisfied by the Group in the following manner:

(i) *Initial consideration*

The initial consideration of HK\$1,500,000 which is to be settled in cash of HK\$750,000 upon completion and another HK\$750,000 within 90 days after the completion, subject to the satisfaction of certain conditions.

(ii) *Contingent consideration*

A maximum of HK\$15,000,000 which will be settled in cash upon fulfilment of certain levels of revenues and profits of TeamSoft, and the Group shall have received dividends of not less than certain amounts as stipulated in the Agreement from TeamTech for the years ended/ending 30 April 2022, 2023, 2024 and 2025.

The transaction was completed on 30 September 2021 and a portion of initial consideration of HK\$750,000 was duly paid during the year ended 30 April 2022 and the conditions for the remaining initial consideration of HK\$750,000 were met but not yet settled and therefore it was recognised as consideration payable as at 30 April 2022.



The fair values of the identifiable assets and liabilities of subsidiaries acquired during the year end 30 April 2022 as at the respective dates of acquisitions are set out below:

	<b>Claman Group HK\$'000</b>	<b>TeamTech Group HK\$'000</b>	<b>Total HK\$'000</b>
<b>Net assets acquired:</b>			
Property, plant and equipment	–	43	43
Intangible assets	9,349	24,859	34,208
Inventories	–	269	269
Trade receivables	–	7,562	7,562
Deposits, prepayments and other receivables	23,465	107	23,572
Bank balances and cash	4,963	174	5,137
Accruals, deposits received and other payables	(2,089)	(7,192)	(9,281)
Deferred tax liabilities	(1,542)	(4,102)	(5,644)
	<hr/>	<hr/>	<hr/>
<b>Total identifiable net assets, at fair value</b>	34,146	21,720	55,866
Non-controlling interests	(16,964)	(10,557)	(27,521)
Goodwill arising on acquisition	39,331	–	39,331
	<hr/>	<hr/>	<hr/>
	<b>56,513</b>	<b>11,163</b>	<b>67,676</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Consideration paid/payable, satisfied by:</b>			
Cash consideration	14,100	1,500	15,600
Consideration Shares	18,489	–	18,489
Contingent consideration – cash	–	9,663	9,663
	<hr/>	<hr/>	<hr/>
<b>Total consideration transferred, at fair value</b>	32,589	11,163	43,752
Fair value of pre-existing 22.5% equity interest in Claman at the date of acquisition	23,924	–	23,924
	<hr/>	<hr/>	<hr/>
	<b>56,513</b>	<b>11,163</b>	<b>67,676</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>An analysis of the cash flows in respect of the acquisition of subsidiaries</b>			
Cash consideration paid	(14,100)	(750)	(14,850)
Bank balances and cash acquired	4,963	174	5,137
	<hr/>	<hr/>	<hr/>
Net outflow of cash and cash equivalents in respect of the acquisitions of subsidiaries	(9,137)	(576)	(9,713)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The deferred tax liabilities are mainly associated with the identifiable intangible assets and is calculated using the Hong Kong Profits Tax rate at 16.5% on the fair value adjustment of the identifiable intangible assets.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERALL PERFORMANCE

Embracing digital transformation in Hong Kong and elsewhere internationally the Group recorded robust growth in its performance for the year ended 30 April 2022, especially in its technology-for-business services, products and solutions.

#### Innovating for Greater Business Applications Focus on Asia and Europe

New extended forms of digital and remote interaction, as well as higher security and compliance needs, are the "next normal" post-COVID internationally. The Group has benefited, as a result of its work since 2007, in having refined and developed its main business as a technology-for business services and solutions provider that focuses primarily on higher-security and remote-interaction areas that include FinTech, ecommerce, payments, cloud technology and enterprise solutions, team enterprise collaboration and messaging systems, enterprise architecture, technology transformation, virtual reality (VR) and augmented reality (AR), virtual and hybrid online-and-offline conferences and exhibitions, custom platforms, and other digital event management and "new and post-COVID next normal" solutions.

To continue to strengthen the Group's services, solutions, and tools, it has been expanding the Vongroup Ecosystem of products and services for providing technology-for-business services and solutions in this post-COVID "new normal". In this regard, the Group has achieved the following business expansion and development milestones during the year ended 30 April 2022, amongst others:

- Acquired ownership in an international multi-function cloud management platform system and business, including SaaS platforms, with built-in multi-language systems and advanced payment tools for digital finTech management of e-commerce and large-scale international events like the Hong Kong Marathon, and virtual and hybrid events like conferences and trade shows, and which has processed online FinTech services for over 200,000 transacted customers
- Acquired ownership in an enterprise team collaboration system and software business, and e-commerce business, and strengthened the Group's technology solutions business
- Entered into an agreement to acquire ownership in an EdTech business in relation to online education and digital training
- Entered into an agreement to acquire an ownership in a FashionTech-related business
- Entered into strategic alliances and joint go-to-market cooperation regarding virtual and hybrid conference and exhibitions, and mobile marketing business

The Group's client base continues to be diversified. We have achieved continued success in securing clients in Hong Kong and regionally in Mainland China, South Korea, Japan, Indonesia, Thailand, and elsewhere in Southeast Asia, amongst others. Its clients range from SMEs to international businesses. New and renewal contracts have been secured during the period under review. These include businesses in investment banking, financial services, wealth management, legal services, ecommerce, education and training, media and entertainment industries, hospitality and retail, marathon and other major leisure and sporting events, amongst others.

As a result of the Group's achievements, the Group's revenue for the year ended 30 April 2022 increased by 74.6% to HK\$193.2 million, and technology sector revenue increased by 74.6% to HK\$187.3 million.

The Group's property business has seen steady performance, generating stable rental income as well as capital value increase.

### OUTLOOK

The Group will seek to continue to reinforce its status as a quality technology-for-business provider of the Vongroup Ecosystem of "next normal" services and solutions. We believe that in Hong Kong and regionally elsewhere in Asia, there will continue to be increased investment in digital transformation. We therefore look forward to achieving continuing international growth in our technology-for-business services and solutions business.

The Group will also strive to further increase the breadth and depth of our spectrum of digital services and solutions that we offer. We intend to achieve this by both our internal R&D, as well as by acquisitions and operational business partnerships, in order to be a "digital ecosystem partner for the post-COVID new and next normal", so that when enterprises need to revisit or digitally transform their business operations in light of the post-COVID "new and next normal", the Group will be one of the potential partners they should consider talking to. At the same time, as these transformation needs occur almost all over the world, we will seek to further expand internationally, including leveraging upon our experience to provide consultancy services to improve or develop customers' technology-focused commercial models. With the combination of the Group's applied technology and commercial operation experience over the past 15 years, we are optimistic that we will continue to grow our presence in Hong Kong and regionally in Asia.

In particular, as we witness accelerated growth of the digital economy in the "post-COVID new and next normal", we also see significant increase in cyber risks, resulting in higher vulnerabilities for enterprises, and their growing need to invest in minimizing or mitigating cyber risks. The Group will seek to grow its higher-security digital services to facilitate the digital transformation of enterprises in Hong Kong and elsewhere regionally in Asia that includes addressing security and compliance issues. According to some industry reports, a significant portion, perhaps over a quarter, of global cyber-attacks occurred in Asia, which not only damage an organisation's technology assets, but also cause financial and reputational losses, constraining future business growth. The Group expects that its higher-security TeamTech enterprise collaboration system and software business will benefit from these "new normal" business practices and addressing the corresponding security risks.

Building on the Group's FinTech, cloud, VR and AR technology business foundations, especially after its acquisition of Claman Global Limited ("Claman"), it is in a unique position to support digital transformation for business and to continue expanded deployment of its platforms to facilitate digital management of major events, like the Hong Kong Marathon, as well as international virtual and hybrid (online-plus-offline) conferences and exhibitions that have spurred significant demand due to restrictions or prohibitions in international travel or due to social distancing practices.

The Group will endeavour to expand by way of synergistic services and solutions offerings to its clients and to clients of acquired entities, in order to create new revenue streams, especially those that meet new business demands resulting from new business and social practices in the "post-COVID Next Normal".

Although the Group's property segment generates steady income and stable capital value appreciation, we will continue to seek opportunities and opportune timing as we target to reduce its weighting.

With increasing vaccinations and easing of travel restrictions, we believe that Hong Kong and international economies ought to head towards their rebound. However, the Group is cautious in its management, and will diligently monitor changes in the Hong Kong and global economic and pandemic environment. And as we continue to strengthen our stable financial foundation, the Group is in a strong position to continue to seek and secure growth and synergistic international opportunities in what otherwise appears to be somewhat uncertain business environments, with the view to generate further shareholder value.

## **BUSINESS REVIEW**

### ***Technology – Meeting "Next Normal" Demands***

The Group delivered a solid set of financial results for the year ended 30 April 2022, amid the ongoing impact of COVID-19, and set against the background of the "post-COVID normal" internationally.

COVID has highlighted the importance of digital transformation, remote interaction, and higher-security concerns. As a quality provider of technology-for-business services and solutions, the Group has remained focused on areas that include FinTech, ecommerce, payments, cloud technology and enterprise solutions, team enterprise collaboration and messaging systems, enterprise architecture, technology transformation, virtual reality (VR) and augmented reality (AR), virtual and hybrid online-and-offline conferences and exhibitions, custom platforms, and other digital event management and "new and next normal" solutions.

Leveraging on the Group's solid fundamentals, and its continuing refinement and development of its technology business, its technology business has continued to achieve robust growth momentum as enterprise customers intensified their digital transformation efforts in response to COVID.

The Group's client base continues to be diversified. We have achieved continued success in securing clients in Hong Kong and regionally in Mainland China, South Korea, Japan, Indonesia, Thailand, and elsewhere in Southeast Asia, amongst others. Its clients range from SMEs to international businesses. New and renewal contracts have been secured during the period under review. These include businesses in investment banking, financial services, wealth management, legal services, ecommerce, education and training, media and entertainment industries, hospitality and retail, marathon and other major leisure and sporting events, amongst others.

As a result, the technology segment recorded revenue increase of 74.6% to HK\$187.3 million (2021: HK\$107.2 million).

### ***Technology – Additions and potential Additions***

It is inherent in the nature of the digital technology business that technologies will evolve, and old technologies will gradually become obsolete, getting replaced by newer technologies at much shorter intervals than commonly would be the case for many other tools or skillsets in other industries. Therefore, the Group believes that the accumulated business, management and sales skills in the application of technologies to business needs are just as important as "traditional" technology expertise. These are some of the key areas that the Group's staff are highly experienced in and continue to contribute significantly to the Group's business growth.

To strengthen the Group's business model, it continues to add to the breadth and depth of the technology services and solutions that it operates. Therefore, the Group actively seeks, negotiates, acquires or secures, and incorporates advanced and commercially-driven technology services and solutions to add to its "stable", in order to create further synergy and to generate greater business opportunities for the Group, and to present synergistic value with our existing technology services and solutions, which would broaden and deepen our business scope.

During the year, the Group acquired the following additions or entered into agreements that are pending completion regarding the following in order to broaden and deepen our ecosystem of technology-for-business services and solutions:

- Acquired majority ownership in Claman, which strengthens the Group's capabilities with its international multifunction cloud management platform system and business, including SaaS platforms, with built-in multi-language systems and advanced payment tools for digital fintech management of e-commerce and large-scale international events like the Hong Kong Marathon, and virtual and hybrid events like conferences and trade shows, and which has processed online FinTech services for over 200,000 transacted customers
- Acquired the entire ownership in TeamTech Digital Corporation ("TeamTech"), which strengthens the Group's capabilities with its majority-owned enterprise team collaboration system and software business, and e-commerce business, in addition to strategic co-operation alliance to grow the Group's technology solutions business
- Entered into an agreement to acquire majority ownership in Greenie EdTech Corporation, which, when completed, would be expected to strengthen the Group's capabilities to provide EdTech services in relation to online education and digital training
- Entered into an agreement to acquire an ownership in Rosarini International Limited ("Rosarini"), which, when completed, would be expected to expand the Group's capabilities to generate business from FashionTech-related customers, especially in relation to digital sales and ecommerce
- Entered into strategic alliances and joint go-to-market cooperation with a leading Asian operator of virtual and hybrid conference and exhibitions for Asian and global clients, and with a leading Asian mobile marketing business

#### ***Other Business***

The Group's property operations are managed with a two-pronged approach of value gain and rental income to optimize value creation for our shareholders. The Group has continued to manage its operations by identifying optimal opportunities to acquire, manage and operate undervalued properties, including (i) commercial properties (retail and offices), especially in Kowloon East CBD, in line with the government's CBD 2.0 policy to transform Kowloon East, (ii) residential properties, especially at prime locations, and (iii) carpark properties, especially at locations with low carpark density. These properties are located at locations that we believe are considered to be higher quality in terms of stable property demand. These properties are acquired, managed, operated and disposed for both value gain and rental income strategies. As a result, (a) income from our properties can be from both disposal proceeds as well as from rental receipts, and (b) change of fair value from our properties are recorded and contribute towards profit or loss for the year.

The Group disposed of one property during the period under review at sale consideration of HK\$11.9 million, recording profit of HK\$0.8 million, and reducing the weighting of this segment. The property segment therefore recorded unrealized fair value of HK\$239.1 million as at 30 April 2022 (2021: HK\$243.8 million). For comparison purposes, if the disposed property is excluded, then the current properties recorded unrealized fair value gain of 2.8%, as compared with their unrealized fair value of HK\$232.7 million as at 30 April 2021. Rental income for the year was HK\$4.5 million (2021: HK\$4.7 million).

Given uncertain market conditions, the Group will continue to identify optimum times and values for disposing of selected properties. However, we also believe that there would be undervalued opportunities, especially outside Hong Kong.

The financial services business is engaged in securities trading and other financial related services. During the year, the Group recorded revenue of HK\$1.5 million (2021: negative HK\$1.3 million), resulting in profit of approximately HK\$1.9 million (2021: loss of HK\$0.8 million). We expect to continue to reduce the weighting of this segment, as compared with the growth in the technology segment.

#### **RISKS AND UNCERTAINTIES**

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

## FUND RAISING EXERCISES

The Company did not have any equity fund raising activity during the year. There was no unutilised proceed brought forward from any issue of equity securities made in previous years.

## MATERIAL ACQUISITIONS AND DISPOSALS

### (1) *Completion of Acquisition of Additional Equity Interest and Subscription for Additional Equity Interest in Claman Global Limited – FinTech & Management Platforms*

On 11 June 2021, a wholly-owned subsidiary of the Company completed the increase of its equity interest in Claman, which owns its technology businesses that is a market leader in international multi-function cloud management platform systems and businesses, to 50.3%, by way of the purchase of 17.8% equity interest in Claman from Allyking for HK\$15.7 million payable by the allotment and issue of 34,885,000 consideration shares of the Company at an issue price of HK\$0.45 per share, and by subscription of 20.2% equity interest in Claman at consideration of HK\$14.1 million. Details of these transactions were disclosed in the announcements of the Company dated 22 October 2020, 27 November 2020, 27 May 2021 and 11 June 2021 and Note 13 to the consolidated financial statements included in this announcement.

### (2) *Acquisition of Equity Interest in Rosarini International Limited – FashionTech*

On 27 May 2021, a wholly-owned subsidiary of the Company (the “Rosarini Purchaser”) entered into a share purchase and strategic alliance agreement with Karen Michelle Scheinecker (the “Rosarini Vendor”), pursuant to which the Rosarini Purchaser conditionally agreed to acquire, and the Rosarini Vendor conditionally agreed to sell, 40% equity interest in Rosarini, which is principally engaged in the FashionTech business, at a consideration of HK\$22.0 million, which shall be satisfied as to HK\$11.0 million in cash and as to HK\$11.1 million by the allotment and issue of 17,000,000 consideration shares of the Company at an issue price of HK\$0.65 per share.

Pursuant to the share purchase and strategic alliance agreement, the Rosarini Vendor additionally conditionally granted to the Rosarini Purchaser the right to acquire up to a further 11% equity interest in Rosarini from the Rosarini Vendor, which right is exercisable at the discretion of the Rosarini Purchaser within 2 years of the completion of the acquisition, at an exercise consideration of HK\$6.1 million, or pro rata amount for partial exercise.

If the Rosarini Purchaser fully exercises its right in respect of such additional acquisition, and assuming no change in the shareholding of Rosarini, the Group will hold 51% of Rosarini, in which case the financial results of Rosarini would then be consolidated into the accounts of the Group. Details of this transaction were disclosed in the announcement of the Company dated 27 May 2021. As at the date of this announcement, this acquisition has not yet completed.

### (3) *Disposal of an investment property*

On 29 July 2021, a wholly-owned subsidiary of the Company entered into an agreement to dispose of an investment property with carrying amount as at 30 April 2021 of HK\$11.1 million at a consideration of HK\$11.9 million. This disposal has been completed. Details of this disposal were disclosed in the announcement of the Company dated 29 July 2021.

### (4) *Acquisition of the entire equity interest in TeamTech Digital Corporation – Enterprise Team Collaboration Software and Ecommerce Business*

On 17 August 2021, a wholly-owned subsidiary of the Company (the “TeamTech Purchaser”) entered into a share purchase agreement with Faith Honest International Co. Ltd. (the “TeamTech Vendor”) pursuant to which the TeamTech Purchaser conditionally agreed to acquire, and the TeamTech Vendor conditionally agreed to sell, the entire equity interest in TeamTech Digital Corporation (“TeamTech”), which owns a majority interest in its enterprise team collaboration system and software and ecommerce business, at a consideration of up to HK\$16.5 million. This acquisition was completed on 30 September 2021, and TeamTech is an indirectly wholly-owned subsidiary of the Company. Details of this acquisition above were disclosed in the announcement of the Company dated 17 August 2021 and Note 13 to the consolidated financial statements included in this announcement.

### (5) *Acquisition of 51% equity interest in Greenie EdTech Corporation (“Greenie EdTech”)*

On 28 October 2021, a wholly-owned subsidiary of the Company (the “Greenie EdTech Purchaser”) entered into a share purchase agreement with Wun Kam Hoi (the “Greenie EdTech Vendor”) pursuant to which the Greenie EdTech Purchaser conditionally agreed to acquire, and the Greenie EdTech Vendor conditionally agreed to sell, 51% equity interest in Greenie EdTech, which owns its EdTech business relating to online education and digital training, at a consideration of HK\$20.4 million, which shall be satisfied as to approximately HK\$12.6 million in cash and as to approximately HK\$7.8 million by the allotment and issue of 20,500,000 consideration shares of the Company at an issue price of HK\$0.378 per share. Details of this acquisition were disclosed in the announcements of the Company dated 28 October 2021 and 17 December 2021. As at the date of this announcement, this acquisition has not yet completed.

Save as disclosed above, the Group had no material acquisition and disposal of subsidiaries, associates and joint ventures during the year.

## **SIGNIFICANT INVESTMENT**

The Group had no significant investment of carrying value of 5% or more of the total assets as at 30 April 2022. As at 30 April 2021, the carrying value of Claman as financial assets at fair value through other comprehensive income of the Group was approximately HK\$23.9 million. Following the completion of acquisition and subscription for additional equity interest in Claman during the year as stated above, the Company indirectly owned approximately 50.32% equity interest in Claman, and its financial results have been consolidated into the financial statements of the Group.

## **FINANCIAL REVIEW**

### ***Liquidity and Financial Resources***

The Group maintained cash and bank balances as at 30 April 2022 amounting to approximately HK\$84.0 million (2021: HK\$37.9 million). The Group's current ratio as at 30 April 2022 was 2.9 (2021: 4.7). The total equity of the Group amounted to HK\$483.4 million as at 30 April 2022 (2021: HK\$413.9 million).

### ***Gearing***

The gearing ratio, as a ratio of interest-bearing borrowings to total equity, was 0.15 as at 30 April 2022 (2021: 0.05).

### ***Exchange Rate Exposure***

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

### ***Treasury Policies***

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

As at 30 April 2022, there were bank borrowings and overdraft facility, which were denominated in Hong Kong dollars, of approximately HK\$43.5 million (2021: HK\$22.1 million) and approximately HK\$26.2 million (2021: nil) respectively. The bank borrowings that are not repayable within one year from the end of the reporting period but contains a repayment on demand clause. The bank overdraft facility is used by the Group as a flexible facility for daily operations similar to other banking facilities. All bank borrowings were classified into current liabilities of the Group.

As at 30 April 2022, there was an unsecured loan entered into by a non-wholly-owned subsidiary, which was denominated in Hong Kong dollars, of approximately HK\$1.3 million (2021: nil).

### ***Contingent Liabilities***

As at 30 April 2022, the Group did not have any material contingent liability (2021: nil).

### ***Pledge of assets***

As at 30 April 2022, the bank borrowings of the Group were drawn under banking facilities. The banking facilities are secured and guaranteed by:

- (i) Investment properties of the Group with an aggregate net carrying amount of approximately HK\$126.2 million (2021: HK\$118.6 million);
- (ii) Leasehold land and buildings of approximately HK\$10.8 million (2021: HK\$11.2 million); and
- (iii) An unlimited corporate guarantee provided by the Company.

All of the banking facilities are subject to the fulfilment of covenants relating to the respective subsidiaries as are commonly found in lending arrangements with financial institutions. If the subsidiaries were to breach the covenants, the drawn down facilities would become repayable on demand. In addition, the subsidiaries' loan agreements contain clauses which give the lender the right at its sole discretion to demand immediate repayment at any time irrespective of whether the subsidiaries have complied with the covenants and met the scheduled repayment obligations.

### ***Commitments***

The Group had no capital commitments as at 30 April 2022 (2021: nil).

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 30 April 2022, the Group had 55 (2021: 50) employees in Hong Kong and the PRC. The total staff costs (including directors' remuneration) for the year were approximately HK\$11.8 million (2021: HK\$8.5 million). 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 2022.

## **CORPORATE GOVERNANCE REPORT**

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

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

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

Under code provision A.6.7 of the Code, independent non-executive directors shall attend general meetings and develop a balanced understanding of the views of shareholders. Two out of three independent non-executive Directors of the Company were unable to attend the 2021 annual general meeting of the Company held on 29 October 2021 due to their engagement in other commitments.

## **MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS**

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

## **AUDIT COMMITTEE**

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

The Group's final results for the year ended 30 April 2022 have been reviewed by the Audit Committee.

## **SCOPE OF WORK OF MAZARS CPA LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 30 April 2022 as set out in this announcement have been agreed by the Group's auditor, Mazars CPA Limited ("Mazars") to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Mazars 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 Mazars on the preliminary 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](http://www.hkex.com.hk)) and the Company ([www.thevongroup.com](http://www.thevongroup.com)). The Company's 2022 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 2022

As at the date of this announcement, the Board 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*