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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)**

**(1) ANNOUNCEMENT OF THE UNAUDITED ANNUAL RESULTS  
FOR THE YEAR ENDED 30 APRIL 2024; AND  
(2) SUSPENSION OF TRADING**

The Board wishes to inform the Shareholders and potential investors of the Company that the publication of the annual results announcement of the Company for the year ended 30 April 2024 (the “**2024 Annual Results**”) will be delayed as the Company’s auditors (“**Auditors**”) are in the process of collecting the necessary confirmations in relation to certain bank balances. Consequently, additional time is required for the Auditors to complete the relevant review and audit.

Considering the current progress of the audit work, the Company expect that the announcement relating to the 2024 Annual Results will be published around mid-August 2024.

**2024 UNAUDITED ANNUAL RESULTS ANNOUNCEMENT**

In the meantime, the Board hereby announces its unaudited annual results for the year ended 30 April 2024 (the “**2024 Unaudited Annual Results**”). The 2024 Unaudited Annual Results were prepared based on the management accounts and information currently available to the management of the Company and have been reviewed by the audit committee of the Company, together with the corresponding comparative audited figures for the year ended 30 April 2023, as follows:

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

*For the year ended 30 April 2024*

	<i>Note</i>	<b>2024</b> <i>HK\$'000</i> <b>(unaudited)</b>	2023 <i>HK\$'000</i> <b>(audited)</b>
<b>Revenue</b>	4	<b>204,545</b>	201,608
Other revenue	5	275	737
Cost of inventories		<b>(1,000)</b>	(4,300)
Staff costs	6	<b>(8,530)</b>	(9,067)
Expenses recognised under short-term leases		<b>(47)</b>	(552)
Depreciation and amortisation expenses		<b>(10,956)</b>	(6,612)
Administrative and other operating expenses		<b>(163,435)</b>	(155,570)
Gain on disposal of subsidiaries		<b>944</b>	–
Net impairment losses, net recognised in respect of financial assets at amortised cost		<b>(30)</b>	687
Change in fair value of investment properties		<b>(5,720)</b>	(5,000)
Change in fair value of financial assets at fair value through profit or loss (“FVPL”)		–	(23)
Change in fair value of contingent consideration payable		<b>7,973</b>	2,240
Finance costs		<b>(2,893)</b>	(1,380)
<b>Profit before income tax</b>	6	<b>21,126</b>	22,768
Income tax expense	7	<b>(4,075)</b>	(2,190)
<b>Profit for the year</b>		<b>17,051</b>	20,578
<b>Other comprehensive income/(loss) for the year</b>			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		<b>288</b>	(672)
<b>Total comprehensive income for the year</b>		<b>17,339</b>	19,906
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the Company		<b>21,123</b>	13,508
Non-controlling interests		<b>(4,072)</b>	7,070
		<b>17,051</b>	20,578
<b>Total comprehensive income/(expense) for the year attributable to:</b>			
Owners of the Company		<b>21,411</b>	12,836
Non-controlling interests		<b>(4,072)</b>	7,070
		<b>17,339</b>	19,906
<b>Earnings per share</b>	9	<i>HK cents</i>	<i>HK cents</i>
– Basic and diluted		<b>8.21</b>	5.83

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2024

	Note	2024 HK\$'000 (unaudited)	2023 HK\$'000 (audited)
<b>Non-current assets</b>			
Property, plant and equipment		9,970	10,398
Investment properties		228,330	234,050
Intangible assets		75,867	61,634
Goodwill		39,331	39,331
Financial assets at fair value through other comprehensive income ("FVOCI")		–	–
Financial assets at FVPL		1,592	1,592
		<u>355,090</u>	<u>347,005</u>
<b>Current assets</b>			
Financial assets at FVPL		6,482	6,796
Forfeited collaterals held for sale		282	282
Inventories		–	233
Accounts receivable	10	125,992	113,180
Loan receivables		34,603	24,722
Deposits, prepayments and other receivables		45,275	17,137
Bank balances and cash		53,104	100,003
		<u>265,738</u>	<u>262,353</u>
<b>Current liabilities</b>			
Accruals, deposits received and other payables		6,734	15,300
Interest-bearing borrowings		53,012	46,396
Current portion of contingent consideration payable		–	2,803
Tax payables		6,734	5,813
		<u>66,480</u>	<u>70,312</u>
<b>Net current assets</b>		<u>199,258</u>	<u>192,041</u>
<b>Total assets less current liabilities</b>		<u>554,348</u>	<u>539,046</u>
<b>Non-current liabilities</b>			
Contingent consideration payable		–	5,170
Deferred tax liabilities		7,835	5,172
		<u>7,835</u>	<u>10,342</u>
<b>NET ASSETS</b>		<u>546,513</u>	<u>528,704</u>
<b>Capital and reserves</b>			
Share capital	11	10,833	9,903
Reserves		485,257	461,502
Equity attributable to owners of the Company		<u>496,090</u>	<u>471,405</u>
Non-controlling interests		50,423	57,299
<b>TOTAL EQUITY</b>		<u>546,513</u>	<u>528,704</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 April 2024

### 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. The 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 (“HK\$’000”) unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2022 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

#### Adoption of new/amended HKFRSs

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

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 May 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

The application of the above new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### Future changes in HKFRSs

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

The Group has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to HKAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> The effective date to be determined

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2025

The directors of the Company do not anticipate that the adoption of the new/amended HKFRSs in future periods will have any material impact on the results of the Group.

### 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 services, property leasing services, financial 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 2024 (unaudited)

	Technology <i>HK\$'000</i>	Property <i>HK\$'000</i>	Financial <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>197,368</u>	<u>5,499</u>	<u>1,678</u>	<u>204,545</u>
Segment results	<u>42,938</u>	<u>(820)</u>	<u>97</u>	<u>42,215</u>
Unallocated other revenue and other gains				135
Unallocated corporate expenses				(18,331)
Finance costs				(2,893)
Profit before income tax				<u>21,126</u>
Income tax expense				(4,075)
Profit for the year				<u><u>17,051</u></u>

#### Year ended 30 April 2023 (audited)

	Technology <i>HK\$'000</i>	Property <i>HK\$'000</i>	Financial <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment revenue	<u>196,721</u>	<u>4,265</u>	<u>622</u>	<u>201,608</u>
Segment results	<u>39,922</u>	<u>(2,069)</u>	<u>(1,142)</u>	<u>36,711</u>
Unallocated other revenue and other gains				538
Unallocated corporate expenses				(13,101)
Finance costs				(1,380)
Profit before income tax				<u>22,768</u>
Income tax expense				(2,190)
Profit for the year				<u><u>20,578</u></u>

The accounting policies of the operating segments are the same on the Group’s accounting policies described in Note 2.

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
<b>At 30 April 2024 (unaudited)</b>					
<b>Assets</b>					
Reportable segment assets	284,701	241,407	55,173	39,547	620,828
<b>Liabilities</b>					
Reportable segment liabilities	31,756	38,820	359	3,380	74,315
<b>Other information</b>					
Amortisation	10,517	-	-	-	10,517
Depreciation	6	2	2	429	439
Gain on disposal of subsidiaries	(944)	-	-	-	(944)
Change in fair value of investment properties	-	5,720	-	-	5,720
Impairment losses recognised in respect of financial assets at amortised costs	1,751	-	(1,347)	(374)	30
Change in fair value of contingent consideration payable	(7,973)	-	-	-	(7,973)
	Technology HK\$'000	Property HK\$'000	Financial HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
<b>At 30 April 2023 (audited)</b>					
<b>Assets</b>					
Reportable segment assets	303,456	248,219	34,119	23,564	609,358
<b>Liabilities</b>					
Reportable segment liabilities	26,474	45,567	1,131	7,482	80,654
<b>Other information</b>					
Amortisation	6,140	-	-	-	6,140
Depreciation	9	6	2	455	472
Net reversal of impairment losses recognised in respect of financial assets at amortised costs	(1,702)	-	1,015	-	(687)
Change in fair value of investment properties	-	5,000	-	-	5,000
Change in fair value of financial assets at FVPL	-	-	-	23	23
Change in fair value of contingent consideration payable	(2,240)	-	-	-	(2,240)
Additions to intangible assets	38,024	-	-	-	38,024

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	
	2024 HK\$'000 (unaudited)	2023 HK\$'000 (audited)	2024 HK\$'000 (unaudited)	2023 HK\$'000 (audited)
Hong Kong	166,951	166,614	334,108	323,095
Mainland China (the "PRC")	4,560	5,400	6,390	7,818
Macau	192	–	13,000	14,500
South Korea	–	8,963	–	–
Thailand	13,972	6,780	–	–
Indonesia	10,049	10,011	–	–
Others	8,821	3,840	–	–
Total	<u>204,545</u>	<u>201,608</u>	<u>353,498</u>	<u>345,413</u>

**c) Information about major customers**

No revenue from customers individually contributing 10% or more of the total revenue of the Group for the years ended 30 April 2024 and 2023.

**4. REVENUE**

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

	2024 HK\$'000 (unaudited)	2023 HK\$'000 (audited)
<i>Revenue from contracts with customers within HKFRS 15 –point in time</i>		
<b>Provision of technology &amp; related services</b>	<u>197,368</u>	<u>196,721</u>
<i>Revenue from other sources</i>		
<b>Provision of property leasing services</b>		
– Gross rental income from investment properties	<u>5,499</u>	<u>4,265</u>
<b>Provision of financial related services</b>		
– Interest income	1,720	1,173
– Dividend income from listed equity securities	272	193
– Net loss on listed equity securities at FVPL ( <i>Note</i> )	(314)	(744)
	<u>1,678</u>	<u>622</u>
	<u>204,545</u>	<u>201,608</u>

*Note:*

	2024 HK\$'000 (unaudited)	2023 HK\$'000 (audited)
Net loss on listed equity securities at FVPL		
– Change in fair value	(314)	(723)
– Realised loss*	–	(21)
	<u>(314)</u>	<u>(744)</u>

\* The amount represented the proceeds from the disposal of listed equity securities of approximately HK\$139,000 less relevant costs and carrying value of the listed equity securities sold, of approximately HK\$160,000.

## 5. OTHER REVENUE

	2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (audited)
Bank interest income	69	34
Management fee income	140	198
Others	66	505
	<u>275</u>	<u>737</u>

## 6. PROFIT BEFORE INCOME TAX

This is stated after charging (crediting):

	2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (audited)
<b><i>Finance costs</i></b>		
Interest on banking facilities	2,822	1,308
Interest on other borrowings	71	72
Total finance costs	<u>2,893</u>	<u>1,380</u>
<b><i>Staff costs (including directors' remuneration)</i></b>		
Salaries, allowances and other benefits in kind	7,620	8,754
Contributions to defined contribution plans	910	313
Total staff costs	<u>8,530</u>	<u>9,067</u>
<b><i>Other items</i></b>		
Auditor's remuneration	1,300	1,300
Amortisation of intangible assets	10,517	6,140
Depreciation		
– Property, plant and equipment	11	44
– Right-of-use assets	428	428
Direct operating expenses arising from investment properties that generated leasing income	192	159
Exchange loss, net	2	122
Research and development expenses (included in “Administrative and other operating expenses”)	29,000	26,297
Retainer fees (included in “Administrative and other operating expenses”) ( <i>Note</i> )	122,329	107,509
Impairment loss/(reversal of impairment losses), net recognised in respect of financial assets at amortised costs		
– Accounts receivable	1,751	4
– Loan receivables	(1,347)	852
– Deposits and other receivables	(374)	(1,543)
Write-off of loan and interest receivables	–	–
	<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

	2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (audited)
<b>Current tax</b>		
Hong Kong Profits Tax		
Current year	1,412	3,203
<b>Deferred taxation</b>		
Changes in temporary differences ( <i>Note 26</i> )	2,663	(1,013)
Total income tax expense for the year	<u>4,075</u>	<u>2,190</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 BVI, 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 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 2024 and 2023, 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 2024 and 2023 as the Group's entities in the PRC incurred a loss for taxation purposes.

## 8. DIVIDEND

No dividend was paid or declared by the Company for the year ended 30 April 2024 (2023: Nil). The directors of the Company do not recommend for payment of a final dividend for the year ended 30 April 2024 (2023: 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 2024 and 2023.

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

### Earnings

	2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (audited)
Profit for the year attributable to owners of the Company, for the purpose of basic and diluted earnings per share	<u>21,123</u>	<u>13,508</u>

### Number of shares

	2024 (unaudited)	2023 (audited)
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u>257,257,159</u>	<u>231,680,312</u>

## 10. ACCOUNTS RECEIVABLE

	2024 <i>HK\$'000</i> (unaudited)	2023 <i>HK\$'000</i> (audited)
<b>Accounts receivable</b>		
From third parties	136,972	122,409
Less: Loss allowance	(10,980)	(9,229)
	<u>125,992</u>	<u>113,180</u>

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

	2024 (unaudited) <i>HK\$'000</i>	2023 (audited) <i>HK\$'000</i>
Within 30 days	10,749	11,641
31 to 60 days	11,577	11,141
61 to 90 days	12,724	9,856
91 to 180 days	43,926	26,511
Over 180 days	47,016	54,031
	<u>125,992</u>	<u>113,180</u>

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

	<b>2024</b> <i>HK\$'000</i> <b>(unaudited)</b>	2023 <i>HK\$'000</i> (audited)
Not past due	<u>35,050</u>	<u>32,639</u>
Past due:		
Less than 30 days	13,744	8,685
31 to 60 days	14,672	9,399
61 to 90 days	15,510	8,426
91 to 180 days	37,481	54,031
Over 180 days	9,535	–
	<u>90,942</u>	<u>80,541</u>
	<u><b>125,992</b></u>	<u><b>113,180</b></u>

The Group generally allows an average credit period range from 30 to 180 days (2023: 30 to 180 days) to its customers. The Group does not hold any collateral over these balances.

## 11. SHARE CAPITAL

	<b>2024</b> <b>(unaudited)</b>		2023 <b>(audited)</b>	
	No. of shares	<i>HK\$'000</i>	No. of shares	<i>HK\$'000</i>
<b>Authorised:</b>				
<i>Ordinary shares of HK\$0.04 each</i>				
<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>5,000,000,000</u>	<u>200,000</u>
<b>Issued and fully paid:</b>				
At the beginning	247,574,833	9,903	227,074,833	9,083
Issue of shares in respect of acquisitions of subsidiaries ( <i>Note</i> )	23,252,466	930	20,500,000	820
<b>At the end of the reporting period</b>	<u><b>270,827,289</b></u>	<u><b>10,833</b></u>	<u>247,574,833</u>	<u>9,903</u>

*Note:*

On 31 October 2023, the Company allotted and issued 23,252,466 consideration shares at an issue price of HK\$0.242 per share to acquire approximately 4.5% equity interest in Claman.

On 8 February 2023, the Company allotted and issued 20,500,000 consideration shares at an issue price of HK\$0.378 per share to acquire approximately 51% equity interest in Greenie.

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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview of Technology-Related Service Industry

The technology-related service industry in 2023-2024 is characterised by several transformative trends and challenges. The industry includes a broad spectrum of services such as software and IT services, consulting, and business solutions, with a significant focus on digital transformation, cloud computing, artificial intelligence (AI), and cybersecurity.

According to Deloitte's Technology Industry Outlook (2024) and McKinsey & Company's Technology Trends Outlook (2024), companies continue to invest heavily in digital transformation and cloud-based platforms. These investments are driven by the need for scalable solutions that can support business agility and resilience. Cloud computing remains a cornerstone, enabling businesses to leverage advanced technologies such as AI and machine learning to optimise operations and enhance customer experiences. The technology service industry is also expanding its focus on industry-specific solutions. This includes enterprise management technologies, event management solutions, financial management systems for major events, SaaS mobile enterprise solutions, and virtual/hybrid event solutions. These tailored services help businesses address unique challenges and leverage opportunities within their specific sectors.

AI technologies, particularly generative AI, have seen substantial advancements and adoption. AI is increasingly being used for creating new content, predictive analytics, and enhancing automation. This trend is expected to accelerate, with businesses exploring innovative applications to drive efficiency and productivity.

With the rise of digital transformation, the need for robust cybersecurity measures has become more critical. Many enterprises are investing in advanced cybersecurity solutions to protect their digital assets and ensure data integrity. This includes a focus on cloud security, managed detection and response services, and the implementation of comprehensive security frameworks.

Despite positive trends, the industry faces several economic challenges. These include high inflation rates, fluctuating interest rates, and supply chain disruptions. Geopolitical tensions and economic slowdowns in key markets have also impacted global tech spending and investment. Additionally, there have been layoffs in some tech sectors, reflecting cost-reduction efforts amid uncertain revenue growth.

Looking ahead, the technology-related service industry is expected by many observers to rebound with modest growth. There is optimism amongst some that strategic investment in innovative technologies and continued focus on digital transformation are likely to drive long-term growth. Many companies are seen enhancing supply chain resilience, adopting intelligent automation, modernising legacy systems, and investing in talent development to navigate the evolving landscape.

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#### Sources:

- McKinsey & Company. (2024). Technology Trends Outlook.
- Deloitte Insights. (2024). Technology Industry Outlook.
- Mordor Intelligence. (2024). IT Services Market Analysis.

### Vongroup's Business

#### *Overall Performance---Overview*

The Group's primary revenue-generating business is technology and related services---we provide software and IT services, together with consulting and business solutions. Our core is our portfolio of technology-for-business applications, digital transformation, and scalable cloud platforms. This strength includes our expertise and experience in enterprise management technologies, Mega event management and technology solutions, financial management technology solutions for major events, SaaS mobile enterprise solutions, remote learning/training solutions, and virtual/hybrid EventTech solutions.

Our Group is focused on leveraging our technology and business expertise and experience, plus our deep industry vertical knowledge, to help our clients' businesses in Hong Kong and abroad, using our advanced enterprise technology tools, products, and services. We present cost-effective options to help clients move towards out-rivalling their competitors, to enable them to outsource essential work during a tight labour market, and to rapidly deploy newer technologies in an increasingly tech-savvy post-pandemic environment.

The Group's move towards global scope and presence has been expanding with the growth of our businesses in the UK and the European Union.

We are therefore pleased that we have maintained steady development, achieving another profitable year while navigating a complex environment of innovation and economic challenges. By focusing on digital transformation, AI, cybersecurity, and industry-specific solutions, we have increased revenue for our Group as a whole, and specifically for our technology-related business, positioning ourselves in good stead for future growth and continued resilience.

For the financial year ended 30 April 2024, our performance included, for example:

- 1.5% increase in revenue to HK\$204.5 million (2023: HK\$201.6 million)
- 13.7% increase in EDITDA to HK\$35.0 million (2023: HK\$30.8 million)

### ***Growing Cross-disciplinary Expertise in the Convergence of Technology and Business; Thorough Knowledge of Multiple Industry Verticals***

Our Group has been an innovation in providing software and IT services covering many industries in Hong Kong and the region. We have helped clients as they proceeded with their digital transformation, by addressing the demand for remote business technologies. As many businesses become more tech-embracing, including advancements in AI and cybersecurity, we continue to develop and expand our offerings to meet growing and newer needs.

We believe our successful performance in our core technology-related business might be attributed to a number of factors. These include, for example, our long-term mission to establish strategic partnerships with customers and experienced organisations, a flexible organisational structure that allows us to rapidly adapt and allocate resources across various industries, and our recognised expertise in scalable cloud platforms for large and Mega events, and extensive online payment and related FinTech systems. Our stable management team, with strong expertise from technology, business, and finance sectors in Hong Kong and globally, further reinforces our capabilities. We also invest in talent development, research, and innovation, maintain a proactive approach to developing new technologies expected to be in demand, and deliver excellent service execution, leading to higher customer satisfaction.

For instance, our TeamTech business develops and manages enterprise-level SaaS mobile resource platforms, enabling efficient business operations and increasing commercial productivity in a post-pandemic commercial world where remote work interactions are now routine.

Our Group's extensive industry expertise across many verticals, combined with our robust reputation and proven track record, therefore presents compelling value for many clients. For instance, our FringeBacker Events division develops, operates, and manages cloud platforms for Mega international events such as, for example, the Standard Chartered Hong Kong Marathon, the Sun Hung Kai Hong Kong Cyclothon, and the Bank of China (Hong Kong) Hong Kong-Zhuhai-Macau Bridge Half Marathon. These Mega international events, which involve tens of thousands or even hundreds of thousands of interacting participants, require sophisticated technology, extensive project management capabilities, high-level security and privacy measures, unique fintech payment solutions, and unparalleled reputational assurance. Additionally, our Greenie EdTech division focuses on the remote learning and training sector.

To maximise business opportunities and to deliver more relevant services, we gear up upon our diverse technology and business capabilities and deep contextual understanding of our clients' industries to provide unique, high-quality, and impactful commercial results. For cross-border projects, we deploy our 24/7 Borderless Services infrastructure and location-agnostic working model, where we pull together resources from multiple locations to ensure optimal support for clients, regardless where their businesses or needs are located.

### **Strategy to Sustain in a technologically demanding business environment**

Our business is customer-focused in both our organisation and our service delivery. To that end, we emphasise research and forecasting to anticipate clients' future technology needs, so that we make early investment and development decisions.

For example, during the COVID-19 pandemic, we correctly anticipated a shift towards more advanced technological adoptions by businesses post-pandemic. We therefore enhanced R&D in digital and remote interactions with higher security and privacy based on cloud technology. These investments are now paying off in the current financial year.

By investing in early research, our Group has established itself as a leader and pioneer in several technology-for-business areas. This includes developing and managing a premier technology platform for Hong Kong's largest Mega sporting events, such as marathons, and creating and managing a leading mobile SaaS enterprise resources platform for out-of-office business activities and collaboration.

The success of this strategy has delivered a consistent flow of services, generating business for our Group year after year from repeat clients. Over time, this has resulted in strong client relationships, an engaged and rewarded team, a solid industry-wide reputation for quality, reliability, and security, expanded potential client markets, and a strong track record of delivering value to our shareholders.

### **Expansion and Development**

Since 2007, our Group has been engaged in technology and related business at various times, providing software and IT services, along with consulting and business solutions. We emphasise a portfolio of technology-for-business applications, digital transformation, and scalable cloud platforms. Our expertise spans across industry verticals, including enterprise management technologies, event management solutions, financial management solutions for major events, SaaS mobile enterprise solutions, remote learning/training solutions, and virtual/hybrid event solutions.

During the current financial year, our Vongroup Ecosystem of products and services for providing technology-for-business services and solutions has achieved significant business expansion and development milestones. These include:

- **International Clients and UK/EU Presence:** We have continued to grow our diversified client base, with clients in Hong Kong, mainland China, Japan, Southeast Asia, UK and Europe. We have established our UK/EU regional headquarters in the United Kingdom. Our clients range from small local companies to international enterprises across various industries, including, for example, investment banking, financial services, wealth management, legal services, engineering services, e-commerce, education and training, media and entertainment, hospitality and retail, and Mega international sporting events.
- **Mega International Event Management Solutions:** Following the integration of Claman Group Limited's FringeBacker Events international cloud management and technology solutions, we have expanded our EventTech business to meet the demand for digital management of large-scale events. This includes sports, music, performance, as well as virtual and hybrid events. Notably, our subsidiary, FringeBacker Events, has again been appointed to provide important EventTech for managing registrations, payments and more for the Standard Chartered Hong Kong Marathon, the Bank of China Hong Kong-Zhuhai-Macau Bridge Half Marathon, and the Sun Hung Kai Hong Kong Cyclothon, amongst others.
- **Financial Management Solutions:** FringeBacker Events has developed financial management solutions for large-scale ticketed entertainment, including integrating cashless systems, and other digital tools to address industry challenges. Our cashless event payment system is a resilient, secure, and scalable solution designed to drive new revenue streams for clients.
- **SaaS Mobile Enterprise Solutions:** TeamTech Digital Corporation's TechSoft has further developed its SaaS work productivity and team collaboration mobile application, adding industry-specific functions to target SMEs and expanding its distribution networks.
- **Virtual/Hybrid Conferences and Mobile Marketing Solutions:** We have expanded our strategic alliances and joint go-to-market cooperation for virtual and hybrid conferences, exhibitions, and mobile marketing, both locally and internationally.

As a result of these achievements, the Group's revenue for the year increased by 1.5% to HK\$204.5 million, and technology sector revenue increased by 0.3% to HK\$197.4 million.

## **Business Outlook for 2025 and Beyond**

We have positioned our Group for growth and expansion in 2025 and beyond, driven by several strategic initiatives and market trends, for example:

### **1. More Technology-for-Business Solutions:**

As businesses continue to embrace Tech, the demand for advanced technology solutions will rise. We intend to enhance our portfolio of technology-for-business applications, focusing on scalable cloud platforms, AI integration, and cybersecurity. Our expertise in enterprise management, Mega event management, financial management, and remote learning solutions will be crucial in meeting the evolving demands from our clients.

### **2. Greater Geographical Expansion:**

We will continue to work towards increasing our presence in international markets, with a focus on the UK/EU region, Southeast Asia, and other emerging markets. We currently have staff based in the UK and in the European Union. Establishing new regional headquarters and expanding our client base will help us tap into new opportunities and diversify our revenue streams.

### **3. Continued Innovation and R&D:**

Investing in research and development will remain a priority, as it has been previously. We aim to stay at or near the forefront of technological advancements by developing innovative solutions that address future business challenges. This includes expanding our capabilities in AI, IoT, and other emerging technologies to create intelligent, data-driven solutions for our clients.

### **4. Working with Others--Strategic Partnerships and Alliances:**

Building strategic partnerships and alliances will be continue to be key for our strategy. Collaborating with technology and commercial partners will enable us to leverage new technologies, gain market insights, and co-develop solutions that meet the specific needs of various industries.

## **5. Social Presence--Sustainability and Corporate Responsibility:**

We are committed to sustainability and corporate responsibility. Our goal is to develop eco-friendly technologies and implement sustainable business practices that reduce our environmental impact. By focusing on sustainable solutions, we aim to create long-term value for our stakeholders and contribute positively to society.

## **6. Enhancing Client Experience:**

Improving the client experience will be a cornerstone of our strategy. By adopting a customer-centric approach, we will focus on understanding client needs, providing personalized solutions, and ensuring high levels of satisfaction. Our goal is to build long-lasting relationships and become a trusted partner for our clients.

By focusing on these strategic areas, we believe that our Group is well-positioned to navigate the challenges and opportunities of 2025 and beyond, moving towards sustainable growth and value creation for all stakeholders.

## **BUSINESS REVIEW**

### **Technology-Related Business**

The Group's primary revenue-generating segment is its technology and related business, which includes the provision of software and IT services, as well as related consulting and business solutions. This segment focuses on a diverse portfolio of technology-for-business applications, digital transformation, and scalable cloud platforms. Key areas of expertise include enterprise management technologies, event management solutions, financial management solutions for major events, SaaS mobile enterprise solutions, remote learning/training solutions, and virtual/hybrid event solutions.

The Group's technology-related business segment recorded steady performance, achieving a revenue increase of 0.3% to HK\$197.4 million (2023: HK\$196.7 million), and a profit for the year of HK\$42.9 million (2023: HK\$39.9 million).

### **Technology-Related Business – Potential Additions to strengthen our base**

It is inherent in the nature of digital technology that new technologies will evolve, and old technologies will gradually become less relevant, being eventually replaced at much shorter intervals than otherwise would be the case for many other industries. Therefore, the Group is looking forward to completing and making acquisitions that we believe would add to our accumulated businesses, management, and sales skills in relation to technologies-for-business.

### **Property and Other Businesses**

The Group's property-related business is managed with a dual strategy of value gain and rental income to optimise value creation for shareholders. The Group continues to identify and manage undervalued properties, including commercial properties in Kowloon East CBD, residential properties in prime locations, and carpark properties with low density. These properties are primarily located in Hong Kong, but also in Mainland China and Macau. They are acquired, managed, operated, and disposed of to achieve both value gain and rental income. Consequently, income from properties can be derived from both disposal proceeds and rental receipts, while changes in fair value contribute to profit or loss for the year.

Rising interest rates and a slow economic recovery in the property market have affected overall property values in Hong Kong. The property segment recorded an unrealised fair value of HK\$228.3 million as at 30 April 2024 (2023: HK\$234.1 million). Rental income for the year under review was HK\$5.5 million (2023: HK\$4.3 million).

Although the property segment continues to generate steady income, given uncertain market conditions, the Group will continue to seek opportunities and optimal timing to reduce its weighting in this segment. However, we also believe there are undervalued opportunities, both in Hong Kong and elsewhere.

The financial services-related business engages in securities trading and other financial operations. During the year under review, the Group recorded revenue of HK\$1.7 million (2023: HK\$0.6 million), resulting in a gain of approximately HK\$1.0 million (2023: loss of HK\$1.1 million). We expect to continue to reduce the weighting of this segment compared to the growth in the technology segment.

## **RISK 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 has adopted and 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 were no unutilised proceeds brought forward from any issue of equity securities made in previous years.

## MATERIAL ACQUISITIONS AND DISPOSALS

### (1) Potential 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 report, this acquisition has not yet completed.

### (2) Completion of acquisition of 51% equity interest in Greenie EdTech Corporation (“Greenie EdTech”)

On 8 February 2023, a wholly-owned subsidiary of the Company completed the acquisition of 51% equity interest in Greenie EdTech, at a consideration of HK\$20.4 million, which was 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 transaction were disclosed in the announcements of the Company dated 28 October 2021, 17 December 2021 and 8 February 2023.

### (3) Acquisition of further 4.5% Equity Interest in Claman Global Limited (“Claman”)

On 1 December 2023, the Company completed its further acquisition of 4.5% equity interest in its subsidiary, Claman, resulting in increasing its shareholding from 50.3% to 54.8%, at a consideration of HK\$5.6 million, which was satisfied by the issuance of 23,252,466 consideration shares of the Company at an issue price of HK\$0.242 per share. Details of this transaction were disclosed in the announcements of the Company dated 31 October 2023, 17 November 2023 and 1 December 2023.

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 2024 and 30 April 2023.

## FINANCIAL REVIEW

### Liquidity and Financial Resources

The Group maintained cash and bank balances as at 30 April 2024 amounting to approximately HK\$53.1 million (2023: HK\$100.0 million). The Group’s current ratio as at 30 April 2024 was 4.0 (2023: 3.7). The total equity of the Group amounted to HK\$546.5 million as at 30 April 2024 (2023: HK\$528.7 million).

### Gearing

The gearing ratio, as a ratio of interest-bearing borrowings to total equity, was 0.10 as at 30 April 2024 (2023: 0.09).

## **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 exchanges 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 2024, there were bank borrowings and overdraft facility, which were denominated in Hong Kong dollars, of approximately HK\$37.6 million (2023: HK\$41.3 million) and approximately HK\$14.6 million (2023: HK\$4.1 million) 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 2024, there was an unsecured loan entered into by a non-wholly-owned subsidiary, which was denominated in Hong Kong dollars, of approximately HK\$0.8 million (2023: HK\$1.0 million).

## **Contingent Liabilities**

As at 30 April 2024, the Group did not have any material contingent liability (2023: nil).

## **Pledge of assets**

As at 30 April 2024, 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\$181.0 million (2023: HK\$183.2 million);
- (ii) Leasehold land and buildings of approximately HK\$9.9 million (2023: HK\$10.3 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 2024 (2023: nil).

## **EMPLOYMENT AND REMUNERATION POLICY**

As at 30 April 2024, the Group had 38 (2023: 45) employees in Hong Kong and the Mainland China. The total staff costs (including directors' remuneration) for the year were approximately HK\$8.5 million (2023: HK\$9.1 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 2024.

## **CORPORATE GOVERNANCE REPORT**

During the year under review, the Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") contained in part 2 of Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") and periodically reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code, except for the deviation from code provisions C.1.8, C.2.1, and B.2.2 of the CG Code as described below.



Under code provision C.1.8, the Company should arrange appropriate insurance cover in respect of legal action against its directors. However, the Company did not take out insurance cover in respect of legal action against the Directors during the year ended 30 April 2024 because it is believed that this legal risk to the Directors is quite low.

Under code provision C.2.1, the role of chairman and chief executive officer (the “CEO”) should be performed by different individuals. 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 B.2.2, every Director should be appointed for a specific term, subject to re-election. The independent non-executive Directors of the Company are not appointed for a specific term which is derived from code provision B.2.2. In accordance with Article 87 of the Articles of Association adopted on 31 October 2022 (the “New Articles”) of the Company, at least one-third of the Directors for the time being shall retire from office by rotation, who have been longest in office since their last re-election, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. As such, the Board considers that this deviation is acceptable.

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

The Company has adopted the Model Code as set out in Appendix C3 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 2024 have been reviewed by the Audit Committee.

#### **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.

#### **PUBLICATION OF THE 2024 UNAUDITED ANNUAL RESULTS ANNOUNCEMENT**

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 2024 Unaudited Annual Results Announcement has not been reviewed or audited by the Auditors, and is therefore subject to potential adjustments and finalisation.

#### **SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange will be suspended with effect from 9:00 a.m. on 1 August 2024, pending the publication of the audited annual results announcement of the Company for the year ended 30 April 2024.

**Shareholders and potential investors of the Company are reminded not to rely on the unaudited consolidated financial information of the Group set out above and should exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 31 July 2024

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 Susie Au, Daphne Bontein da Rosa Gohel and Fung Ka Keung David.

\* *For identification purpose only*