



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

Interim Report
2020-21

** For identification purpose only*

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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FINANCIAL HIGHLIGHTS (UNAUDITED)

- The Company and its subsidiaries (the “**Group**”) recorded a revenue of approximately HK\$24.7 million for the six months ended 31 March 2021, representing a decrease of approximately 14.8% when compared with a revenue of approximately HK\$29.0 million for the six months ended 31 March 2020.
- The Group recorded a loss of approximately HK\$6.5 million for the six months ended 31 March 2021 compared with a loss of approximately HK\$9.9 million for the six months ended 31 March 2020. The decrease in loss for the six months ended 31 March 2021 was mainly attributable to the combined effect of (i) a decrease in revenue of approximately HK\$4.3 million; (ii) an increase in other income of approximately HK\$1.7 million; and (iii) a decrease in administrative and other operating expenses of approximately HK\$6.1 million as compared to the six months ended 31 March 2020.
- The basic and diluted loss per share for the six months ended 31 March 2021 was approximately HK1.27 cents and the basic and diluted loss per share for the six months ended 31 March 2020 was approximately HK1.93 cents.
- The board of Directors (the “**Board**”) did not recommend the payment of any interim dividend for the six months ended 31 March 2021 (2020: nil).

INTERIM RESULTS

The Board announces the unaudited condensed consolidated results of the Group for the three months and six months ended 31 March 2021, together with the unaudited comparative figures for the three months and six months ended 31 March 2020, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 31 March 2021

	Notes	Three months ended 31 March		Six months ended 31 March	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	4	16,117	24,022	24,696	28,999
Other income, net	5	776	193	2,343	590
Administrative expenses and other operating expenses		(21,777)	(26,079)	(33,035)	(39,073)
Finance costs	6	(214)	(213)	(476)	(420)
Loss before income tax	7	(5,098)	(2,077)	(6,472)	(9,904)
Income tax expense	8	(35)	—	(68)	—
Loss for the period		(5,133)	(2,077)	(6,540)	(9,904)
Other comprehensive income (loss)					
<i>Items that will not be reclassified to profit or loss</i>					
Fair value (loss) gain on financial assets designated at fair value through other comprehensive income (“Designated FVOCI”)	13	(1,182)	(767)	646	(1,311)
Other comprehensive (loss) income for the period		(1,182)	(767)	646	(1,311)
Total comprehensive loss for the period		(6,315)	(2,844)	(5,894)	(11,215)
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Loss per share					
Basic and diluted	9	(1.00)	(0.40)	(1.27)	(1.93)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2021

	<i>Notes</i>	At 31 March 2021 <i>HK\$'000</i> (Unaudited)	At 30 September 2020 <i>HK\$'000</i> (Audited)
Non-current assets			
Goodwill	<i>10</i>	12,973	12,973
Plant and equipment	<i>11</i>	3,595	4,122
Intangible assets		613	613
Right-of-use assets	<i>12</i>	4,333	7,748
Other deposits		205	205
Designated FVOCI	<i>13</i>	3,596	3,494
		<u>25,315</u>	<u>29,155</u>
Current assets			
Financial assets at fair value through profit or loss (“FVPL”)	<i>14</i>	582	582
Trade and other receivables	<i>15</i>	10,257	19,108
Bank balances — client accounts		33,035	26,250
Bank balances — general accounts and cash		37,606	26,944
		<u>81,480</u>	<u>72,884</u>
Current liabilities			
Trade and other payables	<i>16</i>	47,066	36,533
Loan payables	<i>17</i>	4,000	2,500
Lease liabilities	<i>12</i>	1,158	4,599
Amount due to a director	<i>18</i>	2,000	—
Income tax payables		1,900	1,832
		<u>56,124</u>	<u>45,464</u>
Net current assets		<u>25,356</u>	<u>27,420</u>
Total assets less current liabilities		<u>50,671</u>	<u>56,575</u>
Non-current liabilities			
Loan payables	<i>17</i>	360	240
Lease liabilities	<i>12</i>	3,520	3,650
Deferred tax payables		459	459
		<u>4,339</u>	<u>4,349</u>
NET ASSETS		<u>46,332</u>	<u>52,226</u>
Capital and reserves			
Share capital	<i>19</i>	5,132	5,132
Reserves		41,200	47,094
TOTAL EQUITY		<u>46,332</u>	<u>52,226</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the six months ended 31 March 2020*

	Reserves							Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000 <i>(Note i)</i>	Capital reserve HK\$'000 <i>(Note ii)</i>	Exchange reserve HK\$'000 <i>(Note iii)</i>	Investment revaluation reserve (non- recycling) HK\$'000 <i>(Note iv)</i>	Retained earnings/ (Accumulated losses) HK\$'000	Total reserves HK\$'000	
At 1 October 2019 (audited)	<u>5,132</u>	<u>70,935</u>	<u>152</u>	<u>1,656</u>	<u>(3,141)</u>	<u>12,537</u>	<u>82,139</u>	<u>87,271</u>
Loss for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(9,904)</u>	<u>(9,904)</u>	<u>(9,904)</u>
Other comprehensive income (loss) for the period								
<i>Items that will not be reclassified to profit or loss</i>								
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>45</u>	<u>(45)</u>	<u>—</u>	<u>—</u>
Fair value loss on Designated FVOCI	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,311)</u>	<u>—</u>	<u>(1,311)</u>	<u>(1,311)</u>
Total other comprehensive loss for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,266)</u>	<u>(45)</u>	<u>(1,311)</u>	<u>(1,311)</u>
Total comprehensive loss for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,266)</u>	<u>(9,949)</u>	<u>(11,215)</u>	<u>(11,215)</u>
At 31 March 2020 (unaudited)	<u><u>5,132</u></u>	<u><u>70,935</u></u>	<u><u>152</u></u>	<u><u>1,656</u></u>	<u><u>(4,407)</u></u>	<u><u>2,588</u></u>	<u><u>70,924</u></u>	<u><u>76,056</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(CONTINUED)

For the six months ended 31 March 2021

	Reserves							
	Share capital HK\$'000	Share premium HK\$'000 (Note i)	Capital reserve HK\$'000 (Note ii)	Exchange reserve HK\$'000 (Note iii)	Investment revaluation reserve (non-recycling) HK\$'000 (Note iv)	Retained earnings/ (Accumulated losses) HK\$'000	Total reserves HK\$'000	Total HK\$'000
At 1 October 2020 (audited)	<u>5,132</u>	<u>70,935</u>	<u>152</u>	<u>1,656</u>	<u>(3,002)</u>	<u>(22,647)</u>	<u>47,094</u>	<u>52,226</u>
Loss for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(6,540)</u>	<u>(6,540)</u>	<u>(6,540)</u>
Other comprehensive income (loss) for the period								
<i>Items that will not be reclassified to profit or loss</i>								
Fair value change on Designated FVOCI reclassified to retained earnings upon disposal	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>11</u>	<u>(11)</u>	<u>—</u>	<u>—</u>
Fair value gain on Designated FVOCI	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>646</u>	<u>—</u>	<u>646</u>	<u>646</u>
Total other comprehensive income (loss) for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>657</u>	<u>(11)</u>	<u>646</u>	<u>646</u>
Total comprehensive income (loss) for the period	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>657</u>	<u>(6,551)</u>	<u>(5,894)</u>	<u>(5,894)</u>
At 31 March 2021 (unaudited)	<u><u>5,132</u></u>	<u><u>70,935</u></u>	<u><u>152</u></u>	<u><u>1,656</u></u>	<u><u>(2,345)</u></u>	<u><u>(29,198)</u></u>	<u><u>41,200</u></u>	<u><u>46,332</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
*(CONTINUED)**For the six months ended 31 March 2021**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 shareholders provided that the Company is able to pay its debt as they fall due in the ordinary course of business.
- (ii) Capital reserve represents the capital contribution from the controlling party of certain subsidiaries now comprising the Group before completion of the Group reorganisation to rationalise the Group structure for listing of the shares of the Company on GEM of the Stock Exchange.
- (iii) Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong.
- (iv) Investment revaluation reserve (non-recycling) comprises the accumulative net change in the fair value of Designated FVOCI that have been recognised in other comprehensive income, net of the amounts reclassified to retained earnings when those investments are disposed of.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 March 2021

	Six months ended	
	31 March	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Loss before income tax	(6,472)	(9,904)
Adjustments for:		
Bank interest income	(10)	(146)
Finance costs	476	420
Depreciation of plant and equipment	552	421
Depreciation of right-of-use assets	3,414	3,398
Loss on disposal of plant and equipment	8	180
	<hr/>	<hr/>
Cash flows used in operations before movements in working capital	(2,032)	(5,631)
Trade and other receivables	8,851	7,596
Trade and other payables	10,533	(503)
Bank balances — client accounts	(6,785)	—
	<hr/>	<hr/>
Cash from operations	10,567	1,462
Bank interest received	10	146
Tax paid	—	(1,809)
	<hr/>	<hr/>
Net cash from (used in) operating activities	10,577	(201)
	<hr/>	<hr/>
INVESTING ACTIVITIES		
Purchase of plant and equipment	(32)	(361)
Purchase of Designated FVOCI	—	(571)
Proceeds from disposal of Designated FVOCI	379	1,028
	<hr/>	<hr/>
Net cash from investing activities	347	96
	<hr/>	<hr/>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)

For the six months ended 31 March 2021

	Six months ended	
	31 March	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
FINANCING ACTIVITIES		
New loans raised	1,620	—
Lease payments	(3,882)	(3,544)
Capital injection to a subsidiary	2,000	—
	<u> </u>	<u> </u>
Net cash used in financing activities	(262)	(3,544)
	<u> </u>	<u> </u>
Net increase (decrease) in cash and cash equivalents	10,662	(3,649)
	<u> </u>	<u> </u>
Cash and cash equivalents at beginning of period	26,944	34,238
	<u> </u>	<u> </u>
Cash and cash equivalents at end of period, represented by bank balances — general accounts and cash	37,606	30,589
	<u> </u>	<u> </u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and six months ended 31 March 2021

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 were listed on GEM of the Stock Exchange by way of placing and public offering on 26 May 2017. The registered office of the Company is located at 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 the provision of corporate finance advisory services, placing and underwriting services, business consultancy services, asset management services and securities brokerage and margin financing.

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

The condensed consolidated financial statements of the Group for the three months and six months ended 31 March 2021 (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 7 May 2021.

The Condensed Consolidated Financial Statements are presented in Hong Kong dollars ("**HK\$**") which is also the functional currency of the Group, except for the subsidiary established in the People's Republic of China (the "**PRC**") and Canada whose function currency is Renminbi and Canadian dollar ("**CAD**") respectively.

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**"), accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the Condensed Consolidated Financial Statements are consistent with those adopted in preparing the annual financial statements of the Group for the year ended 30 September 2020 (the “2019/20 Annual Report”), except for the new and revised HKFRSs issued by the HKICPA that are effective for the current accounting period of the Group. At the date of authorisation of the Condensed Consolidated Financial Statements, the Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective for the current period.

Adoption of new/revised HKFRSs

In the current interim period, the Group has applied, for the first time, the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA which are effective for the Group’s financial year beginning on 1 October 2020:

Amendments to HKASs 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform — Phase 1
Amendments to HKFRS 3	Definition of a Business

The application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs has had no material impact on the Group’s financial performance and position for the current and prior periods and/or on the disclosures set out in the Condensed Consolidated Financial Statements.

Basis of measurement

The Condensed Consolidated Financial Statements have been prepared on the historical cost basis except for the financial assets designated at FVOCI and financial assets at FVPL that are measured at fair value.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Condensed Consolidated Financial Statements in conformity with HKAS 34 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.

In preparing the Condensed Consolidated Financial Statements, the significant judgements made by the management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the 2019/20 Annual Report.

3. SEGMENT INFORMATION

The Group is currently organised into three operating divisions, namely corporate finance, asset management and brokerage and margin financing (2020: a single reportable segment, i.e. corporate finance). These divisions are the basis on which the executive Directors and senior management of the Company, being the chief operating decision maker, reviews the operating results and financial information. The principal activities of these operating segments are as follows:

Corporate finance	—	Provision of advisory and consultancy, placing and underwriting and business consulting services
Asset management	—	Provision of asset management services
Brokerage and margin financing	—	Provision of brokerage services in securities and margin financing services

Segment assets and liabilities are not disclosed as they are not considered to be crucial for resources allocation and therefore not being regularly provided to the chief operating decision maker.

For the six months ended 31 March 2020, the Group operated in one single operating segment which was corporate finance. Other than Group wide information, no further analysis of comparative figures for the six months ended 31 March 2021 is presented.

Segment revenue and results for the six months ended 31 March 2021 are presented below:

	Corporate finance HK\$'000 (Unaudited)	Asset management HK\$'000 (Unaudited)	Brokerage and margin financing HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Revenue	23,868	45	783	24,696
Other income, net	2,054	37	216	2,307
	<u>25,922</u>	<u>82</u>	<u>999</u>	<u>27,003</u>
Results				
Segment loss	<u>(1,072)</u>	<u>(792)</u>	<u>(2,024)</u>	<u>(3,888)</u>
Unallocated corporate income				36
Unallocated corporate expenses				<u>(2,620)</u>
Loss before taxation				<u>(6,472)</u>

Information about geographical areas

The Group's operations are principally located in Hong Kong and Canada. The following table provides an analysis of the Group's revenue from external customers by geographical market in which the transactions are located:

	Three months ended		Six months ended	
	31 March		31 March	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong	14,767	22,999	22,158	27,013
Canada	1,350	1,023	2,538	1,986
	<u>16,117</u>	<u>24,022</u>	<u>24,696</u>	<u>28,999</u>

The following is an analysis of the carrying amounts of non-current assets (excluding financial instruments) by geographical area in which the assets are located:

	At	At
	31 March	30 September
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)
Hong Kong	11,008	14,612
Canada	10,711	11,049
	<u>21,719</u>	<u>25,661</u>

Information about major customers

Revenue from customers of corporate finance segment that individually contributed 10% or more of the total revenue of the Group are as follows:

	Three months ended		Six months ended	
	31 March		31 March	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Customer A	— [#]	14,823	— [#]	14,823
Customer B	<u>9,977[#]</u>	<u>—[#]</u>	<u>9,977</u>	<u>—[#]</u>
	<u>9,977</u>	<u>14,823</u>	<u>9,977</u>	<u>14,823</u>

[#] No revenue was generated from the corresponding customer or the corresponding revenue did not represent 10% or more of the total revenue of the Group.

4. REVENUE

	Three months ended		Six months ended	
	31 March		31 March	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from contracts with customers				
Corporate finance advisory services	3,185	6,498	9,405	10,512
Placing and underwriting services	9,606	16,489	10,358	16,489
Business consulting services	2,690	1,035	4,105	1,998
Asset management services	20	—	45	—
Brokerage commission	562	—	685	—
Clearing, settlement and handling fee income	<u>7</u>	<u>—</u>	<u>15</u>	<u>—</u>
	<u>16,070</u>	<u>24,022</u>	<u>24,613</u>	<u>28,999</u>
Interest revenue calculated using the effective interest method				
Interest income from cash and margin clients	<u>47</u>	<u>—</u>	<u>83</u>	<u>—</u>
	<u>16,117</u>	<u>24,022</u>	<u>24,696</u>	<u>28,999</u>

5. OTHER INCOME, NET

	Three months ended		Six months ended	
	31 March		31 March	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Government subsidies <i>(Note)</i>	306	—	1,262	—
Interest income	—	57	10	146
Recovery of bad debts	—	349	600	349
Refund of legal and professional fee	133	—	133	—
Others	337	(213)	338	95
	<u>776</u>	<u>193</u>	<u>2,343</u>	<u>590</u>

Note:

During the six months ended 31 March 2021, the Group recognised government subsidies of approximately HK\$1,262,000 (2020: nil) in respect of COVID-19 related subsidy schemes with details below:

Name of scheme	Location	HK\$'000
Employment Support Scheme	Hong Kong	1,022
Canada Emergency Wage Subsidy	Canada	182
Canada Emergency Rent Subsidy	Canada	58
		<u>1,262</u>

6. FINANCE COSTS

	Three months ended		Six months ended	
	31 March		31 March	
	2021	2020	2021	2020
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest expenses on loan payables	76	—	178	—
Interest expenses on lease liabilities	138	213	298	420
	<u>214</u>	<u>213</u>	<u>476</u>	<u>420</u>

7. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

	Three months ended		Six months ended	
	31 March		31 March	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Staff costs (including directors' remuneration):				
Salaries and allowances	7,405	7,593	13,379	14,040
Contributions to defined contribution plans	114	127	256	252
Total staff costs	7,519	7,720	13,635	14,292
Auditor's remuneration	187	85	375	170
Depreciation				
— Plant and equipment	274	301	552	421
— Right-of-use assets	1,707	1,786	3,414	3,398
Exchange loss, net	—	78	—	12
Professional fees	5,149	3,505	7,090	5,069
Underwriting and related expenses	5,885	12,300	5,885	12,300

8. INCOME TAX EXPENSE

The Group's entities established in the Cayman Islands and the BVI are exempted from income tax.

For the six months ended 31 March 2021 and 2020, only one entity in the Group is subject to the two-tiered Hong Kong profits tax rates while the remaining entities in the Group will continue to be taxed at the rate of 16.5%. No Hong Kong Profits Tax has been provided for the six months ended 31 March 2021 and 2020 as the Group did not have any assessable profits during the periods.

For the six months ended 31 March 2021 and 2020, no Enterprise Income Tax has been provided for the Group's entity established in the PRC as the entity incurred a loss for taxation purpose.

For the six months ended 31 March 2021, the Group's entity established in Canada is subject to Corporate Income Tax of Canada at a statutory rate of 28%. For the six months ended 31 March 2020, no Corporate Income Tax of Canada has been provided as the entity incurred a loss for taxation purpose.

Three months ended 31 March		Six months ended 31 March	
2021	2020	2021	2020
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Current tax

Canada Corporate Income Tax	<u>35</u>	—	<u>68</u>	—
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9. LOSS PER SHARE

The calculation of the basic loss per share is based on loss attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the period as follows:

Three months ended 31 March		Six months ended 31 March	
2021	2020	2021	2020
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Loss

Loss for the period for the purpose of basic loss per share

<u>(5,133)</u>	<u>(2,077)</u>	<u>(6,540)</u>	<u>(9,904)</u>
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Three months ended 31 March		Six months ended 31 March	
2021	2020	2021	2020
'000	'000	'000	'000
(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)

Shares

Weighted average number of ordinary shares for the purpose of basic loss per share

<u>513,200</u>	<u>513,200</u>	<u>513,200</u>	<u>513,200</u>
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Diluted loss per share is not presented as there were no dilutive potential ordinary shares outstanding during each of the three months and six months ended 31 March 2021 and 2020.

10. GOODWILL

During the six months ended 31 March 2021, there were no movement in the carrying amount of goodwill (2020: nil).

11. PLANT AND EQUIPMENT

During the six months ended 31 March 2021, the Group acquired items of plant and equipment of approximately HK\$32,000 (2020: approximately HK\$361,000).

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(i) Right-of-use assets

As at 31 March 2021, the carrying amounts of right-of-use assets was approximately HK\$4,333,000 (30 September 2020: approximately HK\$7,748,000).

(ii) Lease liabilities

As at 31 March 2021, the carrying amount of lease liabilities was approximately HK\$4,678,000 (30 September 2020: approximately HK\$8,249,000).

(iii) Amounts recognised in profit or loss

	Six months ended	
	31 March	
	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Depreciation on right-of-use assets	3,414	3,398
Finance cost on lease liabilities	298	420
	<u> </u>	<u> </u>

(iv) Other

During the six months ended 31 March 2021, the total cash outflow for leases amounted to approximately HK\$3,908,000 (2020: approximately HK\$3,544,000).

13. DESIGNATED FVOCI

	At 31 March 2021 <i>HK\$'000</i> (Unaudited)	At 30 September 2020 <i>HK\$'000</i> (Audited)
At fair value		
Equity securities listed overseas	3,296	2,094
Equity securities unlisted overseas	<u>300</u>	<u>1,400</u>
	<u>3,596</u>	<u>3,494</u>

During the six months ended 31 March 2021, the fair value gain on these equity securities of approximately HK\$646,000 was recognised in other comprehensive income (2020: fair value loss of approximately HK\$1,311,000).

Details of the fair value measurements are set out in note 22 to the Condensed Consolidated Financial Statements.

14. FINANCIAL ASSETS AT FVPL

	At 31 March 2021 <i>HK\$'000</i> (Unaudited)	At 30 September 2020 <i>HK\$'000</i> (Audited)
Held for trading		
Derivatives — unlisted options issued by companies listed overseas	<u>582</u>	<u>582</u>

Details of the fair value measurements are set out in note 22 to the Condensed Consolidated Financial Statements.

15. TRADE AND OTHER RECEIVABLES

	At 31 March 2021 <i>Notes</i> HK\$'000 (Unaudited)	At 30 September 2020 <i>Notes</i> HK\$'000 (Audited)
Trade receivables		
Trade receivables arising from the business of securities brokerage		
— Cash clients	(b) 2,870	4,347
— Margin clients	(c) 1,565	993
— Hong Kong Securities Clearing Company Limited (“HKSCC”)	(d) —	6,253
	(a) <u>4,435</u>	<u>11,593</u>
Trade receivables arising from the business of corporate finance services		
	4,686	7,769
<i>Less: Loss allowance</i>	<u>(2,252)</u>	<u>(3,491)</u>
	<u>2,434</u>	<u>4,278</u>
Total trade receivables	<u>6,869</u>	<u>15,871</u>
Other receivables		
Prepayment	591	1,116
Deposits and other receivables	<u>2,797</u>	<u>2,121</u>
	<u>3,388</u>	<u>3,237</u>
	<u>10,257</u>	<u>19,108</u>

Notes:

- (a) No ageing analysis by invoice date is disclosed as in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of financial services business. The Group offset certain trade receivables and trade payables when the Group currently has a legally enforceable right to set off the balances, and intends to settle on a net basis or to realise the balances simultaneously.

- (b) The settlement terms of trade receivables from cash client are usually two days after trade date and bear interest varied between 0.5% and Hong Kong Prime rate +8% (2020: nil). All the trade receivables from cash clients are neither past due nor impaired at the end of the reporting period and the Directors are of the opinion that the amounts are recoverable.
- (c) Trade receivables from margin clients are repayable on demand and bear interest varied between 5% and Hong Kong Prime rate +4%, ranging from 5% to 9% (2020: nil) per annum for the six months ended 31 March 2021. The loans are secured by pledged marketable securities with a total fair value of approximately HK\$6,024,000 (2020: nil). The Group is permitted to sell or re-pledge the marketable securities if the customers default on the payment when requested by the Group. During the six months ended 31 March 2021, no margin loans were granted to the Directors nor directors of the Company's subsidiaries.
- (d) The settlement terms of trade receivables arising from the provision of securities brokerage business with HKSCC are usually two days after trade date. All the trade receivables from HKSCC are neither past due nor impaired at the end of the reporting period.

Trade receivables arising from the business of corporate finance services

The settlement terms of trade receivables are determined in accordance with the contract terms, usually within 1 month to 3 months after billing.

The ageing analysis of trade receivables arising from the business of corporate finance services (net of loss allowance) by invoice date is as follows:

	At	At
	31 March	30 September
	2021	2020
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Within 30 days	830	1,510
31 to 60 days	417	195
61 to 90 days	839	1,895
Over 90 days	348	678
	<hr/>	<hr/>
	2,434	4,278
	<hr/> <hr/>	<hr/> <hr/>

The ageing analysis of trade receivables arising from the business of corporate finance services (net of loss allowance) by due date is as follows:

	At 31 March 2021 <i>HK\$'000</i> (Unaudited)	At 30 September 2020 <i>HK\$'000</i> (Audited)
Net yet due	<u>830</u>	<u>1,800</u>
Past due:		
Within 30 days	417	283
31 to 60 days	839	1,800
61 to 90 days	60	—
Over 90 days	<u>288</u>	<u>395</u>
	<u>1,604</u>	<u>2,478</u>
	<u><u>2,434</u></u>	<u><u>4,278</u></u>

Before accepting a new customer, the Group assesses the potential customer's credit quality and determines credit limit. The majority of the Group's trade receivables that are past due but not impaired have good credit quality with reference to respective settlement history.

The Group's trade receivables which are past due at the end of each reporting period but which the Group has not impaired as there has not been any significant changes in credit quality of customers and the management believes that the amounts are fully recoverable.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no history of default. The Group does not hold any collateral over the trade receivables.

The movement in the loss allowance in respect of trade receivables arising from the business of corporate finance services is summarised below:

	<i>HK\$'000</i>
At 1 October 2020 (audited)	3,491
Increase in allowance	—
Amount written off as uncollectible	(639)
Reversal of allowance	<u>(600)</u>
At 31 March 2021 (unaudited)	<u><u>2,252</u></u>

16. TRADE AND OTHER PAYABLES

	At 31 March 2021 <i>Notes</i> HK\$'000 (Unaudited)	At 30 September 2020 <i>Notes</i> HK\$'000 (Audited)
Trade payable arising from the business of securities brokerage		
— Cash clients	(b) 22,525	33,324
— Margin clients	(c) 384	8
— HKSCC	(d) 11,251	—
	(a) 34,160	33,332
Other payables		
Accrual and other payables	12,906	3,060
Deferred income — government subsidies	—	141
	12,906	3,201
	47,066	36,533

Notes:

- (a) No ageing analysis is disclosed as, in the opinion of the Directors, the ageing analysis does not give additional value in view of the nature of business.
- (b) The normal settlement terms of trade payables to cash clients are repayable on demand.
- (c) Trade payables to margin clients are repayable on demand.
- (d) The settlement terms of trade payables arising from the provision of securities brokerage business with HKSCC are usually two days after trade date.

17. LOAN PAYABLES

		At 31 March 2021 <i>HK\$'000</i> (Unaudited)	At 30 September 2020 <i>HK\$'000</i> (Audited)
Non-current liabilities			
Government loan	(a)	<u>360</u>	<u>240</u>
Current liabilities			
Loans from a director	(b)	<u>4,000</u>	<u>2,500</u>

Notes:

- (a) Baron Global Financial Canada Ltd. obtained a government loan of CAD60,000 (equivalent to approximately HK\$360,000) from the Canadian Government due to COVID-19 pandemic. The amount was unsecured, interest-free and repayable on 31 December 2022.
- (b) The loan with principal amount of HK\$2.5 million was unsecured, interest-bearing at 2% per annum and repayable on demand. The loan with principal amount of HK\$1.5 million was unsecured, interest-free and repayable on demand.

18. AMOUNT DUE TO A DIRECTOR

		At 31 March 2021 <i>HK\$'000</i> (Unaudited)	At 30 September 2020 <i>HK\$'000</i> (Audited)
Amount due to a director		<u>2,000</u>	<u>—</u>

The amount was unsecured, interest-free and repayable on demand.

19. SHARE CAPITAL

	Number of shares	HK\$'000
Authorised:		
At 30 September 2020 (audited) and 31 March 2021 (unaudited) (at par value of HK\$0.01 per share)	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
At 30 September 2020 (audited) and 31 March 2021 (unaudited) (at par value of HK\$0.01 per share)	<u>513,200,000</u>	<u>5,132</u>

20. SHARE OPTION SCHEME

A share option scheme (the “**Scheme**”) was adopted by the Company and was effective on 4 May 2017. Unless otherwise cancelled or amended, the Scheme will remain in force for a period of 10 years from the date of its adoption on 4 May 2017. The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Subject to the terms of the Scheme, the directors of the Company shall be entitled to make an offer of the grant of an option to subscribe for shares of the Company to any directors, employees of the Group, consultants or advisers of the Group, providers of goods and/or services to the Group, customers of the Group, holders of securities issued by any member of the Group, or any other person, who at the sole discretion of the directors, has contributed to the Group, whom the directors may select at its absolute discretion. Details of the Scheme are set out in the section “STATUTORY AND GENERAL INFORMATION — D. SHARE OPTION SCHEME” of the prospectus of the Company dated 15 May 2017.

Since the adoption of the Scheme and up to 31 March 2021, no option has been granted by the Company.

21. DIVIDENDS

The Board did not recommend the payment of any interim dividend for the six months ended 31 March 2021 (2020: nil).

22. FAIR VALUE MEASUREMENTS

The following presents the assets and liabilities measured at fair value or required to disclose their fair value in the Condensed Consolidated Financial Statements on a recurring basis across the three levels of the fair value hierarchy defined in HKFRS 13 *Fair Value Measurement* with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the asset or liability.

(a) Assets measured at fair value

Financial assets	Fair value as at		Value hierarchy	Valuation techniques
	31 March 2021	30 September 2020		
	HK\$'000 (Unaudited)	HK\$'000 (Audited)		
— Investments in listed equity securities classified as Designated FVOCI	3,296	2,094	Level 1	Quoted prices in an active market
— Investments in unlisted equity securities classified as Designated FVOCI	300	1,400	Level 2	By reference to recent comparable transactions in private markets
— Financial assets at FVPL	582	582	Level 2	Derived from Black-Scholes option pricing model

During the six months ended 31 March 2021, there were transfers between Level 1 and Level 2 fair value measurements of approximately HK\$1.1 million. The transfer from Level 2 to Level 1 fair value measurements was due to the quoted prices in active markets became available for identical assets or liabilities. During the six months ended 31 March 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

During the six months ended 31 March 2021 and 2020, there were no transfer into and out of Level 3 fair value measurements.

(b) Assets and liabilities with fair value disclosure, but not measured at fair value

The carrying amounts of financial assets and liabilities that are carried at amortised costs are not materially different from their fair values at the end of each reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the provision of (i) corporate finance advisory services; (ii) placing and underwriting services; (iii) securities brokerage and margin financing; (iv) asset management services; and (v) business consulting services.

Corporate finance advisory

The Group's corporate finance advisory business is operated by its wholly-owned subsidiary VBG Capital Limited ("**VBG Capital**"), a licensed corporation under the Securities and Futures Ordinance (the "**SFO**") (Chapter 571 of the Laws of Hong Kong) to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. The Group's corporate finance advisory services include (i) acting as sponsor in IPO exercises, advising companies on compliance requirements and acting as compliance adviser to listed companies post-IPO; (ii) acting as financial adviser in transactions or compliance matters under the Rules Governing the Listing of Securities on the Stock Exchange, the GEM Listing Rules and/or the Codes on Takeovers and Mergers and Share Buy-backs; and (iii) acting as independent financial adviser to the independent board committees and independent shareholders of listed companies.

Placing and underwriting

Through VBG Capital, the Group acts as placing agent, lead manager and/or underwriter in primary and/or secondary market equity fund-raising exercises of listed companies.

Securities brokerage and margin financing

The Group expanded its business to securities brokerage and margin financing by acquiring a 100% equity interest in Wealth Link Securities Limited ("**Wealth Link Securities**"), a licensed corporation under the SFO to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities in 2019. The acquisition was completed on 1 April 2020, and Wealth Link Securities has become a direct wholly-owned subsidiary of the Company since then. Details of the acquisition were set out in the Company's announcement dated 11 June 2019 and the circular dated 23 September 2019. Through Wealth Link Securities, the Group provides securities brokerage and margin financing.

Asset management

The Group established asset management business under VBG Asset Management Limited, a licensed corporation under the SFO to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities in 2019. The Group's asset management services include providing advisory services for equity securities, fixed income securities, real estate securities, mutual funds and discretionary portfolio management services for professional clients.

Business consulting

The Group's business consulting business is operated primarily by its wholly-owned subsidiary in Canada, Baron Global Financial Canada Ltd. The Group's business consulting business includes reviewing potential customers' business, capital structure and corporate strategic plans, advising on financial reporting, corporate management, internal control and corporate governance, and advising on mergers and acquisitions, to listed companies and private companies and potential listing applicants.

Corporate finance advisory business continues to be the core business of the Group. During the six months ended 31 March 2021, the corporate finance advisory business accounted for approximately 38.1% of the Group's total revenue. The Group's other businesses, namely, (i) placing and underwriting services; (ii) securities brokerage and margin financing services; (iii) asset management services; and (iv) business consulting services, accounted for approximately 41.9%, 3.2%, 0.2% and 16.6% of its total revenue during the six months ended 31 March 2021, respectively.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately HK\$4.3 million, or approximately 14.8% from approximately HK\$29.0 million for the six months ended 31 March 2020 to approximately HK\$24.7 million for the six months ended 31 March 2021. Such decrease was mainly attributable to a decrease in revenue contribution from placing and underwriting services by approximately HK\$6.1 million, or approximately 37.0%, from approximately HK\$16.5 million for the six months ended 31 March 2020 to approximately HK\$10.4 million for the six months ended 31 March 2021 as a result of a reduction in the size of placing and underwriting engagements in terms of transaction value handled by the Group. The Group's revenue contribution from corporate finance advisory services decreased by approximately HK\$1.1 million, or approximately 10.5%, from approximately HK\$10.5 million for the six months ended 31 March 2020 to approximately HK\$9.4 million for the six months ended 31 March 2021.

Other income

The Group's other income mainly represented government subsidies in respect of COVID-19 related subsidy schemes and recovery of bad debts.

The Group's other income increased from approximately HK\$590,000 for the six months ended 31 March 2020 to approximately HK\$2.3 million for the six months ended 31 March 2021. Such increase was mainly attributable to the recognition of government subsidies of approximately HK\$1.3 million and an increase in bad debt recovered of approximately HK\$251,000 during the six months ended 31 March 2021.

Administrative expenses and other operating expenses

The Group's administrative expenses and other operating expenses mainly comprised staff costs and related expenses, underwriting and related expenses, depreciation of right-of-use assets and professional fees.

The Group's administrative expenses and other operating expenses decreased by approximately HK\$6.1 million, or approximately 15.6% from approximately HK\$39.1 million for the six months ended 31 March 2020 to approximately HK\$33.0 million for the six months ended 31 March 2021. Such decrease was mainly attributable to a decrease in underwriting and related expenses of approximately HK\$6.4 million due to a reduction in the size of placing and underwriting engagements in terms of transaction value handled by the Group during the six months ended 31 March 2021.

Loss for the period

As a result of foregoing, the Group recorded a loss of approximately HK\$6.5 million for the six months ended 31 March 2021 as compared with a loss of approximately HK\$9.9 million for the six months ended 31 March 2020.

PROSPECTS

Despite the uncertainty when the COVID-19 pandemic might come to an end, the Group will actively seek business opportunities for its corporate finance advisory and placing and underwriting businesses.

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 March 2021, 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 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/ Beneficial owner	359,745,000 (L)	70.10%

Notes:

- (1) These 359,745,000 shares include 359,540,000 shares held by Jayden Wealth Limited (“**Jayden Wealth**”), a company incorporated in the BVI 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	Percentage of the issued share capital of the associated corporation
Ms. Letty Wan	Jayden Wealth	Beneficial owner	1	100%

Save as disclosed above, as at 31 March 2021, 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, neither the Company nor any of its subsidiaries or associated corporations was, 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 six months ended 31 March 2021.

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

As at 31 March 2021, 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	Beneficial owner	359,540,000	—	359,540,000	70.06%

Notes:

- (1) Jayden Wealth is wholly owned by 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 March 2021, 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 any interests or short positions in the shares and/or underlying shares of the Company as at 31 March 2021 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 “**Scheme**”) by the resolutions in writing of the sole shareholder of the Company passed on 4 May 2017. Unless otherwise cancelled or amended, the 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 Scheme and there was no share option outstanding as at 31 March 2021.

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 six months ended 31 March 2021 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 six months ended 31 March 2021 and up to date of this report.

COMPETING INTERESTS

As at 31 March 2021, 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 six months ended 31 March 2021.

CORPORATE GOVERNANCE

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

During the six months ended 31 March 2021 and up to the date of this report, 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 condensed consolidated results of the Group for the six months ended 31 March 2021 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
Hui Ringo Wing Kun
Executive Director

Hong Kong, 7 May 2021