



建泉融資有限公司  
VBG Capital Limited

# **VBG International Holdings Limited**

## **建泉國際控股有限公司\***

(Incorporated in the Cayman Islands with limited liability)

*Stock Code: 8365*

# **First Quarterly Report 2017-18**

*\* For identification purpose only*

## **CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors of VBG International Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of the Company (the “Directors”), having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## FINANCIAL HIGHLIGHTS (UNAUDITED)

- The Company and its subsidiaries (the “**Group**”) recorded revenue of approximately HK\$6.6 million for the three months ended 31 December 2017, representing a decrease of approximately 37.7% when compared with approximately HK\$10.6 million for the three months ended 31 December 2016.
- The Group recorded a loss of approximately HK\$1.6 million for the three months ended 31 December 2017 compared with profit of approximately HK\$3.4 million for the three months ended 31 December 2016. The loss for the three months ended 31 December 2017 was attributable to (i) a decrease in revenue as a result of an unexpected delay in recognition of revenue from certain corporate finance advisory projects handled by the Group and (ii) an increase in staff costs and related expenses.
- The basic and diluted loss per share for the three months ended 31 December 2017 was approximately HK\$0.33 cents and the basic and diluted earnings per share for the three months ended 31 December 2016 was approximately HK\$0.76 cents.
- The Directors do not recommend the payment of any interim dividend for the three months ended 31 December 2017.

**UNAUDITED CONDENSED CONSOLIDATED RESULTS**

The board of Directors (the “**Board**”) announce the unaudited condensed consolidated results of the Group for the three months ended 31 December 2017, together with the comparative unaudited figures for the three months ended 31 December 2016, as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the three months ended 31 December 2017*

		<b>Three months ended</b>	
		<b>31 December</b>	
		<b>2017</b>	2016
	<i>Note</i>	<b>HK\$'000</b>	<i>HK\$'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	3	<b>6,562</b>	10,605
Other income (loss), net	4	<b>428</b>	(16)
Administrative expenses and other operating expenses		<u><b>(8,638)</b></u>	<u>(6,650)</u>
<b>(Loss) Profit before income tax</b>	5	<b>(1,648)</b>	3,939
Income tax expense	6	<u><b>(37)</b></u>	<u>(1,021)</u>
<b>(Loss) Profit for the period</b>		<u><b>(1,685)</b></u>	<u>2,918</u>
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to profit or loss:			
Fair value gain on available-for-sale financial assets		—	520
Currency translation differences		<u><b>75</b></u>	<u>—</u>
<b>Other comprehensive income for the period</b>		<u><b>75</b></u>	<u>520</u>
<b>Total comprehensive (loss) income attributable to ordinary equity holder of the Company for the period</b>		<u><b>(1,610)</b></u>	<u>3,438</u>
		<i>HK cents</i>	<i>HK cents</i>
<b>(Loss) Earnings per share attributable to ordinary equity holder of the Company</b>			
— Basic and diluted	7	<u><b>(0.33)</b></u>	<u>0.76</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

*For the three months ended 31 December 2017*

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i> <i>(note i)</i>	Capital reserve <i>HK\$'000</i> <i>(note ii)</i>	Exchange reserve <i>HK\$'000</i> <i>(note iii)</i>	Investment revaluation reserve <i>HK\$'000</i> <i>(note iv)</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>At 1 October 2017</b> <b>(audited)</b>	<u>5,132</u>	<u>70,935</u>	<u>152</u>	<u>1,392</u>	<u>—</u>	<u>37,941</u>	<u>115,552</u>
Loss for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,685)</u>	<u>(1,685)</u>
<b>Other comprehensive income for the period</b> <i>Items that may be reclassified subsequently to profit or loss</i>							
Currency translation difference	<u>—</u>	<u>—</u>	<u>—</u>	<u>75</u>	<u>—</u>	<u>—</u>	<u>75</u>
<b>Total comprehensive income (loss) for the period</b>	<u>—</u>	<u>—</u>	<u>—</u>	<u>75</u>	<u>—</u>	<u>(1,685)</u>	<u>(1,610)</u>
<b>At 31 December 2017</b> <b>(unaudited)</b>	<u>5,132</u>	<u>70,935</u>	<u>152</u>	<u>1,467</u>	<u>—</u>	<u>36,256</u>	<u>113,942</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
(CONTINUED)**

*For the three months ended 31 December 2016*

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i> <i>(note i)</i>	Capital reserve <i>HK\$'000</i> <i>(note ii)</i>	Exchange reserve <i>HK\$'000</i> <i>(note iii)</i>	Investment revaluation reserve <i>HK\$'000</i> <i>(note iv)</i>	(Accumulated losses)/ retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
1 October 2016 (audited)	—	—	35,152	1,392	—	(2,211)	34,333
Profit for the period	—	—	—	—	—	2,918	2,918
<b>Other comprehensive income for the period</b>							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Fair value gain on available-for-sale financial assets	—	—	—	—	520	—	520
Total comprehensive income for the period	—	—	—	—	520	2,918	3,438
At 31 December 2016 (unaudited)	—	—	35,152	1,392	520	707	37,771

*Notes:*

- (i) Share premium represents the excess of the net proceeds from issuance of the Company's share over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholder provided that the Company is able to pay its debt as they fall due in the ordinary course of business (unless otherwise defined herein, capitalised terms used in this report shall have the same meanings as those defined in the prospectus of the Company dated 15 May 2017, the "**Prospectus**").
- (ii) Capital reserve of the Group represents the capital contribution from the controlling party of certain subsidiaries now comprising the Group before completion of Reorganisation.
- (iii) Exchange reserve of the Group comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong.
- (iv) Investment revaluation reserve of the Group represents the accumulative net change in fair value of available-for-sale investments held at the end of the reporting period.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 31 December 2017*

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 5 February 2016 under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The shares of the Company have been listed on the GEM of the Stock Exchange on 26 May 2017. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is situated at 18/F, Prosperity Tower, 39 Queen's Road Central, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of corporate finance advisory services, placing and underwriting services and business consultancy services.

In the opinion of the Directors, the immediate holding company of the Company is Jayden Wealth Limited ("**Jayden Wealth**"), which is incorporated in the British Virgin Islands (the "**BVI**") and is ultimately controlled by Ms. Wan Ho Yan Letty ("**Ms. Letty Wan**"), the controlling shareholder, an executive director and the chairperson of the Company.

The condensed consolidated financial statements of the Group for the three months ended 31 December 2017 (the "**Condensed Consolidated Financial Statements**") are unaudited, but have been reviewed by the audit committee of the Company. The Condensed Consolidated Financial Statements were approved and authorised for issue by the Directors on 14 February 2018.

The Condensed Consolidated Financial Statements are presented in Hong Kong dollars ("**HK\$**") which is also the functional currency of the Company.

### 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Condensed Consolidated Financial Statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of the GEM Listing Rules.

The Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements and thereby should be read in conjunction with the annual report for the year ended 30 September 2017 (the "**2016/17 Annual Report**") which have been prepared in accordance with HKFRSs issued by the HKICPA. The Condensed Consolidated Financial Statements have been prepared in accordance with the same accounting policies adopted by the Group in the 2016/17 Annual Report except for the adoption of new or



revised HKFRSs issued by the HKICPA, which are effective for the Group's financial year beginning on 1 October 2017. The adoption of these new and revised HKFRSs has not had material impact on the Condensed Consolidated Financial Statements and has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective.

Prior to the corporate reorganisation undertaken in preparation for the listing of the Company's shares on the GEM of the Stock Exchange (the "**Reorganisation**"), the group entities were under the control of Ms. Letty Wan. Details of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure" in the Prospectus. Through the Reorganisation, the Company became the holding company of the companies now comprising the Group. Accordingly, for the purpose of the preparation of the Condensed Consolidated Financial Statements, the Company has been considered as the holding company of the companies now comprising the Group throughout the periods presented. The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity. The Group was under the control of Ms. Letty Wan prior to and after the Reorganisation.

The Condensed Consolidated Financial Statements have been prepared on the historical cost basis except for the available-for-sale financial assets and financial assets at fair value through profit or loss that are measured at fair value.

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

### 3. REVENUE

	<b>Three months ended</b>	
	<b>31 December</b>	
	<b>2017</b>	<b>2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Corporate finance advisory services	6,412	9,805
Business consulting services	<u>150</u>	<u>800</u>
	<u><u>6,562</u></u>	<u><u>10,605</u></u>

**4. OTHER INCOME (LOSS), NET**

	<b>Three months ended</b>	
	<b>31 December</b>	
	<b>2017</b>	<b>2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Dividend income from investments	559	—
Net unrealised loss on financial assets at fair value through profit or loss	(142)	(33)
Interest income	11	2
Others	—	15
	<u>428</u>	<u>(16)</u>

**5. (LOSS) PROFIT BEFORE INCOME TAX**

(Loss) Profit before income tax has been arrived at after charging (crediting):

	<b>Three months ended</b>	
	<b>31 December</b>	
	<b>2017</b>	<b>2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Staff costs:		
Salaries and allowances	6,001	4,602
Contributions to defined contribution plans	139	121
Total staff costs (including directors' remuneration)	<u>6,140</u>	<u>4,723</u>
Auditor's remuneration	69	4
Depreciation of plant and equipment	76	62
Exchange loss	6	88
Legal and professional fees	430	52
Operating lease payments on premises	<u>1,238</u>	<u>1,126</u>

**6. INCOME TAX EXPENSE**

The group entities established in the Cayman Islands and the BVI are exempted from income tax and for the Group's entity established in the People's Republic of China (the "PRC"), no Enterprise Income Tax has been provided as the Group's entity incurred a loss for taxation purpose.

Hong Kong Profits Tax has been provided at the rate of 16.5% on the Group's estimated assessable profits arising from Hong Kong during each of the periods.

	<b>Three months ended</b>	
	<b>31 December</b>	
	<b>2017</b>	<b>2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Current tax</b>		
Hong Kong Profits Tax	<u>37</u>	<u>1,021</u>

## 7. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share of the Company is based on the following data and on the assumption that the Group had been in existence throughout the periods:

	<b>Three months ended</b>	
	<b>31 December</b>	
	<b>2017</b>	<b>2016</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>(Loss) Earnings</b>		
(Loss) Profit for the period for the purpose of basic (loss) earnings per share	<u>(1,685)</u>	<u>2,918</u>

	<b>Three months ended</b>	
	<b>31 December</b>	
	<b>2017</b>	<b>2016</b>
	<i>'000</i>	<i>'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Shares</b>		
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	<u>513,200</u>	<u>384,900</u>

The weighted average number of ordinary shares for the purpose of basic (loss) earnings per share has taken into account the Capitalisation Issue and the Share Offer as disclosed in Appendix IV to the Prospectus had been effective on 1 October 2016.

The weighted average number of ordinary shares in issue for the three months ended 31 December 2016 have been retrospectively adjusted for the effect of the Capitalisation Issue upon the completion of the Share Offer as if such capitalisation issued shares were fully issued at the beginning of three months ended 31 December 2016.

For each of the three months ended 31 December 2017 and 2016, there were no dilutive potential ordinary shares in issue, thus no diluted (loss) earnings per share is presented.

## 8. DIVIDENDS

The Board is not declaring the payment of an interim dividend for the three months ended 31 December 2017 and 2016.

The final dividend of HK\$0.02 per ordinary share of the Company for the year ended 30 September 2017 was approved at the annual general meeting of the Company held on 26 January 2018 and will be posted on Tuesday, 13 February 2018 by ordinary mail.

## 9. EVENTS AFTER REPORTING PERIOD

On 19 December 2017, an indirect wholly-owned subsidiary of the Company entered into the sale and purchase agreement with BGI Group Limited, a company incorporated under the laws of the British Virgin Islands and wholly-owned and controlled by Mr. Wan Chuen Chung Joseph, an associate of the connected person of the Company, to acquire all the issued share capital of Baron Global Financial Canada Ltd. (“**Baron Global**”), a company incorporated under the laws of Canada with limited liability and take up shareholder’s loans in Baron Global, at a consideration of approximately HK\$36.9 million (the “**Acquisition**”). The transaction has not yet been completed at the date of this report. The completion is conditional upon certain conditions as set out in the sale and purchase agreement.

Details of the above transaction are set out in the Company’s announcement dated 19 December 2017.

## MANAGEMENT DISCUSSION AND ANALYSIS

### *BUSINESS REVIEW*

The Group is principally engaged in the provision of (i) corporate finance advisory services (including sponsorship, compliance advisory, financial advisory and independent financial advisory); (ii) placing and underwriting services; and (iii) business consulting services, mainly to companies listed on the Stock Exchange, non-listed companies and potential listing applicants on the Stock Exchange mainly in Hong Kong, the PRC, Asia and Europe. The Group's corporate finance advisory services include advising on transactions or compliance matters under the Listing Rules, the GEM Listing Rules or the Takeovers Code in the capacity of financial advisers; giving opinions or recommendations to the independent board committees and independent shareholders of our customers in the capacity of independent financial advisers; acting as sponsor in IPO exercises, advising companies on compliance requirements and acting as compliance adviser to listed companies post-IPO. In respect of providing placing and underwriting services, the Group acts as placing agent, lead manager and/or underwriter in primary and/or secondary market equity fund-raising exercise. The Group's business consulting services include reviewing potential customers' business, capital structure and corporate strategic plans, and advising on mergers and acquisitions.

Corporate finance advisory business continues to be the core business of the Group. During the period, whilst the corporate finance advisory business has generated the bulk of the Group's revenues, the Group experienced an unexpected delay in recognition of revenues from certain corporate finance projects handled by the Group. It should be noted that the variation on the timing of recognizing revenues is one of the risks associated with the Group's corporate finance advisory business. Developing its network internationally will also be the Group's focus in growing its business. During the period, the Company entered into a memorandum of understanding with PA Ergon Legal, and a subsidiary of the Company entered into a sale and purchase agreement for the acquisition of Baron Global Financial Canada Ltd., both of which is expected to provide an opportunity for the Group to expand its international network.

## ***FINANCIAL REVIEW***

### ***Revenue***

The Group's revenue was derived from three principal sources - corporate finance advisory services, placing and underwriting services, and business consulting services.

The Group's revenue decreased by approximately HK\$4.0 million, or approximately 37.7% from approximately HK\$10.6 million for the three months ended 31 December 2016 as compared to approximately HK\$6.6 million for the three months ended 31 December 2017. Such decrease was mainly attributable to a decrease in revenue of approximately HK\$3.4 million from corporate finance advisory services as a result of an unexpected delay in recognition of revenue from certain corporate finance advisory projects handled by the Group.

### ***Other income***

The Group's other income was mainly derived from bank interest income and dividend income from investments.

The Group's other income increased from a loss of approximately HK\$16,000 for the three months ended 31 December 2016 to a gain of approximately HK\$428,000 for the three months ended 31 December 2017. Such increase was mainly attributable to the allocation of the unutilised proceeds by placing on short-term interest bearing instrument with licensed banks in Hong Kong (including but not limited to, time deposits and investment in perpetual subordinated capital securities issued by HSBC Holdings plc) for the treasury management purpose as stated on page 11 and 12 of the 2016/17 Annual Report.

### ***Administrative expenses and other operating expenses***

The Group's administrative expenses and other operating expenses were mainly comprised staff costs and related expenses, rental expenses and professional fees.

The Group's administrative expenses and other operating expenses increased by approximately HK\$1.9 million, or approximately 28.4% from approximately HK\$6.7 million for the three months ended 31 December 2016 to approximately HK\$8.6 million for the three months ended 31 December 2017. Such increase was mainly attributable to an increase in staff costs and related expenses by approximately HK\$1.4 million, or approximately 29.8% from approximately HK\$4.7 million for the three months ended 31 December 2016 to approximately HK\$6.1 million for the three months ended 31 December 2017.

***(Loss) Profit for the period***

As a result of foregoing, the Group recorded a loss of HK\$1.6 million for the three months ended 31 December 2017 as compared with profit of HK\$3.4 million for the three months ended 31 December 2016.

***USE OF PROCEEDS***

In respect of the net proceeds of approximately HK\$58.9 million (based on the final Offer Price of HK\$0.68 per Offer Share, being the low-end of the price range stated in the Prospectus) raised from the Share Offer on 26 May 2017, which is lower than the estimated net proceeds of approximately HK\$73.4 million (assuming the Offer Price would be HK\$0.78 per Offer Share, being the mid-point of the price range stated in the Prospectus).

The Group adjusted the use of proceeds in the same manner and in the same proportion as shown in the Prospectus. The adjusted use of proceeds is shown below together with the net proceeds had been utilised, as at 31 December 2017, as follows:

	<b>Adjusted net proceeds</b>	<b>Amount utilised as at 31 December 2017</b>	<b>Balance</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
To expand our placing and underwriting business	39.3	—	39.3
To enhance and strengthen our financial advisory business by maintaining and expanding our corporate finance team	5.5	0.9	4.6
To expand our network internationally and across the PRC	12.1	1.6	10.5
General working capital	<u>2.0</u>	<u>2.0</u>	<u>—</u>
<b>Total</b>	<b><u>58.9</u></b>	<b><u>4.5</u></b>	<b><u>54.4</u></b>

As at 31 December 2017, unutilised proceeds of approximately HK\$54.4 million were placed on short-term interest bearing instrument with licensed banks in Hong Kong.

***MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES***

There was no material acquisition or disposal of subsidiaries during the three months ended 31 December 2017.

***PROSPECTS***

In view of the potential risks associated with global monetary easing policies and rising interest rates as well as ongoing concerns arising from tensions between the United States and North Korea, the outlook for the global financial markets appears to be challenging.

Despite the foregoing, the Group will continue to focus its efforts and resources on: (i) actively participating in placing and underwriting activities in primary and secondary market fund raising exercises, (ii) enhancing and strengthening our financial services business by maintaining and expanding our corporate finance team and (iii) expanding our network internationally and across the PRC.

The Group expects that its corporate finance advisory services will continue to grow in line with market and that its association with PA Ergon Legal would generate potential business opportunities for the Group.

**DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

As at 31 December 2017, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the “SFO”)) held by the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:



## Long positions

### (i) Interests in the shares of the Company:

Name of Director	Capacity/Nature	Number of shares interested	Approximate percentage of the issued share capital of the Company
Ms. Wan Ho Yan Letty	Interests of controlled corporation	384,900,000 (L)	75%

*Notes:*

- (1) These 384,900,000 shares are held by Jayden Wealth Limited (“**Jayden Wealth**”), a company incorporated in the British Virgin Islands and wholly owned by Ms. Wan Ho Yan Letty (“**Ms. Letty Wan**”). Therefore, Ms. Letty Wan is deemed to be interested in all the shares held by Jayden Wealth for the purpose of the SFO.
- (2) The letter “L” denotes as long positions in the shares of the Company.

### (ii) Interests in the shares of an associated corporation of the Company:

Name of Director	Name of associated corporation	Capacity/Nature	Number of shares interested	Approximate percentage of the issued share capital of the associated corporation
Ms. Wan Ho Yan Letty	Jayden Wealth Limited	Beneficial owner	1	100%

Save as disclosed above, as at 31 December 2017, none of the Directors and chief executives of the Company and/or any of their respective associates had any interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations" above and "Share Option Scheme" below, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations at any time during the three months ended 31 December 2017.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2017, the following parties (not being the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

### Long positions in the shares or underlying shares of the Company

Name of Shareholder	Nature of interests	Number of shares held	Number of underlying shares held	Total number of shares and underlying shares held	Approximate percentage of the issued share capital of the Company
Jayden Wealth Limited	Beneficial owner	384,900,000	—	384,900,000	75%

#### Notes:

- (1) Jayden Wealth Limited ("**Jayden Wealth**") is wholly owned by Ms. Wan Ho Yan Letty ("**Ms. Letty Wan**"). Under the SFO, Ms. Letty Wan is deemed to be interested in all the shares held by Jayden Wealth.
- (2) The approximate percentage of shareholdings is based on 513,200,000 shares as at 31 December 2017, not the enlarged issued share capital of the Company.

Save as disclosed above, the Directors were not aware of any other persons, other than the Directors or the chief executives of the Company who held an interests or short positions in the shares and or underlying shares of the Company as at 31 December 2017 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

### **SHARE OPTION SCHEME**

The Company had adopted a share option scheme (the “**Share Option Scheme**”) by the resolutions in writing of the sole shareholder of the Company passed on 4 May 2017. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. No share option has been granted by the Company since the adoption of the Share Option Scheme and there was no share option outstanding as at 31 December 2017.

### **PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the three months ended 31 December 2017 and up to the date of this report and neither the Company nor any of its subsidiaries had issued or granted any convertible securities, options, warrants or similar rights or exercise any conversion or subscription rights under any convertible securities, options, warrants or similar rights during the three months ended 31 December 2017 and up to date of this report.

### **COMPETING INTERESTS**

As at 31 December 2017, none of the Directors, substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group or has or may have any other conflict of interests with the Group during the three months ended 31 December 2017.

## COMPLIANCE ADVISER'S INTEREST

As at the date of this report, Dakin Capital Limited (“**Dakin Capital**”), the compliance adviser of the Company, has confirmed that except for the compliance adviser agreement entered into between the Company and Dakin Capital dated 11 May 2017, neither Dakin Capital nor its directors, employees or close associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

## CORPORATE GOVERNANCE

The Company has not engaged in any activities falling under the continuing disclosure requirements pursuant to the Rules 17.22 and 17.24 of the GEM Listing Rules.

During the three months ended 31 December 2017 and up to the date of this announcement, the Board has reviewed the Group's corporate governance practices and is satisfied that the Group has complied with the code provisions of the Corporate Governance Code (the “**Code**”) as set out in Appendix 15 to the GEM Listing Rules.

## AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has been established with written terms of reference in compliance with Rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the Code. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Ho Lik Kwan Luke, as the chairman of the Audit Committee, Mr. Kam Cheuk Fai David and Mr. William Robert Majcher. The primary duty of the Audit Committee is to review and supervise the Company's financial reporting process, the risk management and internal control systems of the Group and the monitoring of continuing connected transactions.

Pursuant to code provision C.3.3 of the Code, the Audit Committee together with the management of the Company have reviewed the financial reporting matters including the review of the unaudited first quarterly results for the three months ended 31 December 2017 of the Group and confirmed that the preparation of such complied with applicable accounting principles and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosure had been made.

## **BOARD OF DIRECTORS**

As at the date of this report, the Directors are:

### **Executive Directors:**

Ms. Wan Ho Yan Letty (*Chairperson*)

Mr. Hui Ringo Wing Kun

### **Non-executive Director:**

Mr. Wan Chuen Fai

### **Independent Non-executive Directors:**

Mr. Kam Cheuk Fai David

Mr. William Robert Majcher

Mr. Ho Lik Kwan Luke

By Order of the Board  
**VBG INTERNATIONAL HOLDINGS LIMITED**  
**Wan Ho Yan Letty**  
*Chairperson*

Hong Kong, 14 February 2018