THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in VBG International Holdings Limited (the "**Company**"), you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or transferee(s) or to the stockbroker, registered dealer in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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)

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARES OF AND THE SHAREHOLDER'S LOAN IN BARON GLOBAL FINANCIAL CANADA LTD. AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and to the Independent Shareholders

Alliance Capital Partners Limited
同人融資有限公司

Capitalised terms used in this cover page shall have the same meanings as those defined in this circular.

A letter from the Board is set out on pages 4 to 53 of this circular. A letter from the Independent Board Committee containing its recommendation is set out on pages 54 to 55 of this circular. A letter from Alliance Capital Partners Limited, the Independent Financial Adviser, containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 56 to 72 of this circular.

A notice convening the extraordinary general meeting ("**EGM**") to be held at 18/F., Prosperity Tower, 39 Queen's Road Central, Hong Kong on Friday, 13 April 2018 at 10:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the share registrar of the Company, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

* *For identification purposes only*

21 March 2018

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:-

"Acquisition"	the acquisition of the Sale Shares by the Purchaser from the Seller and the assignment of the Sale Debt from the Seller to the Purchaser pursuant to the terms and conditions of the SP Agreement
"Announcement"	the announcement of the Company dated 19 December 2017 relating to, amongst others, the Acquisition
"associate(s)"	has the same meaning as defined in the GEM Listing Rules
"Board"	the board of Directors
"CAD"	Canadian dollars, the lawful currency of Canada
"Company"	VBG International Holdings Limited (stock code: 8365), a company incorporated under the laws of the Cayman Islands and the shares of which are listed on the GEM
"Completion"	the completion of the Acquisition
"Completion Date"	the date on which all the conditions precedent as specified by the SP Agreement have been fulfilled or waived (or such other date as the Seller and the Purchaser may agree in writing) but in any event not later than the Long Stop Date
"connected person(s)"	has the same meaning as defined in the GEM Listing Rules
"Consideration"	the consideration of approximately HK$36.9 million payable by the Purchaser to the Seller for the Acquisition pursuant to the SP Agreement
"Controlling shareholder(s)"	has the meaning ascribed under the GEM Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be convened and held at 18/F., Prosperity Tower, 39 Queen's Road Central, Hong Kong on Friday, 13 April 2018 at 10:30 a.m., for the Independent Shareholders to consider and, if thought fit, approve the SP Agreement and the transactions contemplated thereunder
"GEM"	GEM operated by the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM
"Group"	the Company and its subsidiaries from time to time

"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"IFRS"	International Financial Reporting Standards issued by the International Accounting Standards Board
"Independent Board Committee"	an independent committee of the Board established in compliance with the GEM Listing Rules to advise the Independent Shareholders as regards the terms of the SP Agreement and the transactions contemplated thereunder
"Independent Financial Adviser"	Alliance Capital Partners Limited, a licensed corporation registered under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders, regarding the terms of the SP Agreement and the transactions contemplated thereunder
"Independent Shareholders"	the Shareholders other than the Seller and its associates
"Jayden Wealth"	Jayden Wealth Limited, a company incorporated under the laws of the British Virgin Islands, which is beneficially owned as to 100% of its issued shares by Ms. Wan Ho Yan Letty
"Latest Practicable Date"	15 March 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained therein
"Long Stop Date"	30 April 2018 (or such other date as the parties to the SP Agreement may otherwise agree in writing)
"Mr. Wan"	Mr. Wan Chuen Chung Joseph who is father of Ms. Wan Ho Yan Letty
"PRC"	the People's Republic of China and, for the purpose of this circular, excluding Hong Kong, Macao Special Administrative Region of the People's Republic of China and Taiwan
"Purchaser"	VBG Properties Limited, a company incorporated under the laws of the British Virgin Islands, an indirect wholly-owned subsidiary of the Company. The name of the company has been changed to VBG Overseas Holdings Limited with effect from 9 March 2018

"Sale Debt"	100% of amounts, including principal and interest (if any), owing by the Target Company to the Seller as at the Completion Date
"Sale Shares"	all those issued share(s) in the share capital of the Target Company as at the Completion Date
"Seller"	BGI Group Limited, a company incorporated under the laws of the British Virgin Islands
"SFO"	the Securities and Futures Ordinance under Cap. 571 of the Laws of Hong Kong
"Share(s)"	the ordinary share(s) with par value of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"SP Agreement"	the agreement entered into on 19 December 2017 (after trading hours) between the Seller and the Purchaser in respect of the Acquisition
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning ascribed to it under the GEM Listing Rules
"Target Company"	Baron Global Financial Canada Ltd., a company incorporated under the laws of Canada with limited liability
"US"	United States of America
"US$"	US dollars, the lawful currency of US
"Valuer"	AP Appraisal Limited, an independent professional valuer appointed by the Company for the valuation of the Target Company
"%"	percentage

For the purpose of illustration only and unless otherwise stated, conversion of CAD into HK$ in this circular is based on the exchange rate of CAD$1.00 to HK$6.0825. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

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)

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

Registered Office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
18/F, Prosperity Tower
39 Queen's Road Central
Hong Kong

21 March 2018

To the Shareholders

Dear Sir or Madam,

(1) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARES OF AND THE SHAREHOLDER'S LOAN IN BARON GLOBAL FINANCIAL CANADA LTD. AND (2) NOTICE OF EXTRAORDINARY GENERAL MEETING

(1) INTRODUCTION

In the Announcement, the Board announced that on 19 December 2017 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Seller entered into the SP Agreement, pursuant to which the Seller has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Sale Shares, and the Seller shall assign and the Purchaser shall take up the Sale Debt, at an aggregate consideration of approximately HK$36.9 million, which shall be settled in cash.

The purpose of the circular is to provide you with, amongst other things, (i) further information on the SP Agreement; (ii) the valuation report of the Target Company; (iii) the recommendation of the Independent Board Committee; (iv) the advice of the Independent Financial Adviser regarding the terms of the SP Agreement (and the transactions contemplated thereunder); and (v) other information as required to be contained in this circular under the GEM Listing Rules together with a notice of the EGM and a form of proxy.

The key terms and conditions of the SP agreement and an analysis of the Consideration are summarised as follows:

(2) THE SP AGREEMENT

Date

19 December 2017 (after trading hours)

Parties

(i) the Seller; and

(ii) the Purchaser

The Seller is wholly owned by Mr. Wan who is (i) father of Ms. Wan Ho Yan Letty, the chairperson and executive director of the Company and (ii) brother of Mr. Wan Chuen Fai, non-executive director of the Company. As at the Latest Practicable Date, Ms. Wan Ho Yan Letty, who is interested in 384,900,000 Shares representing 75% of the existing issued share capital of the Company through Jayden Wealth, is the controlling shareholder of the Company within the meaning of the GEM Listing Rules.

Assets to be acquired

Pursuant to the SP Agreement, the Purchaser has conditionally agreed to acquire the Sale Shares and take up the Sale Debt at an aggregate consideration of approximately HK$36.9 million, which shall be settled in cash. As at the Latest Practicable Date, the amount owing by the Target Company to the Seller was approximately CAD0.52 million (equivalent to approximately HK$3.2 million). The Target Company is engaged primarily in the business of providing financial advisory services (including corporate finance advisory services) to private and public companies in Canada.

Upon completion, the Target Company will become a wholly-owned subsidiary of the Purchaser.

Consideration

The Consideration was agreed after arm's length negotiations between the Seller and the Purchaser having taken into account of, amongst others, the issue of a valuation report by the Valuer that the appraised value of the Target Company is approximately CAD6.06 million (equivalent to approximately HK$36.9 million) by market approach.

Appropriateness and reasonableness of key assumptions and parameters used in the valuation

Regarding the general assumptions of the valuation on page App I-4 of this circular, it mainly covers no major changes to (a) political, legal, economic or financial conditions, taxation laws and interest rates, (b) strategy of the Target Company, (c) key management of the Target Company, and (d) all relevant approvals of the business of the Target Company have been obtained, the Directors consider that the general assumptions are appropriate and reasonable considering the financial advisory/corporate finance advisory nature of the principal activities of the Target Company.

As stated under the section headed "Selection Criteria for Comparable Companies" on page APP I-5 of this circular, a number of criteria has been established by the Valuer for selecting comparable companies that the Valuer considers to be relevant to the valuation of the Target Company. Regarding the specific assumptions of the valuation on page APP I-5 of this circular, the Directors' view were included as follows:

(a) for companies which are publicly listed in Canada or the US, the Directors consider it reasonable because nearly 100% of the revenue of the Target Company for the year ended 31 March 2017 was generated from companies listed in Canada and the US;

(b) for companies which are principally engaged in the business of corporate financial advisory and consultancy services and to be more specific, significant portion of revenue (i.e. at least 50%) of the companies is generated from corporate finance advisory and/or consultancy services as shown from their latest published audited accounts, the Directors consider it reasonable because the Target Company is primarily engaged in the business of providing financial advisory services to private and public companies in Canada and all of its revenue was derived from provision of financial advisory/ corporate finance advisory service. Whilst it is noted that the business or operation of most of the selected comparable companies is of an investment bank nature, the selection criteria requiring a significant portion of revenue (i.e. at least 50%) deriving from corporate finance advisory and/or consultancy services covers all companies considered by the Valuer. In the selection process performed by the Valuer, it turned out that most of the comparable companies falling within such selection criteria were happened to be investment banks. Although the market capitalization of the selected comparable companies is larger than that of the Target Company, since the Target Company is a private company, the market capitalization of the selected comparable companies which are listed companies is more likely than not be larger than that of the Target Company;

(c) for companies which recorded positive earnings in the most recent year, the Directors consider it reasonable in order to calculate the price-to-earnings ratio of the Target Company; and

(d) for shares of the companies which are actively traded in the market, the Directors consider it reasonable to exclude any shares with prolonged suspension which might indicate problems in their business, management and/or financial performance.

Analysis on scale of operation

As a service provider, the business of Target Company is not capital intensive as the Target Company does not require large amount of capital or financial resources to provide services to clients. The sustainability of the business of the Target Company depends on the Target Company's ability to acquire and retain a pool of talented professionals and the capabilities of its senior management to source new business and carry out the provision of services to its clients, which is similar to the Company.

Whilst most of the selected comparable companies appear to have a larger scale of operations relative to the Target Company's, it is noted from the Valuer that it is a common practice in the valuation industry to extend the screening radar or filter in order to obtain more comparables with slight relaxation of and lesser emphasis on some of the consideration factors, such as market size, provided that the most important criteria of market segment and geographical area are satisfied.

In view of the above, the Directors consider it fair and reasonable to accept the comparable companies with larger scale of operations.

Analysis on business nature and scope

Given the fact that the business model of the Target Company is that the Target Company will provide their corporate clients with a range of financial advisory/corporate finance advisory services, the Valuer determined that the market which consists of companies engaging in the provision of corporate financial advisory and consultancy services represents the "market segment" relevant to the business of the Target Company. Based on such criteria, the Valuer refined the selection criteria by including companies with significant portion of the revenues (i.e. at least 50%) of the companies deriving from corporate financial advisory and/or consultancy services which excludes investment income, commissions and interest income, etc. ("**Excluded Income**") to the extent that such Excluded Income were disclosed in their respective annual reports. The Valuer stated that this would enable it to identify those companies whose businesses are similar to the principal activities of the Target Company given that a significant portion of the Target Company's income comes from its financial advisory/corporate finance advisory business.

The Directors concurred with the Valuer that the above selection criteria relating to "market segment" is closely similar and comparable to that of the Target Company due to the similarity in business model and advisory fee being a major income source.

Similarity of scope of services offered by the Target Company and the comparable companies

The comparable companies are independent or advisory-focused investment banks/firms that mainly provide financial and strategic advice on mergers and acquisitions, divestitures, restructurings, financings, capital raising and other transactions to their customers.

Similarly, the Target Company also provides financial advice on mergers and acquisitions, and structuring of transactions to its customers.

In view of above, the Directors consider the scope of services provided by the Target Company is comparable to the comparable companies.

Major similarities of target customers and market segment between the Target Company and the comparable companies

The target customers of the comparable companies range from public and private companies, partnerships, financial sponsors (private equity investment firms), institutions, to governments and individual. Based on comparable companies' consolidated financial statements for the year ended 31 December 2016 or 31 March 2017, at least 50% of their total revenue were generated from customers in North America.

The target customers of the Target Company are public and private companies in North America, as confirmed by the Target Company, almost 100% of the Target Company's revenue for the year ended 31 March 2017 was generated from customers in North America.

As the comparable companies did not disclose the revenue breakdown from each type of customers in their consolidated financial statements for the year ended 31 December 2016 or 31 March 2017, after taking into consideration of (i) the type of target customers of the Target Company overlapped with its comparable companies and (ii) at least 50% of total revenue of the Target Company and its comparable companies was generated from services provided to customers in North America, the Directors consider that target customers and market segment of the Target Company and the comparable companies are comparable.

Major dissimilarities between the Target Company and the comparable companies

A few of the comparable companies provide placement service, underwriting service, valuation and asset management service, etc. to their customers, but the aggregated revenue derived from these services were less than or equal to approximately 50% of total revenue based on their consolidated financial statements for the year ended 31 December 2016 or 31 March 2017.

Moreover, some of the customers of the comparable companies are located in Europe or other countries outside North America, in which approximately 43% or less of the total revenue of the comparable companies for the year ended 31 December 2016 or 31 March 2017 were sourced from customers located outside North America.

Further, as disclosed in this circular, most of the selected comparable companies appear to have a larger scale of operations relative to the Target Company.

After considering the similarities of the scope of services and the target customers and the dissimilarities as elaborated above, (i) the Valuer considers that there is no need to make adjustment in relation to company specific risk and (ii) the Valuer considers that the comparable companies are fair and representative sample.

The Valuer has confirmed that the comparable companies selected by it for the valuation report represents an exhaustive list based on its best knowledge and information available.

In view of the above, the Directors consider the comparable companies represent a fair and representative sample.

Analysis on geographical focus

In consideration of the "geographic area" of the comparable companies, the Valuer determined that it should be limited to Canada and the US only on the basis that (i) the main business location of the Target Company is Canada, (ii) the Target Company is engaged primarily in the business of providing financial advisory/corporate finance advisory services to private and public companies in Canada, and (iii) Canada and the US are generally considered to be highly comparable in terms of developed markets and that they share the same North America geographic zone/region and also their economics are generally considered to be correlated with each other due to their close investment relationships. Thus, the Directors consider it fair and reasonable to select the comparable companies from Canada and the US.

In view of the above, the Directors consider that the comparable companies selected by the Valuer comparable to the Target Company and thus valuation report represents a fair basis for determining the Consideration.

Analysis of the methodology of the valuation

As stated under the section headed "Selection of Assessment Methodology" on page APP I-3 of this circular, the Valuer considered that the asset approach is not an adequate approach for the valuation, as this approach does not take the ability to generate economic benefit streams into consideration and the value of the Company is less likely driven by the values in the underlying assets. Considering the nature of the business of the Target Company, the Directors concur with the view of the Valuer that asset approach is not an adequate approach for the valuation. It is the view of the Directors that market approach is a commonly adopted valuation methodology for valuing a company which provides similar service as the Target Company as concurred by other market practitioners in Canada and the Valuer.

As stated under the section headed "Guideline Public Company Method" on page APP I-5 of this circular, the Valuer adopted the Price-to-Earnings multiple ("**P/E**") in determining the value of the Target Company under the guideline public company method as P/E multiple is considered to be the most preferable valuation multiple for valuing equity value of companies. Having noted that P/E multiple has been used in the business valuations of other listed companies, the Directors consider that the adoption of P/E as valuation multiple is appropriate and accordingly concur with the opinion of the Valuer that P/E multiple is the most commonly used valuation multiple for valuing equity value of companies.

Although most of the comparable companies are primarily engaged in investment banking, taking into consideration that (i) the similarities of the scope of business in which at least 50% of revenue of the comparable companies were generated from financial advisory/corporate finance advisory services such as mergers and acquisitions and structuring of transactions to its customers; (ii) as confirmed by the Valuer, the comparable companies selected in the valuation report represents an exhaustive list based on its best knowledge and information available; (iii) as confirmed by the Valuer, those companies engaged in similar business of the Target Company in Canada, which are not investment banks, recorded a loss based on their latest annual reports and (iv) other than P/E ratio, the median of the Price-to-Book ("**P/B**") ratio of the comparable companies calculated by the Valuer was amounted to approximately 6.5, which is higher than the P/B ratio of the Company of approximately 4.0, supporting that the Consideration of the Target Company is not high versus the net asset value of the Target Company with reference to the comparable companies, and thus the Directors consider the Consideration is fair and reasonable.

As the marketable securities represented substantial parts of the Target Company's total assets as at 31 March 2016 and 31 March 2017, the fluctuation of prices of shares and options held by the Target Company would affect the financial performance as well as the net asset value of the Target Company and thus both of the market approach and asset approach would be impacted by the fair value change of the marketable securities. To minimize the impact of the fair value change of the marketable securities on the valuation, the unrealised gain/(loss) on marketable securities was excluded in the valuation methodology of market approach adopted by the Valuer.

In addition, since the ownership of the Target Company was transferred from the wife of Mr. Wan a year ago based on the unaudited net asset value of the Target Company, it was noted that the acquisition cost might not reflect the prevailing market value of the Target Company as no valuation or audit on the Target Company was performed at the material time. The guideline public company method was used by the Valuer as the valuation methodology in determining the Consideration for reasons as stated in the valuation report.

In view of the above, the Directors consider the Consideration is fair and reasonable.

Payment of the Consideration

Pursuant to the SP Agreement, the Consideration shall be payable by the Purchaser in the following manner:

(i) 50% of the Consideration shall be paid by the Purchaser to the Seller upon Completion; and

(ii) the remaining 50% of the Consideration shall be paid by the Purchaser to the Seller on or before 30 September 2018.

The Consideration will be satisfied by the internal resources of the Group.

At the time of initial public offering of the Company, the Directors did not consider the Acquisition and there is no change of use of IPO proceeds at the Latest Practicable Date.

Based on the management accounts of the Group for the month ended 31 December 2017, the Company have internal resources of approximately HK$57.6 million to settle the Consideration of approximately HK$36.9 million in full and the balancing amount of approximately HK$20.7 million, which at least cover 50% of the full year administrative expenses (excluding listing expenses) and other operating expenses of the Group for the year ended 30 September 2017 and the Target Company for the year ended 31 March 2017, on such basis, the Group (including the Target Company) would be able to meet the working capital needs after completion of the Acquisition.

A Assets line items extracted from management accounts as at 31 December 2017	**B** Status / allocation of the unused IPO proceeds (approximately HK$54.4 million) to the management accounts as at 31 December 2017	**C = A — B** Internal resources available for settle the Consideration of approximately HK$36.9 million
Financial assets at fair value through profit or loss: approximately HK$30.2 million Bank balances and cash: approximately HK$81.7 million Total: approximately HK$111.9 million	approximately HK$30.3 million (at costs) or approximately HK$30.0 million (at fair value) approximately HK$24.1 million at shot-term time deposits Total: approximately HK$54.4 million	N/A approximately HK$57.6 million Total: approximately HK$57.6 million

It was confirmed by the Directors that as at the Latest Practicable Date, there was no significant change to the amount of internal resources available for the Company to pay and settle the Consideration in full.

Conditions precedent

Completion is subject to the following conditions being satisfied (or waived, if applicable):

(a) the Purchaser having issued a written notice to the Seller that the Purchaser is satisfied with the due diligence review on the Target Company;

(b) the Purchaser having obtained a Canadian legal opinion in relation to the transactions contemplated under the SP Agreement and being satisfied with it;

(c) the ordinary resolution(s) for approving the SP Agreement and the transactions contemplated thereunder having been duly passed by the Independent Shareholders of the Company at EGM;

(d) no indication from the Stock Exchange having been received to the effect that the listing of shares of the Company will or may be withdrawn or objected to for any reason attributable to the transactions contemplated under the SP Agreement or the Completion;

(e) no material adverse change having occurred in relation to the Target Company which has or, in the reasonable opinion of the Purchaser, is likely to have a material adverse effect on the financial position, business or assets and property of the Target Company; and

(f) the representations, warranties and undertakings made or given by the Seller under the SP Agreement being true and accurate, and not misleading, in any material respects.

The Purchaser may waive any of the conditions in (a), (b), (e) and (f) above by giving notice in writing to the Seller. If any of the conditions in (a) to (f) above shall not have been fulfilled (or waived, where applicable) in all respects prior to the Long Stop Date (or such other date as the Seller and Purchaser shall agree in writing), the SP Agreement shall be terminated automatically.

As at the Latest Practicable Date, save for conditions (b) and (d), none of the above conditions has been fulfilled.

Due diligence work on the Target Company

In terms of due diligence work on the Target Company, the Company has received a Canadian legal opinion relating to the Acquisition as at the Latest Practicable Date. There is no matter or issue raised in the legal opinion in respect of the Acquisition that needs to be bought to the attention of the Purchaser. As confirmed by the Target Company, there was no material litigation or material claims against the Target Company as at the Latest Practicable Date. It is stated in the legal opinion from the legal adviser of the Company that there is currently no outstanding material litigation against the Target Company based on the results of searches of the court indexes of the Supreme Court of British Columbia and Provincial Court of British Columbia (Small Claims Division) from 1 January 2013 to 27 January 2018. The legal adviser of the Company has examined such corporate records (including but not limited to the Target Company's notice of articles and the articles) and proceedings and conducted such searches, examined such other documents, statutes, public records, certificates of public officials and considered such questions of law as it has considered relevant, necessary or advisable in order to enable the legal adviser to give the opinions hereinafter expressed. In particular, it has considered the applicability of the Business Corporations Act (British Columbia), the Securities Act (British Columbia), National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations issued by the Canadian Securities Administrators ("**NI 31-103**"), and the published policies of the Canadian Securities Exchange, the TSX Venture Exchange and the Toronto Stock Exchange (collectively, the "**Governing Rules**") as they pertain to the services provided by the Target Company.

It is stated in the legal opinion that the Governing Rules do not impose registration or licensing requirements on the Target Company in respect of the services provided by the Target Company to its clients. Firms must register if they are:

(a) in the business of trading in securities;
(b) in the business of advising in the trading of securities;
(c) hold themselves out as being in the business of trading or advising in securities;
(d) acting as an underwriter; or
(e) acting as an investment fund manager,

(collectively, the "**Registration Triggers**").

On the basis that the services provided by the Target Company to its clients (including but not limited to its role and involvement in the new listing and corporate finance matters of the Target Company's clients) do not encompass any of the Registration Triggers, the legal adviser of the Company is of the opinion that the Target Company is not required to comply with NI 31-103.

The legal adviser of the Company is of the opinion that (i) aside from a general business licence issued by the municipality or municipalities in which the Target Company carries on business, the Target Company does not require, under the laws of British Columbia or the laws of Canada applicable therein, any specific licence to carry on its business and provide the services to its clients and (ii) the Target Company has the corporate power, authority and capacity to carry on its business as currently being conducted.

The Company has also been conducting a review on the accounts and material contracts of the Target Company. There is no matter or issue identified in the review that needs to be bought to the attention of the Purchaser.

Completion

Subject to the fulfillment of the conditions precedent set out above on or before the Long Stop Date (or such other date as the Seller and the Purchaser shall agree in writing), completion of the SP Agreement shall take place on the Completion Date.

Profit Guarantee

The Seller undertakes that if the net income for the year as stated in the Target Company's audited financial statements for the year ending 31 March 2018 ("**2018 Audited Net Profit**") falls below the amount of net income for the year as stated in the audited financial statements of the Target Company for the year ended 31 March 2017 ("**2017 Audited Net Profit**"), the Seller shall pay the Purchaser a sum ("**Sum X**") as compensation in full in accordance with the following:

Ratio X (%)	=	Consideration / Sum A
Sum X	=	Ratio X x (Sum A - Sum B)
Where:		
Sum A	=	CAD658,351 being the amount of net income for the year of the Target Company as stated in the audited financial statements of the Target Company for the year ended 31 March 2017
Sum B	=	The amount of net income for the year denominated in Canadian Dollars, as stated in the audited financial statements of the Target Company for the year ending 31 March 2018

If the Target Company is loss making ("**Sum Y**") for the year ending 31 March 2018, the amount of Sum X shall be calculated as follows:

Sum X	=	Sum A + Sum Y
Where:		
Sum Y	=	The absolute amount of loss for the year, denominated in Canadian Dollars, as stated in the audited financial statements of the Target Company for the year ending 31 March 2018

If the 2018 Audited Net Profit shall be greater than the 2017 Audited Net Profit, the profit guarantee referred to above shall not be applicable to the Seller.

The Purchaser will be able to ascertain whether or not there shall be any shortfall at the time when it receives the Target Company's audited financial statements for the year ending 31 March 2018 expected to be available by end of June 2018. Pursuant to the SP Agreement, the compensation, if any, shall be paid by the Seller to the Purchaser within 30 days from the date of issuance of the Target Company's audited financial statements for the year ending 31 March 2018.

The Company will comply with the relevant disclosure requirements of the GEM Listing Rules if the actual performance of the Target Company fails to meet the abovementioned profit guarantee.

Analysis of the profit guarantee

The profit guarantee represents a mechanism to provide a protection for the Group's bottom line for the year ending 30 September 2018 against a drop in the Target Company's 2018 Audited Net Profit with reference to its 2017 Audited Net Profit upon completion of the Acquisition. The protection is provided by way of a sum as compensation, rather than a source of income, calculated in accordance with the relevant formula as disclosed above. At the material time when the parties were negotiating the terms of the Acquisition, the Purchaser noted that based on the unaudited management account of the Target Company for the 7 months ended 31 October 2017, the Target Company's bottom line was positive. As advised by the Seller, the Target Company's bottom line for the year ending 31 March 2018 is expected to be positive. In the unlikely event that the Target Company shall be loss making for the year ending 31 March 2018 prior to the completion of the Acquisition, the Purchaser may regard the loss-making scenario a breach of condition precedent under the SP Agreement resulting in the SP Agreement be terminated. It is obvious that if such loss-making scenario does occur, termination of the SP Agreement would be a better alternative than contemplating compensation under the profit guarantee as the former safeguards the interests of the Company and the Shareholders as a whole. On such basis, the Directors did not consider it was necessary or appropriate to propose that Ratio X be applied for the calculation of the compensation in the event the Target Company is loss making because such loss-making scenario was not likely to occur and that if it does occur, it would be better off for the Purchaser to put the Acquisition to an end through termination of the SP Agreement referred to above.

Based on the above and having taken into account of (i) the Target Company's positive financial performance for the 7 months ended 31 October 2017 and 9 months ended 31 December 2017, it is less likely for the Target Company to be loss making for the year ending 31 March 2018 and (ii) the Group is not required to incur any extra costs in securing such profit guarantee, the Directors consider that the terms of the profit guarantee, including the calculation of compensation in the event of the Target Company is loss making, is fair and reasonable.

As disclosed above, Completion of the Acquisition is subject to a number of conditions precedent being satisfied, in particular, condition precedent (e) "*no material adverse change having occurred in relation to the Target Company which has or, in the reasonable opinion of the Purchaser, is likely to have a material adverse effect on the financial position, business or assets and property of the Target Company*". Under condition precedent (e), the Purchaser has the right to consider, as long as the consideration is reasonable that, an event, which constitutes material adverse change on the Target Company, will likely create a material adverse effect on the financials of the Target Company and, if so, non-compliance of condition precedent (e) would occur.

According to the Seller, it is expected that the Target Company's unaudited management accounts for the year ending 31 March 2018 will be available on or before the Long Stop Date (i.e. 30 April 2018). Upon receiving such accounts, the Purchaser will be able to assess the financial health of the Target Company prior to Completion. If, against a positive bottom line of the Target Company for the 7 months up to 31 October 2017, the representation from the Seller that the Target Company's bottom line for the year ending 31 March 2018 was expected to be positive and the absence of evidence to suggest the loss-making scenario for the year ending 31 March 2018 would occur prior to Completion, the Target Company shall be loss making as shown in its unaudited management accounts for the year ending 31 March 2018, it would be reasonable to say such negative change in the Target Company's financial performance, which is not within the contemplation of the Purchaser, constitutes a material adverse change likely to result in a material adverse impact on the Target Company's financial health. On such basis and under such circumstances, the Purchaser is entitled to take it that the loss-making scenario a breach of condition precedent (e) resulting in the SP Agreement be terminated.

In respect of the 2018 Actual Net Profit, it will only include the net profit in the ordinary course of the business of the Target Company under the consolidated audit accounts of the Target Company, in which profits or losses arising from merger, acquisition or disposal (other than disposal of stocks or options provided by clients as consideration for Target Company's services) would be excluded. Also, consistent with the 2017 Audited Net Profit, the 2018 Audited Net Profit will be the figures shown in the line "net income for the year" in the audited financial statement for the year ending 31 March 2018, which is the net profit after other income such as unrealized gain/loss of marketable securities and tax. The compensation of the profit guarantee (Sum X) equals the difference of the 2018 Audited Net Profit and the 2017 Audited Net Profit times a factor as disclosed in this circular, taking into consideration of the same basis applied to arrive the 2017 Audited Net Profit and 2018 Audited Net Profit and fair value changes were included in both of the 2017 Audited Net Profit and 2018 Audited Net Profit and the Target Company receive both marketable securities and cash as consideration for provision of financial advisory/corporate finance advisory service, the Directors consider it fair and reasonable and in the interests of the Company and its Shareholders as a whole to include fair value changes in calculating the 2018 Audited Net Profit.

(3) INFORMATION ON THE SELLER AND THE TARGET COMPANY

Industry overview of the Target Company's corporate finance service in Canada

Canadian regulatory overview

Securities regulation in Canada has been developed, administered and enforced by provincial and territorial levels of government without direct federal government involvement. Thus, the 10 provinces and three territories in Canada are responsible for securities regulations. Canada's provincial securities regulators have, in recent years, collaborated to create a relatively high degree of harmonization in securities regulation, which has fostered vibrant and resilient capital-market growth in Canada.

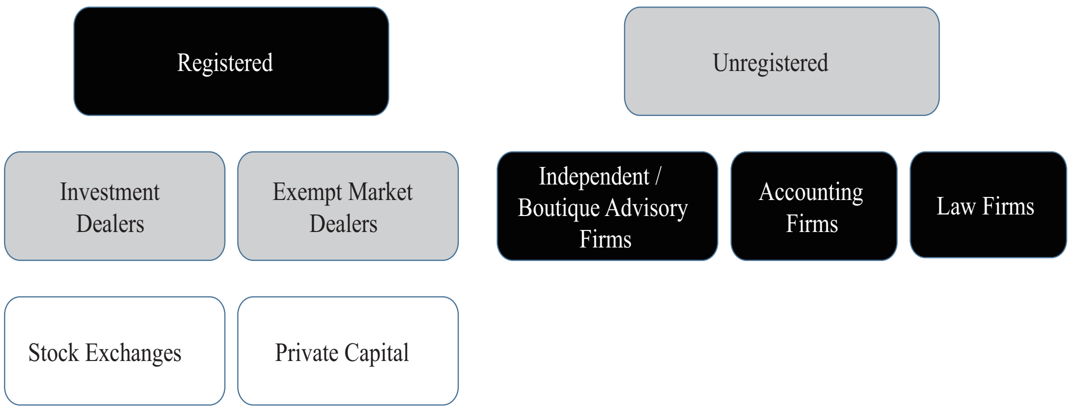
The ongoing collaboration among Canada's provincial and territorial regulators was formalized with the creation of the Canadian Securities Administrators ("**CSA**"), a forum designed to co-ordinate the development of a national system of harmonized securities regulation, policy and practice. The CSA relies on the goodwill of its participants to pursue this co-ordination because it does not have a statutory capacity to mandate or sanction provincial or territorial activities. Despite this limitation, the CSA is a mainstay of Canada's current regulatory framework and plays an effective role in facilitating the exchange of information and harmonizing practices and policies across jurisdictions.

In Canada, anyone in the business of trading securities or advising clients on securities must be registered with the securities regulator in each province or territory where they do business, unless an exemption applies. The Target Company does not trade securities or advise clients on securities and as such is not required to register with any securities regulator in Canada.

As confirmed by the Target Company, it does not have any non-compliance record.

Market participants

The Canadian capital market consists of the following groups of service providers who work with public and private issuers.



The Target Company provides services that do not require registration with any provincial securities commission in Canada and the scope of services is disclosed on pages 22 to 25 of this circular. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Target Company does not: (i) provide investment advice; (ii) act as a custodian for any other third parties' assets, cash or securities; (iii) manage or transact any other third parties' assets, cash or securities; (iv) act as sponsor or provide sponsorship due diligence pursuant to the applicable rules and regulations of any stock exchange in Canada or the US; nor, (v) render any fairness opinion or valuation opinion for any corporate transactions.

Given its areas of service, the Target Company is not required to register with or report to any securities commissions or industry regulators. The Target Company therefore competes primarily with independent/boutique investment advisory firms, accounting firms and law firms in providing its services. The market for servicing early stage growth companies in Canada is fragmented and consists of both national companies (legal and accounting firms) and regional players (independent advisory firms).

Size of the Target Company and extent of competition

In the overall corporate finance advisory market in Canada, the Target Company would be considered a small firm, given its revenue, lack of a national presence and number of employees.

The industry in which the Target Company competes is competitive and is constantly changing and adapting to fit current client needs. The Target Company competes with large domestic and international accounting firms, major regional accounting and legal firms, smaller niche-oriented companies, investment dealers, and independent consultants. Many of these competing entities have a greater number of personnel than the Target Company. Given the fragmented nature of the market and the hands-on nature of its services, the Target Company primarily competes with regional, independent firms. As an independent boutique firm, the Target Company faces competition on price (e.g. individual consultants who lack the ability to offer the same level of service) or, alternatively, from larger integrated firms with brand recognition (e.g. large accounting firms).

The Target Company competes based on the caliber and abilities of its professional personnel, relative prices of the services it offers, investment dealer relationships, ability to assist with financing arrangements, access to global markets, and quality of service. Based on its 10-years of operating experience and the networks of the Target Company's directors, the Target Company has established business relationships with about 10 investment dealers in Canada, and all of these firms are licensed investment dealers which provide services including brokerage, trading, equity capital markets and structured products, etc. The Target Company assisted its clients to complete about 20 major deals including IPO, mergers and acquisitions (including reverse takeovers) in the past 10 years. As part of its service offering, the Target Company may introduce its clients to investment dealers who may provide financing or transactional support to the Target Company's clients. In the financial advisory industry, a positive reputation with respect to completing transactions can assist in securing new clients or new investment in subsequent ventures.

Competitive strength of the Target Company

(i) Wide range of client service offerings: as a full-service corporate advisory firm, the Target Company can offer early stage companies a menu of services which meet the needs of clients as they pursue and achieve a public listing. The Target Company's flexibility assists growing companies in managing their budgets in order to focus on operational goals. The Target Company's experienced management team is well-equipped to deliver personalized advice for the diverse and unique needs of the firm's clients.

(ii) Capital markets expertise in growth companies: the Target Company provides a complete range of corporate advisory services across a wide range of geographies, companies and opportunities. The Company is focused on nurturing strong relationships with small and mid-cap companies with superior growth potential and assisting them with creating value in the long-term.

(iii) Bilingual in English and Chinese: as the Target Company's client companies mature and graduate to senior stock exchanges in Canada or the US, there is a high likelihood that these companies might consider a dual listing application in Hong Kong. There has also been an influx of immigrants from China to Canada, in particular, Vancouver and Toronto, for the last 10 years, and management expects this trend to continue. Many of the immigrants are successful business people who are interested in bringing their businesses, assets and experience to Canada to access capital markets. The majority of the Target Company's staff is bilingual in English and Chinese and can therefore effectively and efficiently serve potential clients from China and Hong Kong.

(iv) As an independently-owned and operated firm, the Target Company has the ability to serve its clients by providing an advisory service which is unbiased and to satisfy client needs by providing a bespoke service leveraging on its ability to draw upon the entire spectrum of available financing options and investment banking options. For the avoidance of doubt, the Target Company's advisory service is limited only to the structure of transactions and financing options and not related to any execution of trades or advising on investments in any securities whatsoever.

Entry barriers for the industry of the Target Company

As an unregulated participant in the market, the barriers for entry are limited for direct competitors of the Target Company. The Target Company has no licenses, minimum capital requirements or investments in capital assets that are required to operate its business. The barriers to entry for direct competitors of the Target Company primarily consist of: (i) people — recruiting and retaining experience personnel with a background in Canadian capital markets and the accounting designations required to provide comprehensive outsourced CFO (as defined below) services; (ii) reputation — building acceptance in the marketplace as a successful company; and (iii) client acquisition — the ability to secure sufficient monthly advisory clients to fund operations.

The risk factors associated with the Target Company are listed below:

(i) Target Company's financial results are sensitive to global economic, political and market conditions

The financial services business is, by its nature, subject to numerous and substantial risks, including changes in global economic, political and market conditions that are beyond the Target

Company's control. Reductions in public offering, merger and acquisition, and private placement activities due to any one or more changes in economic, political or market conditions could cause the Target Company's revenue to decline materially. In addition, the volume and profitability of these activities are affected by many national and international factors, including the level and volatility of interest rates, legislative and regulatory changes, currency values, inflation, inflows and outflows of funds into and out of mutual funds, pension funds and hedge funds and the availability of short-term and long-term funding and capital. All or any of these factors may result in a decrease in the Target Company's revenues due to their potential negative impacts on market volumes, prices, volatility or liquidity of its (potential) client.

(ii) Target Company's results may fluctuate significantly

The Target Company's financial results may fluctuate from month-to-month, quarter-to-quarter and from year-to-year due to a combination of factors, including the unrealized mark-to-market valuations of the shares, exercising of options and gains on the sale of shares held by the Target Company.

(iii) Target Company faces significant competition in its businesses

The Target Company competes directly with large domestic and international accounting and legal firms, securities subsidiaries of major chartered banks, major regional firms, smaller niche-oriented companies, as well as individual consultants. Many of these competing entities have a greater number of personnel than the Target Company does. Larger competitors are typically able to advertise their products and services on a national or regional basis and being more diversified in terms of client base may be able to better absorb swings in the market. If such competition were to continue to intensify it could mean a meaningful loss of market share which would materially adversely affect the Target Company's financial results.

(iv) Reputational risk could materially damage Target Company's businesses

Reputational risk is the potential that adverse publicity, whether accurate or inaccurate, may cause a decline in the Target Company's earnings or client base due to its impact on its's corporate image. Reputational risk is inherent in virtually all of the Target Company's business dealings and cannot be managed in isolation, as it often arises as a result of operational and other risks inherent in the businesses of the Target Company. Moreover, the Target Company is also susceptible to reputational risk and financial loss as a result of employee error and misconduct which may result in sanctions from professional organizations or reputational harm, which could materially adversely affect the Target Company's financial results.

(v) Target Company's business is subject to certain conflicts of interests or perceived conflicts

Financial services firms are subject to certain conflicts of interests or perceived conflicts. Federal, state/provincial and non-governmental regulators have increased their scrutiny of potential conflicts of interest for registered participants. Appropriately dealing with conflicts of interest is complex and difficult and the Target Company's reputation could be damaged if it fails, or appears to fail, to deal appropriately with conflicts of interest. As the Target Company does not receive finders' fees, conflicts of interest are rare.

(vi) Target Company's businesses are exposed to litigation

The Target Company is subject to the risk of litigation, including litigation that may be without merit and could incur significant legal expenses as a result. An adverse resolution of any lawsuits involving the Target Company could materially adversely affect its financial results and financial condition.

Information on the Seller and the Target Company

The Seller is an investment holding company is 100% owned by Mr. Wan Chuen Chung Joseph. The Target Company was incorporated in Canada with limited liability and it does not have any subsidiary. The Target Company is engaged primarily in the business of providing financial advisory services (including corporate finance advisory services) to private and public companies in Canada. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Target Company does not need any specific license to carry out its business in Canada.

The Target Company was set up by Mr. Wan in 2007. The ownership of the Target Company had been held by various family members of Mr. Wan, including Ms. Wan Ho Yan Letty from 2009 to 2013. Before 2013, Ms. Wan Ho Yan Letty did not hold any directorship or executive/management role nor involved in the day-to-day management in the Target Company. In December 2016, Mr. Wan as purchaser acquired the entire issued share capital in and the shareholder's loan advanced to the Target Company from his wife as seller at an aggregate consideration of approximately HK$1.6 million on the basis of the unaudited net asset value of the Target Company. Ms. Wan Ho Yan Letty disposed of her interests in the Target Company in 2013 as she had to devote time in carrying out her duties for the overall strategic development of the Group focusing in Hong Kong and the PRC market.

The detailed shareholder changes of the Target Company is set out below:

Date of change	Name of beneficial owner and ultimate shareholder of the Target Company	Number of shares of the Target Company	Percentage of holding
June 2007	Mr. Wan Chuen Chung Joseph	60	100%
April 2009	Ms. Wan Ho Yan Letty	60	100%
August 2013	Ms. Wai Chun Mak	60	100%
December 2016	Mr. Wan Chuen Chung Joseph	60	100%

In June 2017, the Stock Exchange issued a consultation paper known as "New Board Concept Paper" seeking industry practitioners to comment on, amongst other things, whether or not companies with a weighted voting right ("**WVR**") structure be allowed to be listed on the main-board of the Stock Exchange. At the material time, the Group was attracted to this proposed WVR listing structure as it considered to be a potential opportunity for new business given that the Group's core business is in corporate finance advisory. Whilst the WVR listing structure is not common for companies listed in Hong Kong or the PRC, the Group realized that certain companies overseas, in particular companies listed in North America, including PRC companies, might be attracted to such WVR listing structure. Accordingly, the Group began to explore the avenues and opportunities for accessing to such companies overseas as well as seeking such professionals who are familiar with listing rules and regulations in North America with a view to capitalizing the opportunity should the Stock Exchange give green light to the WVR listing in Hong Kong.

In December 2017, the Stock Exchange published the conclusion of the "New Board Concept Paper" (the "**Consultation**"). It concluded that the listing of certain type of companies with WVR structure on the main-board of the Stock Exchange be permissible subject to new regulatory requirements to be implemented. According to the Consultation, it was the view of the Company that there was a strong indication that a new board will be implemented for companies engaged in the new economy industries, such as biotech sector, for WVR listing in Hong Kong. The Company anticipates that potential business opportunities will arise from potential clients (both listed or non-listed) of the Target Company with WVR structure in North America who may wish to tap into the Hong Kong capital markets as well as potential clients of the Target Company in the biotech sector who wish to consider for a listing in Hong Kong. The Company considered that its entering into the proposed acquisition of the Target Company at the time of Consultation was appropriate as it would take time for the Company to comply with the reporting and shareholders' approval requirements under the GEM Listing Rules, and with the follow-up consultation on the detailed proposals and proposed amendments to listing rules for such new board to take place in the first quarter of 2018, the Company might be able to complete the transaction before or around the time when the WVR listing in Hong Kong is operational. In February 2018, the Stock Exchange stated in its follow-up consultation that the new listing rules for the WVR listing in Hong Kong would be effective in the second quarter of 2018. Accordingly, the timing for the Company's entering into the Acquisition was appropriate in the context of the WVR listing in Hong Kong.

As at the Latest Practicable Date, the Target Company does have some existing clients who have indicated there interests to list in Hong Kong. The Target Company will begin their marketing to their existing/potential clients as soon as the rules relating to the new listing requirements are finalized and announced in the second quarter of 2018.

During the material time, the Company came to realize the existence of the Target Company, a Vancouver-based corporate finance advisory firm, through Ms. Wan Ho Yan Letty, Chairperson and executive Director of the Company. The Company also realized that as the Target Company targets clients situated in Canada, there was a potential opportunity for the Company to tap into such client base for the WVR listing in Hong Kong. The Company considered that if it were to acquire the Target Company, the association with the Target Company would create a platform for the Group to access into such clients for the WVR listing in Hong Kong and enable the Target Company to utilize the Target Company's professional staff who have knowledge of and experience in listing regulations in Canada and the US. As such, the Company initiated negotiation with the Seller on the proposed Acquisition.

The business model of the Target Company is that the Target Company will provide their clients with a range of corporate advisory services, including corporate governance and policy advisory, compilation of financial statements, liaison with professional parties and assistance in corporate finance related matters, in exchange of a service fee. The Target Company also provide financial advice on mergers and acquisitions and structuring of transactions to its customers.

Detailed business model and scope of services of the Target Company is elaborated as follows:

As an independent advisory firm, the Target Company is free from institutional constraints that sometimes afflict larger financial institutions. Also, the Target Company does not facilitate securities trades, does not raise capital directly for its clients and is not a registered dealer or member of Investment Industry Regulatory Organization of Canada ("**IIROC**"). The independence and lack of requirement for registration under securities legislation allows the Target Company to provide a wider range of services for its corporate clients and the ability to act quickly when opportunities arise or when prompt solutions need to be found.

With over 10 years of operating experience, the Target Company largely relies on word-of-mouth and referrals with respect to seeking out new clients. New clients are also sourced through the professional networks of the Target Company's directors and managers. The Target Company does have an online presence but does not undertake any formal marketing or advertising. The Target Company has adopted a know-your-customer ("**KYC**") process before working with new clients as a means of implementing best practices.

For private companies, the Target Company provides outsourced consulting services to companies that have an ongoing need for a seasoned Chief Financial Officer ("**CFO**"). The Target Company's clients include a range of early stage and growth companies across a variety of industry verticals. A manager from the Target Company can serve as an on-call, off-site CFO who takes care of day-to-day accounting matters and can guide clients safely through complicated business and taxation issues when they arise. The Target Company's managers remain current with financial trends and changes to rules and policies.

In addition, the Target Company also offers the following services to private companies which intend to go public:

(a) advising as to structuring going public transactions;

(b) liaising and coordinating with clients' legal counsel and auditors with respect to preparing disclosure documents such as prospectus, filing statement, listing statement and offering documents;

(c) assisting clients to prepare due diligence information for financiers and sponsors;

(d) assisting clients and their legal counsel and auditors to respond to questions and comments from regulators such as securities commissions and stock exchanges;

(e) assisting clients with organizing pre-IPO or pre-public listing financings by way of private placement; and

(f) assisting clients to prepare marketing materials for road shows and other marketing activities.

For public companies, the Target Company assists them in reducing overhead expenses by outsourcing the accounting and financial reporting compliance functions when a full-time CFO is not required. The Target Company's talented team of trusted professional accountants have developed efficient systems to support the needs of public companies by providing accurate, timely and informed financial reporting and management services. The Target Company's services are tailored to meet the needs of its public company clients. The Target Company performs a wide range of functions from day-to-day bookkeeping to preparing financial statements in accordance with IFRS, along with other filings such as management discussion & analysis, management information circulars and annual information forms. The Target Company can liaise with the client's auditors during the year-end review process to ensure a smooth audit and timely filing of the client's quarterly reports.

In addition, the Target Company also offers the following services to public companies:

(a) advising of corporate governance principles and policies;

(b) advising of issues in compliance with the standards and policies of applicable stock exchange and regulators and continuous disclosure requirements;

(c) advising of internal control policies and procedures; and

(d) assisting in and advising of corporate finance related matters, such as organizing and executing non-brokered private placements; and drafting and reviewing of corporate documents; and providing financial advice on mergers and acquisitions, and structuring of transactions;

Role and involvement of the Target Company in new listing:

With respect to the new listings undertaken by client companies of Target Company, the role of Target Company is to facilitate or assist the clients in the new listing process through reverse takeovers or initial public offerings and the Target Company will be involved in any or all of the following work:

1. prepare the following documents for the clients to review based on discussions with clients:

    a. A draft share structure table which reflects various intended rounds of financings;

b. A draft simplified time table which outlines the major steps for the going public transactions;

c. A summary to outline if the client meets the new listing requirements.

2. assist the client's management team to compile the necessary information for the business plan writer to prepare the business plan relating to the new listing;

3. assist the client's management team to prepare a budget/projection relating to the new listing;

4. assist the client's management team to compile the necessary information for the preparation of a third-party valuation or fairness opinion, if required for the new listing;

5. assist the client's management team to prepare the necessary information to satisfy the due diligence requirements of the underwriters and/or sponsors for the new listing;

6. assist the client's management team to prepare necessary documents to facilitate the client's auditors to complete the audits on the client's financial statements;

7. assist the client's management team to compile the necessary information for the client's legal counsel in respect of the new listing;

8. assist the client's management team with document organisation relating to pre-listing financings by way of private placements; and

9. assist the client's management team to prepare marketing materials for road shows and other marketing activities.

Role and involvement of the Target Company in corporate finance matters:

With respect to corporate finance matters undertaken by client companies, the role of Target Company is to facilitate or assist the client in the corporate finance matter in question and the Target Company will be involved in any or all of the following work:

1. assist the client's management team to maintain a continuity schedule for the outstanding options and warrants;

2. liaise with the client's legal counsel and transfer agent to process exercises of options and warrants;

3. assist the client's management team with document organisation relating to non-brokered private placements;

4. assist the client's management team to initiate and review draft corporate documents such as corporate governance policies and news releases;

5. advise the client's management team, from a financial perspective, with respect to mergers and acquisitions, and transaction structuring; and

6. assist the client's management team and/or legal counsel to conduct financial due diligence relating to the corporate finance transaction in question.

Directors and senior management of Target Company:

David Eaton ("Mr. Eaton")

Mr. Eaton has been chairman and director of the Target Company since 2007. He began his career in the equity capital market industry as a floor trader at the Vancouver Stock Exchange in 1981. Since then, he has worked in many areas of corporate finance, business consulting for public and private companies, investor relations, and arranging financing for corporate transactions.

Herrick Lau ("Mr. Lau")

Mr. Lau has been a director and managing director of the Target Company since 2007. He has over 20 years of experience in corporate finance and financial management. He has been involved in initial public offerings, reverse takeovers, mergers and acquisitions, financial and business advisory matters. Mr. Lau was appointed as one of the members of the TSX Venture Exchange Inc.'s BC Advisory Committee in March 2018. Mr. Lau obtained his bachelor and master degrees in Business and Economics from Simon Fraser University in Vancouver of Canada. He is also the Chartered Financial Analyst (CFA) charter-holder.

Savio Chiu ("Mr. Chiu")

Mr. Chiu has been senior manager of corporate finance of the Target Company since 2009. He worked for Deloitte & Touche LLP in Canada for 3 years with the last position as senior associate. He is currently an officer of Confederation Minerals Ltd. (TSX Venture Exchange ("**TSXV**"): CFM) and a director of H-Source Holdings Ltd. (TSXV: HSI), both of which are listed companies in Canada. Mr. Chiu obtained his Bachelor of Commerce degree in Accounting from the University of British Columbia in Canada. Mr. Chiu is a Chartered Professional Accountant in Canada.

Denise Lok ("Ms. Lok")

Ms. Lok has been senior manager of corporate finance of the Target Company since 2009. She worked for PricewaterhouseCoopers in Canada for 3 years with the last position as senior associate. She obtained her Bachelor of Commerce degree in Accounting and Transportation Logistics from the University of British Columbia in Canada. Ms. Lok is a Chartered Professional Accountant in Canada.

Queenie Kuang ("Ms. Kuang")

Ms. Kuang has been manager of the Target Company since 2008. She obtained her Bachelor of Business Administration degree in Accounting and Finance from Simon Fraser University in Canada. Ms. Kuang is a Chartered Professional Accountant in Canada.

The Target Company has a total of 9 staff as at the Latest Practicable Date. In terms of human resource policy, according to the Target Company, the hiring of staff is determined primarily based on the Target Company's prevailing manpower and business needs.

Tor the top-five customers and their respective percentage to total sales

For the year ended 31 March 2016

Customer name	Customer profile	% to Total sales	Canadian stock exchange	US stock exchange	Years of relationship	Long term contracts signed	Nature of services
Customer A	It is a medical technology company focused on neurological wellness. It seeks to develop, license and acquire unique and non-invasive platform technologies that amplify the brain's ability to heal itself.	18.80%	Toronto Stock Exchange	OTCQB	1 year and 9 months	No	(a) Advising of corporate governance principles and policies. (b) Advising of issues in compliance with the standards and policies of applicable stock exchange and regulators. (c) Advising of internal control policies and procedures. (d) Advising of continuous disclosure requirements including: i. Interim and annual financial disclosure; ii. Public company filings; iii. Dissemination of news releases; iv. Monthly progress reports; v. Quarterly listing statement; and vi. Annual updated listing statement.
Customer B	It is a technology company operating within the health care industry through its wholly owned subsidiary, which has developed a transaction platform that provides a private, secure and trusted marketplace for member hospitals to buy, sell and transfer excess inventory supplies and capital equipment with each other.	17.34%	TSX Venture Exchange	OTCQB	7 months	No	

Customer name	Customer profile	% to Total sales	Canadian stock exchange	US stock exchange	Years of relationship	Long term contracts signed	Nature of services
Customer C	Its technology produces infused strips (similar to breath strips) that are not only a safer, healthier option to smoking but also a new way to accurately meter the dosage and assure the purity of the product.	16.92%	Canadian Securities Exchange	OTCQB	4 years and 7 months	No	(e) Compilation of financial statements; (f) Liaison and coordination with the Clients' legal counsels and auditors including; (g) Assisting in and advising of corporate finance related matters, such as: i. Maintaining an options/warrants continuity schedule of the clients; ii. Processing option/warrant exercises and liaising with legal counsel and transfer agent; iii. Organizing non-brokered private placement; iv. Drafting and reviewing of corporate documents; and v. Providing financial advice on mergers and acquisitions and structuring of transactions.
Customer D	Its focus is to explore and develop gold projects in western Australia.	15.04%	TSX Venture Exchange	OTCQB	5 years and 9 months	No	
Customer E	As a specialty steel trading company, it provides value add by identifying suitable suppliers for products that best suit customer needs, establishing distribution centres in optimal locations, and providing superior sales and after-sale services to customers.	11.22%	TSX Venture Exchange	OTCQB	7 months	No	
Total		79.32%					

For the year ended 31 March 2017

Customer name	Customer profile	% to Total sales	Canadian stock exchange	US stock exchange	Years of relationship	Long term contracts signed	Nature of services
Customer F	It owns and operates best-in-class licensed cannabis cultivation, processing and dispensary facilities throughout the US, providing investors diversified exposure to the US regulated cannabis industry.	20.80%	Canadian Securities Exchange	OTCQB	7 months	No	(a) Advising of corporate governance principles and policies. (b) Advising of issues in compliance with the standards and policies of applicable stock exchange and regulators. (c) Advising of internal control policies and procedures. (d) Advising of continuous disclosure requirements. (e) Compilation of financial statements. (f) Liaison and coordination with the clients' legal counsels and auditors.
Customer D	Its focus is to explore and develop gold projects in western Australia.	20.27%	TSX Venture Exchange	OTCQB	6 years and 9 months	No	
Customer G	It is a British Columbia based company engaged in the business of acquisition, exploration and development of mineral properties.	16.42%	TSX Venture Exchange	—	5 years 10 months	No	

Customer name	Customer profile	% to Total sales	Canadian stock exchange	US stock exchange	Years of relationship	Long term contracts signed	Nature of services
Customer B	It is a technology company operating within the health care industry through its wholly owned subsidiary, which developed a transaction platform that provides a private, secure and trusted marketplace for member hospitals to buy, sell and transfer excess inventory supplies and capital equipment with each other.	14.08%	TSX Venture Exchange	OTCQB	1 year and 7 months	No	(g) Assisting in and advising of corporate finance related matters, such as: i. Maintaining an options/warrants continuity schedule of the clients; ii. Processing option/warrant exercises and liaising with legal counsel and transfer agent; iii. Organizing non-brokered private placement; iv. Drafting and reviewing of corporate documents; and v. Providing financial advice on mergers and acquisitions and structuring of transactions.
Customer A	It is a medical technology company focused on neurological wellness. It seeks to develop, license and acquire unique and non-invasive platform technologies that amplify the brain's ability to heal itself.	11.73%	Toronto Stock Exchange	OTCQB	2 years and 9 months	No	
Total		83.30%					

A monthly fixed fee ranged from CAD$10,000 to CAD$15,000 was charged for the top five customers for the two years ended 31 March 2017 with a credit term of 30 days. In addition, for newly listed clients such as Customer F and sometimes longer-term client such as Customer D who achieved significant progress granted options to the Target Company during the year ended 31 March 2017. As confirmed by the legal adviser and included in the legal opinion, advising of issues in compliance with the standards and policies of applicable stock exchange and regulators and advising on continuous disclosure requirements in Canada do not require any registration or licensing as they are not related to trading or advising in any securities. As confirmed by the Target Company, it does not provide any service on (i) advising of issues in compliance with the standards and policies of applicable stock exchange and regulators and advising on continuous disclosure requirements in US and (ii) trading or advising on securities.

Future plan and operation of the Target Company

The Target Company has a limited investment in capital assets and therefore does not require any significant funding to continue to implement its business plan. Further, as at the Latest Practicable Date, the Target Company has no planned growth initiatives that would necessitate seeking funding. According to the management of the Target Company, the Target Company will continue to carry out its existing business and does not foresee any material change thereto as the current business model will remain unchanged upon completion of the acquisition of the Target Company and thereafter. The Group expects since there will be business collaborations between the Target Company and other operating entities within the Group, the Target Company will incur travelling expenses. Despite this is so, the Group does not expect such expenses would have any material or significant impact on the Group's financial performance.

Upon completion of the Acquisition, the business and affairs of the Target Company will be managed and carried out in accordance with the Group's internal procedures in place. For better communication with the staff of the Target Company in Canada, the Directors intend to appoint Mr. Hui Ringo Wing Kun, executive Director of the Company, as the authorized person for all matters relating to the management of the Target Company and thus, assuming the Acquisition will be completed in April 2018, it will not affect the duties of Ms. Wan Ho Yan Letty as Director and managing the Company.

Financial information on the Target Company

Set out below are the audited financial information of the Target Company prepared in accordance with the IFRS for the two years ended 31 March 2016 and 31 March 2017:

	For the year ended 31 March	
	2017	**2016**
	CAD	*CAD*
Revenue	1,278,687	797,868
Operating expenses	921,459	866,709
Income (loss) before other income	357,228	(68,841)
Net income/(loss) before income taxes	792,896	(427,115)
Net income (loss) for the year	658,351	(427,115)

	As at 31 March	
	2017	**2016**
	CAD	*CAD*
Net assets	1,544,818	521,452

As confirmed by the Target Company, there is no breakdown of the revenue by nature as all of the revenue was generated from provision of financial advisory/corporate finance advice for the two years ended 31 March 2016 and 2017.

From the year ended 31 March 2016 to the year ended 31 March 2017, the total revenue of the Target Company increased by approximately CAD0.48 million, representing approximately 60% of the total revenue for the year ended 31 March 2016, which mainly attributable from (i) the engagement of Customer F as a new customer which contributed for approximately CAD0.27 million for the increase in revenue of the Target Company for the year ended 31 March 2017 compared with 31 March 2016 and (ii) the grant of share options by Customer D to the Target Company in August 2016 which contributed to approximately CAD0.14 million increase in revenue of the Target Company for the year ended 31 March 2017 compared with 31 March 2016.

As no cost of sales and gross profit were presented in the audited financial statement of the Target Company for the year ended 31 March 2017, thus, no such information can be provided.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Target Company received stock options from its clients as non-cash compensation in addition to its monthly advisory cash fees. The Target Company was required to fair market value the stock options at the year end. The Target Company reported a loss for the year ended 31 March 2016 primarily attributable to recognition of a significant amount of unrealized loss on one of its stock options that it received previously for the year ended of 2015. The unrealised loss on stock options for 2016 was approximately CAD483,531. The net income of the Target Company for the year ended 31 March 2016 excluding such unrealised loss was approximately CAD56,416 (-CAD427,115 + CAD483,531). Moreover, the improvement in the capital market sentiment in North America in 2016 also contributed to the improvement in the financial performance of the Target Company for the year ended 31 March 2017.

Key items for profit or loss of the Target Company for the year ended 31 March 2017 and the adjustments made by the Valuer are disclosed as follows:

	For the year ended 31 March 2017	
	CAD	Nature
Revenue	1,278,687	Provision of financial advisory services
Total operating expenses	921,459	
Income before other income	357,228	
Other income (expenses)		
Gain on receivable settlement	133,053	It results from the settlement of account receivables by marketable securities of the listed customers instead of cash and the fair value of the market securities is higher than the book value of the account receivables at the time of payment
Unrealized gain (loss) on marketable securities	287,700	
Gain on sale of marketable securities	48,758	
Net income (loss) before income taxes	792,896	
Adjustments made by the Valuer		
Reversing of gain on receivable settlement	(133,053)	Adjustment for one-off item
Reversing of unrealized gain (loss) on marketable securities	(287,700)	Adjustments for unrealised gains on marketable securities
Income tax (@ 26%)	(96,757)	Recalculation of corporate income tax for "adjusted net income (loss) before income taxes"
Adjusted net income (loss) after income taxes	275,386	

Major assets held by the Target Company

Other than bank balances and cash, marketable securities were the major assets held by the Target Company. Marketable securities of CAD1,418,635, which represented approximately 60.37% of total assets as at 31 March 2017, and CAD581,700, which represented approximately 52.49% of total assets as at 31 March 2016, are the major asset held by the Target Company.

Marketable securities were comprised of the following:

	31 Mar 2017	31 Mar 2016
	CAD	CAD
Share securities classified as AFS (see note a)	595,401	317,287
Options classified as FVTPL (see note b)	823,234	264,413
	1,418,635	581,700

(a) Available-for-sale financial assets ("**AFS**"), as of and for the years ended 31 March 2017 and 2016:

	Cost	Total impairment	Accumulated other comprehensive income	Fair value as at 31 March 2016	Stock Exchange	Stock Code	Principle Business	Number of Shares/ Options Held	Percentage of holding	Size to Target Company's total assets	Size to Target Company's net assets
	CAD	*CAD*	*CAD*	*CAD*						%	%
Darelle Online Solutions Inc.	25,000	(14,483)	—	10,517	TSX Venture Exchange	DAR	It is a British Columbia corporation with its head office in Vancouver, B.C. Its website is an on-line marketplace that has developed a platform in which charitable and non-profit organizations can create, sell, deliver and manage their raffle ticket and 50/50 draws completely on-line.	350,580	0.5%	0.9%	2.0%
Micron Waste Technologies Inc. (formerly known as Finore Mining Inc.)	50,000	(40,000)	(8,750)	1,250	Canadian Securities Exchange	MWM	It is a well-financed technology company. Its organic waste digestion system is designed to manage organic waste on-site, converting it into clean water.	250,000	1.0%	0.1%	0.2%

	Cost	Total impairment	Accumulated other comprehensive income	Fair value as at 31 March 2016	Stock Exchange	Stock Code	Principle Business	Number of Shares/ Options Held	Percentage of holding	Size to Target Company's total assets	Size to Target Company's net assets
	CAD	*CAD*	*CAD*	*CAD*						%	%
Helius Medical Technologies Inc.	5,250	—	198,450	203,700	Toronto Stock Exchange	HSM	It is a medical technology company focused on neurological wellness. It seeks to develop, license and acquire unique and non-invasive platform technologies that amplify the brain's ability to heal itself.	210,000	0.3%	18.4%	39.1%
iAnthus Capital Holdings, Inc.	1,500	—	—	1,500	Canadian Securities Exchange	IAN	It owns and operates best-in-class licensed cannabis cultivation, processing and dispensary facilities throughout the US, providing investors diversified exposure to the US regulated cannabis industry.	50,000	0.4%	0.1%	0.3%
Logan Resources Ltd.	7,500	(7,281)	281	500	TSX Venture Exchange	LGR	It is a junior exploration company in the business of acquiring and advancing mineral properties.	6,250	0.0%	0.0%	0.1%

	Cost	Total impairment	Accumulated other comprehensive income	Fair value as at 31 March 2016	Stock Exchange	Stock Code	Principle Business	Number of Shares/ Options Held	Percentage of holding	Size to Target Company's total assets	Size to Target Company's net assets
	CAD	*CAD*	*CAD*	*CAD*						%	%
Lifestyle Delivery Systems Inc.	138,880	—	(39,060)	99,820	Canadian Securities Exchange	LDS	Its technology produces infused strips (similar to breath strips) that are not only a safer, healthier option to smoking but also a new way to accurately meter the dosage and assure the purity of the product.	868,000	2.7%	9.0%	19.1%
Balance, 31 March 2016	228,130	(61,764)	150,921	317,287							

	Cost	Total impairment	Accumulated other comprehensive income	Fair value as at 31 March 2017	Stock Exchange	Stock Code	Principle Business	Number of Shares/ Options Held	Percentage of holding	Size to Target Company's total assets	Size to Target Company's net assets
	CAD	*CAD*	*CAD*	*CAD*						%	%
Darelle Online Solutions Inc.	25,000	(14,483)	1,753	12,270	TSX Venture Exchange	DAR	It is a British Columbia corporation with its head office in Vancouver, B.C. Its website is an on-line marketplace that has developed a platform in which charitable and non-profit organizations can create, sell, deliver and manage their raffle ticket and 50/50 draws completely on-line.	350,580	0.5%	0.5%	0.8%
Micron Waste Technologies (formerly known as Finore Mining Inc.)	20,000	(16,000)	8,000	12,000	Canadian Securities Exchange	MWM	It is a well-financed technology company. Its organic waste digestion system is designed to manage organic waste on-site, converting it into clean water.	100,000	0.2%	0.5%	0.8%

	Cost	Total impairment	Accumulated other comprehensive income	Fair value as at 31 March 2017	Stock Exchange	Stock Code	Principle Business	Number of Shares/ Options Held	Percentage of holding	Size to Target Company's total assets	Size to Target Company's net assets
	CAD	*CAD*	*CAD*	*CAD*						%	%
Helius Medical Technologies Inc.	5,250	—	435,750	441,000	Toronto Stock Exchange	HSM	It is a medical technology company focused on neurological wellness. It seeks to develop, license and acquire unique and non-invasive platform technologies that amplify the brain's ability to heal itself.	210,000	0.2%	18.8%	28.5%
iAnthus Capital Holdings, Inc.	1,350	—	128,250	129,600	Canadian Securities Exchange	IAN	It owns and operates best-in-class licensed cannabis cultivation, processing and dispensary facilities throughout the US, providing investors diversified exposure to the US regulated cannabis industry.	45,000	0.2%	5.5%	8.4%

	Cost	Total impairment	Accumulated other comprehensive income	Fair value as at 31 March 2017	Stock Exchange	Stock Code	Principle Business	Number of Shares/ Options Held	Percentage of holding	Size to Target Company's total assets	Size to Target Company's net assets
	CAD	*CAD*	*CAD*	*CAD*						%	%
Logan Resources Ltd.	7,500	(7,281)	312	531	TSX Venture Exchange	LGR	It is a junior exploration company in the business of acquiring and advancing mineral properties.	6,250	0.0%	0.0%	0.0%
Balance, 31 March 2017	59,100	(37,764)	574,065	595,401							

(b) Financial assets at fair value through profit or loss ("**FVTPL**"), as of and for the years ended 31 March, 2017 and 2016:

	Fair value as at 31 March 2015	Fair value at grant Date	Unrealized gain (loss)	Fair value as at 31 March 2016	Stock Exchange	Stock Code	Principle Business	Number of Shares/ Options Held	Percentage of holding	Size to Target Company's total assets	Size to Target Company's net assets
	CAD	*CAD*	*CAD*	*CAD*						%	%
Helius Medical Technologies Inc.	681,146	—	(518,537)	162,609	Toronto Stock Exchange	HSM	It is a medical technology company focused on neurological wellness. It seeks to develop, license and acquire unique and non-invasive platform technologies that amplify the brain's ability to heal itself.	250,000	0.3%	14.7%	31.2%
H-Source Holdings Ltd.	—	33,367	(1,332)	32,035	TSX Venture Exchange	HSI	It is a technology company operating within the health care industry through its wholly owned subsidiary. It has developed a transaction platform that provides a private, secure and trusted marketplace for member hospitals to buy, sell and transfer excess inventory supplies and capital equipment with each other.	300,000	0.6%	2.9%	6.1%

	Fair value as at 31 March 2015	Fair value at grant Date	Unrealized gain (loss)	Fair value as at 31 March 2016	Stock Exchange	Stock Code	Principle Business	Number of Shares/ Options Held	Percentage of holding	Size to Target Company's total assets	Size to Target Company's net assets
	CAD	*CAD*	*CAD*	*CAD*						%	%
Crownia Holdings Ltd.	—	33,431	36,338	69,769	TSX Venture Exchange	CNH	As a specialty steel trading company, it provides value add by identifying suitable suppliers for products that best suit customer needs, establishing distribution centres in optimal locations, and providing superior sales and after-sale services to customers.	120,000	0.3%	6.3%	13.4%
Balance, 31 March 2016	681,146	66,798	(483,531)	264,413							

	Fair value as at 31 March 2016	Fair value at grant date	Unrealized gain (loss)	Fair value as at 31 March 2017	Stock Exchange	Stock Code	Principle Business	Number of Shares/ Options Held	Percentage of holding	Size to Target Company's total assets	Size to Target Company's net assets
	CAD	*CAD*	*CAD*	*CAD*						%	%
Helius Medical Technologies Inc.	162,609	—	244,013	406,622	Toronto Stock Exchange	HSM	It is a medical technology company focused on neurological wellness. It seeks to develop, license and acquire unique and non-invasive platform technologies that amplify the brain's ability to heal itself.	250,000	0.3%	17.3%	26.3%
H-Source Holdings Ltd.	32,035	—	23,034	55,069	TSX Venture Exchange	HSI	It is a technology company operating within the health care industry through its wholly owned subsidiary. It has developed a transaction platform that provides a private, secure and trusted marketplace for member hospitals to buy, sell and transfer excess inventory supplies and capital equipment with each other.	300,000	0.3%	2.3%	3.6%

	Fair value as at 31 March 2016	Fair value at grant date	Unrealized gain (loss)	Fair value as at 31 March 2017	Stock Exchange	Stock Code	Principle Business	Number of Shares/ Options Held	Percentage of holding	Size to Target Company's total assets	Size to Target Company's net assets
	CAD	*CAD*	*CAD*	*CAD*						%	%
Crownia Holdings Ltd.	69,769	—	(61,964)	7,805	TSX Venture Exchange	CNH	As a specialty steel trading company, it provides value add by identifying suitable suppliers for products that best suit customer needs, establishing distribution centres in optimal locations, and providing superior sales and after-sale services to customers.	120,000	0.3%	0.3%	0.5%
Novo Resources Corp.	—	139,175	(49,723)	89,452	TSX Venture Exchange	NVO	Its focus is to explore and develop gold projects in the western Australia.	200,000	0.2%	3.8%	5.8%

	Fair value as at 31 March 2016	Fair value at grant date	Unrealized gain (loss)	Fair value as at 31 March 2017	Stock Exchange	Stock Code	Principle Business	Number of Shares/ Options Held	Percentage of holding	Size to Target Company's total assets	Size to Target Company's net assets
	CAD	*CAD*	*CAD*	*CAD*						%	%
iAnthus Capital Holdings, Inc.	—	131,946	132,340	264,286	Canadian Securities Exchange	IAN	It owns and operates best-in-class licensed cannabis cultivation, processing and dispensary facilities throughout the US, providing investors diversified exposure to the US regulated cannabis industry.	100,000	0.4%	11.2%	17.1%
Balance, 31 March 2017	264,413	271,121	287,700	823,234							

Analysis of performance of marketable securities of the Target Company for the two years ended 31 March 2017 and their prospect

	Analysis of performance for		
AFS	**2016**	**2017**	**Prospect**
Darelle Online Solutions Inc.	According to the management's discussion and analysis of the company for the year ended 31 August 2016, its net loss was amounted to approximately CAD0.4 million. The company generated revenue mainly through its website, which is an on-line marketplace that has developed a platform in which charitable and non-profit organizations can create, sell, deliver and manage their raffle ticket and 50/50 draws completely on-line. The stock price of the company as at 31 March 2016 is the same as its book value before making fair value adjustment.	According to the management's discussion and analysis of the company for the year ended 31 August 2017, its net loss was amounted to approximately CAD0.6 million. The company generated revenue mainly through its website, which is an on-line marketplace that has developed a platform in which charitable and non-profit organizations can create, sell, deliver and manage their raffle ticket and 50/50 draws completely on-line. The stock price of the company as at 31 March 2017 is higher than its book value before making fair value adjustment.	The online e-commerce marketing industry has seen many new competitors in the past twenty-four months, and the industry is quickly becoming highly competitive and the company may face additional competition from small-to-medium size competitors and from competitors that are better funded than itself. The success of the company will depend entirely on the expertise, ability, judgment, discretion, integrity and good faith of its senior management.
Micron Waste Technologies Inc. (formerly known as Finore Mining Inc.)	According to the management's discussion and analysis of the company for the year ended 31 December 2016, the company reported a net loss of approximately CAD1.3 million. The company has not generated any product revenues and has not achieved profitable operations. The stock price of the company as at 31 March 2016 is lower than its book value before making fair value adjustment.	According to the management's discussion and analysis of the company for the nine months ended 30 September 2017, its net loss was amounted to approximately CAD0.6 million The company has no current operating income. The stock price of the company as at 31 March 2017 is higher than its book value before making fair value adjustment.	The company estimates it will have sufficient capital to continue operations for the upcoming year.

AFS	Analysis of performance for 2016	2017	Prospect
Helius Medical Technologies Inc.	According to the consolidated statements of operations and comprehensive loss of the company for the year ended 31 March 2016, its comprehensive loss was amounted to approximately US$6.9 million. The company has not generated any product revenues and has not achieved profitable operations. However, the stock price of the company as at 31 March 2016 is higher than its book value before making fair value adjustment.	According to the consolidated statements of operations and comprehensive loss of the company for the nine months ended 31 December 2016, its comprehensive loss was amounted to approximately US$12.8 million. However, the stock price of the company as at 31 March 2017 is higher than its book value before making fair value adjustment.	The company also expects to continue to incur operating losses and net cash outflows until such time as it generates a level of revenue to support its cost structure. There is no assurance that profitable operations will ever be achieved, and, if achieved, will be sustained on a continuing basis. The company continues to conduct the commercial design and manufacturing testing to meet the requirements of the applications for commercial clearance for the various regulatory departments and expects to complete the testing and submit to the U.S. Food and Drug Administration for clearance in the first half of 2018.
iAnthus Capital Holdings, Inc.	According to the management's discussion and analysis of the company for the year ended 31 December 2016, the company reported a net loss of approximately US$5.0 million. The primary sources of revenue in 2016 are management fees and interest income. The stock price of the company as at 31 March 2016 is the same as its book value before making fair value adjustment.	According to the management's discussion and analysis of the company for the nine months ended 30 September 2017, its net loss was amounted to approximately US$7.1 million. The primary sources of revenue in 2017 are management fees, interest income and investment income. The stock price of the company as at 31 March 2017 is higher than its book value before making fair value adjustment since the company had completed its own IPO, its share price has increased significantly.	Management of the company expects to raise more capital in the future as the company continues to execute on its strategic initiatives to acquire licensed dispensaries, processors and cultivators throughout the US.

AFS	Analysis of performance for 2016	2017	Prospect
Logan Resources Ltd.	According to the management's discussion and analysis of the company for the year ended 31 March 2016, the company reported a net loss of approximately CAD0.2 million. The company did not have any operations generating cash to fund projected levels of exploration and evaluation activity and associated overhead costs. The stock price at 31 March 2016 is higher than its book value before making fair value adjustment.	According to the management's discussion and analysis of the company for the year ended 31 March 2017, the company reported a net loss of approximately CAD1.5 million and the company had no producing properties and consequently had no operating income or cash flows. The stock price at 31 March 2017 is higher than its book value before making fair value adjustment.	The company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the company will be able to obtain such financings or obtain them on favorable terms.
Lifestyle Delivery Systems Inc.	According to the management's discussion and analysis of the company for the year ended 31 December 2016, the company reported a net loss of approximately CAD2.9 million. The company generated revenue through license fees and net sales of its packaging material. The stock price at 31 March 2016 is lower than its book value before making fair value adjustment.	The Target Company did not hold any marketable securities of the company as at 31 March 2017.	As the company's current operations do not generate significant revenues, until such time that the building of the facility is completed and equipment is successfully installed, the company will continue relying on equity and debt financing in order to meet its ongoing day-to-day operating requirements. The company continues working on the cultivation wing of the permitted Adelanto Facility. Once the construction and improvements of the Adelanto Facility are completed, the company believes it will be able to generate sufficient revenue to fund its day-to-day operations as well as its overhead costs from cultivation operations in addition to expected revenues from extraction and consulting operations.

	Analysis of performance for		
AFS	**2016**	**2017**	**Prospect**
H-Source Holdings Ltd.	According to the management's discussion and analysis of the company for the year ended 31 December 2016, the company reported a net loss of approximately US$2.6 million. The company did not generate any revenue during the 2016 year. The Target Company only held options of the company as at 31 March 2016.	According to the management's discussion and analysis of the company for the nine months ended 30 September 2017, its net loss was amounted to approximately USD$1.4 million. the company's revenue was mostly generated through interest income and some through material revenue. The Target Company only held options of the company as at 31 March 2017.	As the company's current operations is just starting to generate revenue, it will continue to rely on equity and debt financing in order to meet its ongoing day-to-day operating requirements.
Crownia Holdings Ltd.	According to the management's discussion and analysis of the company for the year ended 30 June 2016, the company reported a net loss of approximately USD$1.5 million. The company generated its revenue through the sale of specialty steel products to its customers on international markets. The Target Company only held options of the company as at 31 March 2016.	According to the management's discussion and analysis of the company for the year ended 30 June 2017, the company reported a net loss of approximately USD$3.3 million. The company generated its revenue through the sale of specialty steel products to its customers on international markets. The Target Company only held options of the company as at 31 March 2017.	The company is entering into the growth stage where it can develop new distribution centers in a few countries where the company identify as initial target. The company will also expand its product offering to cover a broader range of specialty steel products. The company has established working relationship with specialty steel suppliers in China and is planning to further solidify and expand this network by participating in industry associations and trade shows. The company also looks to embrace the digital realm by offering a membership based online steel trading platform and custom-made trade financing through internet funding.

AFS	Analysis of performance for 2016	2017	Prospect
Novo Resources Crop.	According to the consolidated statements of operations and comprehensive loss of the company for the year ended 31 January 2017, its comprehensive loss was amounted to approximately CAD$4.6 million. The company did not generate any revenue for this period (all sales revenue from incidental production arising during the exploration, evaluation, development and commissioning of a mineral resource prior to commercial production, is recognized as other income in the statement of comprehensive loss). The Target Company did not hold any marketable securities of the company as at 31 March 2016.	According to the condensed interim consolidated statements of the company for the nine months ended 31 October 2017, its net loss was amounted to approximately CAD$15.3 million. The company did not generate any revenue for this period (all sales revenue from incidental production arising during the exploration, evaluation, development and commissioning of a mineral resource prior to commercial production, is recognized as other income in the statement of comprehensive loss). The Target Company only held options of the company as at 31 March 2017.	To fully develop the company's mineral properties into large-scale mining operations with processing plants, the company may have to raise additional cash or form strategic partnerships; however, there cannot be any certainty that additional financing can be raised or that strategic partnerships can be found.

With reference to page 161, 162 and I-10 of the prospectus of the Company dated 15 May 2017, the operating cash flow ("**OCF**") of the Group was approximately HK$32.6 million and HK$27.2 million for year ended 30 September 2016 and 30 September 2015, respectively. For illustrative purpose, the theoretical impact of the inclusion of the operating cash outflow of the Target Company for the two years ended 31 March 2017 to the stated OCF is insignificant. Please see the calculation below:

	For the year ended 30 September 2015 (HK$'000)	**For the year ended 30 September 2016 (HK$'000)**
Cash flow from operations before movements in working capital	27,547	24,518
Adjustments:		
Listing expenses	—	8,092
Adjusted OCF	27,547	32,610
Inclusion of Target Company's OCF	Less: 572 (for the year ended 31 March 2016)	Less: 229 (for the year ended 31 March 2017)
Hypothetical OCF of the Group	**26,975**	**32,381**

In view of the above analysis of the hypothetical OCF of the Group, the Company together with the Target Company will meet the minimum cashflow requirement for new listing if the result of the Target Company is included in the Group for the track record period.

Based on the management account of the Target Company for the 9 months ended 31 December 2017 and 7 months ended 31 October 2017, the net income were approximately CAD0.74 million and CAD0.75 million, respectively. The Target Company confirmed that its financial performance does not subject to any seasonable factors. The audited financial statements of the Target Company will be consistently prepared under the IFRS and expected to be available in June 2018.

(4) REASONS FOR AND BENEFITS OF THE ACQUISITION

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, 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.

As stated in the Company's annual report for the year ended 30 September 2017, the Group will focus its efforts to expand its network internationally. The Acquisition is in line with the Group's stated expansion plan. Having considered (i) Canada's positive economic environment based on the forecast for Canada's real gross domestic product growth at 1.9% in both 2018 and 2019 and continues to expand by an average of 1.8% per year in real terms in 2017 to 2050 by The Economist Intelligence

Unit, which will be positive for merger and acquisition activities in Canada, (ii) the Target Company has sourced one new engagement with a public company and one new engagement with a private company which intend to go public subsequent to 31 March 2017, and the Target Company is currently in negotiation for engagement with three potential clients (which are private companies in the progress of going public) it demonstrates the continuing effort of the directors of the Target Company to source new deals; (iii) the financial performance of the Target Company for the year ended 31 March 2017 and for the 9 months ended 31 December 2017; (iv) the valuation report of the Target Company issued by a professional independent valuer, and (v) as confirmed by the Target Company, there is no foreseeable event which might materially affect the long term profitability of the Target Company as at the Latest Practicable Date, the Directors (including the independent non-executive Directors) are of the view that the Acquisition not only represents an opportunity for the Group to expand its business internationally but also an opportunity for the Group to benefit from an expected increase in income, earnings and operating cash flows upon completion of the Acquisition and are prudently optimistic that profitability of the Target Company is sustainable. The acquisition of the Target Company will provide the Group with an opportunity to expand the Group's business through cross-selling of existing services as elaborated below:

(a) introduction of companies listed in North America with WVR structure can be dual-listed in Hong Kong; and

(b) referral of existing/potential clients looking for listing in Hong Kong but have failed to satisfy the new listing requirements may be suitable for listing in North America.

The Directors (including the independent non-executive Directors) are of the view that the Acquisition was entered into on normal commercial terms and is fair and reasonable and in the interests of the Company and Shareholders as a whole.

(5) POSSIBLE FINANCIAL EFFECTS OF THE ACQUISITION ON THE GROUP

Following completion of the Acquisition, the Target Company will become an indirect wholly-owned subsidiary of the Company and its financial results will be fully consolidated into the financial statements of the Company. No significant effect on the Group's consolidated statement of profit or loss is expected to be resulted from the Acquisition immediately upon completion of the Acquisition. In addition, the Acquisition would have no material impact on the consolidated net asset value of the Group.

(6) GEM LISTING RULES IMPLICATIONS

As one or more of the relevant percentage ratios (as defined under Rule of the GEM Listing Rules) in respect of the Acquisition exceed 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

In addition, since the Seller is wholly owned by Mr. Wan who is father of Ms. Wan Ho Yan Letty, the Chairperson and executive Director of the Company, the Seller is therefore an associate of the connected person of the Company under the GEM Listing Rules, and the Acquisition also constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

Further, as Ms. Wan Ho Yan Letty and Mr. Wan Chuen Fai (brother of Mr. Wan) are deemed to have a material interest in the SP Agreement, they did not participate in the Board's deliberations on the same and had abstained from voting on the Board's resolution approving the SP Agreement.

An Independent Board Committee comprising all the independent non-executive Directors, namely, Mr. Kam Cheuk Fai David, Mr. William Robert Majcher and Mr. Ho Lik Kwan Luke, has been formed to advise the Independent Shareholders on whether the terms of the SP Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and to give its recommendation as to the voting in respect of the resolution to be proposed at the EGM for approving the SP Agreement, after taking into account of the recommendation of the Independent Financial Adviser. The Letter from the Independent Board Committee is set out on pages 54 to 55 of this circular. Alliance Capital Partners Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. Your attention is drawn to the advice of the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders as set out in the letter on page 56 to 72 of this circular.

(7) EGM

A notice to convene an EGM to be held at 18/F., Prosperity Tower, 39 Queen's Road Central, Hong Kong, Hong Kong on Friday, 13 April 2018 at 10:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular. An ordinary resolution will be proposed to the Independent Shareholders to consider and, if thought fit, to approve, among other matters, the SP Agreement and the transactions contemplated thereunder.

The voting in respect of the SP Agreement and the transactions contemplated thereunder at the EGM will be conducted by way of poll. Ms. Wan Ho Yan Letty and Jayden Wealth, the controlling shareholder holding 384,900,000 Shares, representing 75% of the issued share capital of the Company as at the Latest Practicable Date, and its associates are required to abstain from voting in respect of the resolution approving the SP Agreement and the transactions contemplated thereunder at the EGM.

Save for the aforesaid and to the Directors' best knowledge, information and belief and having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholder has a material interest in the Acquisition and therefore no other Shareholder is required to abstain from voting on the proposed resolution approving the SP Agreement and the transactions contemplated thereunder at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the share registrar of the Company, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

(8) RECOMMENDATION

The Directors (including the independent non-executive directors whose views are included in the Letter from the Independent Board Committee as set forth on pages 54 to 55 of this circular) consider that the terms of the SP Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive directors) recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the SP Agreement and the transactions contemplated thereunder as set out in the notice of the EGM.

(9) ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
By order of the Board
VBG International Holdings Limited
Hui Ringo Wing Kun
Executive Director

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)

21 March 2018

To the Independent Shareholders,

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARES OF AND THE SHAREHOLDER'S LOAN IN BARON GLOBAL FINANCIAL CANADA LTD.

We refer to the circular of the Company dated 21 March 2018 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter will have the same meanings as defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to consider the Acquisition and to advise you as to whether, in our opinion, the terms of the SP Agreement are fair and reasonable so far as the Independent Shareholders are concerned. Alliance Capital Partners Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

We also wish to draw your attention to (i) the letter from the Board; (ii) the letter from the Independent Financial Adviser; and (iii) the additional information set out in the appendices to the Circular.

Having considered the terms of the SP Agreement and having taken into account the opinion of the Independent Financial Adviser and, in particular, the reasons and recommendations as set out in the letter from the Independent Financial Adviser from pages 56 to 72 of the Circular, we consider that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable so far

* *For identification purposes only*

as the Independent Shareholders are concerned, and the Acquisition is in the interests of the Independent Shareholders and the Company as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution which will be proposed at the EGM to approve, among other matters, the SP Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of the
Independent Board Committee of
VBG International Holdings Limited

Mr. Kam Cheuk Fai David	**Mr. William Robert Majcher**	**Mr. Ho Lik Kwan Luke**

Independent Non-executive Directors

The following is the text of Letter from Alliance Capital Partners Limited to the Independent Board Committee and the Independent Shareholders, prepared for the purpose of inclusion in this circular.

Alliance Capital Partners Limited
同 人 融 資 有 限 公 司

Room 1502-03A, Wing On House
71 Des Voeux Road Central, Central, Hong Kong

21 March 2018

To: The Independent Board Committee and
the Independent Shareholders of VBG International Holdings Limited

DISCLOSABLE AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARES AND THE SHAREHOLDER'S LOAN IN BARON GLOBAL FINANCIAL CANADA LTD.

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to acquisition of the entire issued shares and the shareholder's loan in Baron Global Financial Canada Ltd. (the "**Acquisition**"), details of which are set out in the circular dated 21 March 2018 issued by the Company to the Shareholders (the "**Circular**"), of which this letter form part. Unless otherwise defined, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

The Seller, BGI Group Limited, is wholly owned by Mr. Wan Chuen Chung Joseph ("**Mr. Wan**") who is the father of Ms. Wan Ho Yan Letty, the Chairperson and executive Director of the Company, and is therefore an associate of the connected person of the Company under the GEM Listing Rules. The Acquisition constitutes a connected transaction for the Company and is subject to reporting, announcement, circular and Independent Shareholders' approval requirement under Chapter 20 of the GEM Listing Rules. Given that the applicable percentage ratios in respect of the Acquisition exceed 5% but below 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

As at the Latest Practicable Date, the Independent Board Committee, comprising all of the independent non-executive Directors of the Company (namely Mr. Kam Cheuk Fai David, Mr. William Robert Majcher and Mr. Ho Lik Kwan Luke) who have no direct or indirect interest in the Acquisition, has been established to advise the Independent Shareholders on whether (i) the terms of the SP Agreement are fair and reasonable; (ii) the Acquisition is on normal commercial terms or better and in the ordinary and usual course of business of the Group; (iii) the Acquisition is in the interests of the Group and the Shareholders as a whole and (iv) the Independent Shareholders should vote in favour of the resolution approving the SP Agreement to be proposed at the EGM so far as the Independent Shareholders are concerned. In this regard, we, Alliance Capital Partners Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on this matter.

Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser, there is no relationship or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. We consider that we are independent under Rule 17.96 of the GEM Listing Rules.

BASIS OF OUR ADVICE

In arriving at our recommendations, we have relied on the statements, information and representations contained in the Circular and the information and representations provided to us by the Directors and the management of the Company. We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the Directors and the management of the Company are true and accurate at the time they were made and will continue to be true and accurate as at the date of the despatch of the Circular.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, information contained in the Circular 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 contained in the Circular misleading. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Company. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided to us so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs or the prospects of the Company, the Group, the Seller, or any of their respective associates.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources which are the latest information publicly available to the best of our knowledge, the sole responsibility of Alliance Capital Partners Limited is to ensure that such information has been correctly extracted from the relevant sources.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations in respect of the terms of the Acquisition, we have taken into consideration the following principal factors and reasons.

I. Background of the Company

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 seeking for listing on the Stock Exchange mainly in Hong Kong, PRC, Asia and Europe.

Set out below are certain key consolidated financial information of the Group, as extracted from the annual report for the year ended 30 September 2017.

	For the year ended 30 September	
	2016	**2017**
	HK$'000	*HK$'000*
Revenue:		
— Corporate finance advisory services	33,502	43,977
— Placing and underwriting services	984	—
— Business consulting services	22,891	19,352
	57,377	63,329
Profit before income tax	20,582	21,804
Profit for the year	14,857	15,980

	For the year ended 30 September	
	2016	**2017**
	HK cents	*HK cents*
Earnings per share (basic and diluted)	3.86	3.72

	As at 30 September	
	2016	**2017**
	HK$'000	*HK$'000*
Non-current assets	7,121	1,228
Current assets		
— Financial assets at fair value through profit and loss	176	21,918
— Trade and other receivables and prepayment	26,866	31,983
— Bank balances and cash	8,314	73,881
	35,356	127,782
Total assets	42,477	129,010
Current liabilities	8,144	13,458
Net current assets	27,212	114,324
Net assets	34,333	115,552

II. Background of the Target Company

The Target Company was incorporated in Canada with limited liability. It is engaged primarily in the business of providing financial advisory/corporate finance advisory, including financial advice on mergers and acquisitions and structuring of transactions, to its customers. As at 31 March 2017, the audited net assets of the Target Company amounted to approximately CAD1.5 million. For the year ended 31 March 2016 and 31 March 2017, the Target Company recorded an audited net loss after income taxes of approximately CAD0.4 million and an audited net income after income taxes of approximately CAD0.7 million, respectively.

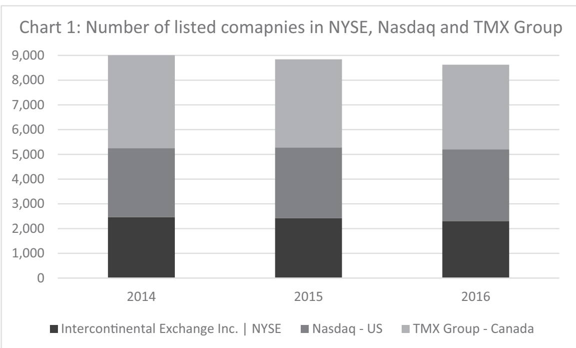
Unrealised gains/ losses were recognised subsequently after the receipt of marketable securities granted by the Target Company's customers as a part of the consideration for the services provided by the Target Company. As disclosed in the Letter from the Board, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Target Company reported a loss for the year ended 31 March 2016 which was primarily due to recognition of a significant amount of unrealised loss on one of its stock options that it received during the year ended 31 March 2015. The improvement in the capital market sentiment in North America in 2016 contributed to the improvement in the financial performance of the Target Company for the year ended 31 March 2017. As at 31 March 2016 and 31 March 2017, almost all of the marketable securities which contributed to the recognition of unrealised gain/losses were initially receipt as part of the revenue from the customers of the Target Company.

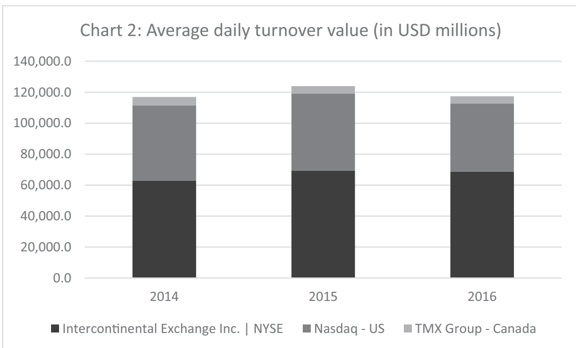
We understand that the Target Company's financial performance is related with the capital market activeness in their operating region and demand of services provided by the Target Company. Please refer to the paragraph headed "Industry outlook" for details. As the said fluctuation of financial performance of the Target Company was partly attributable to the recognition of unrealised gains / losses, which was affected by the performance of stock market in general and had no cashflow impact to the Target Company, we consider such fluctuation would not have a material adverse impact to the sustainability of the Target Company's business operation. With the exclusion of such unrealised gains / losses together with the corresponding impact of corporate tax at 26%, the adjusted net income of the Target Company increased from CAD35,000 for the year ended 31 March 2016 to CAD275,000 for the year ended 31 March 2017. Based on such uptrend of financial performance attributable to the core business of Target Company, we consider that the business of Target Company is sustainable.

The Target Company was set up by Mr. Wan in 2007. The ownership of the Target Company had been held by various family members of Mr. Wan, including Ms. Wan Ho Yan Letty from 2009 to 2013. In December 2016, Mr. Wan as purchaser acquired the entire issued share capital in and the shareholder's loan advanced to the Target Company from his wife as seller at an aggregate consideration of approximately HK$1.6 million on the basis of the unaudited net asset value of the Target Company. We are of the view that the consideration of the previous transfer of ownership of a private company among family members, which was based on unaudited net asset value, is of little reference for the Acquisition as the nature of the two transactions is different.

Industry outlook

We understand that the performance of the Target Company is related to that of the capital market. As such, performance of stock market and relevant regulatory regime will have implication over the Target Company.





Source: The World Federation of Exchanges

With reference to the "WFE Annual Statistics Guide 2015 and 2016" published by the World Federation of Exchanges, for the years 2014, 2015 and 2016, over 85% of the companies listed in North America were listed on New York Stock Exchange, Nasdaq or TMX Group, and their aggregate daily average turnover amounted to approximately US$119.6 billion, US$124.0 billion and US$117.3 billion respectively. For the years 2014, 2015 and 2016, the aggregate number of companies listed on New York Stock Exchange, Nasdaq or TMX Group amounted to 9,009, 8,842 and 8,623 respectively, among which 422, 792 and 177 companies were newly listed in the respective year. We are of the view that the aforementioned stock markets are active markets with stable growth over last few years, and the operation environment of the Target Company is positive.

As disclosed in the Letter from the Board, the Target Company does not (i) provide investment advice; (ii) act as a custodian for any other third parties' assets, cash or securities; (iii) manage or transact any other third parties' assets, cash or securities; (vi) act as sponsor or provide sponsorship due diligence pursuant to the applicable rules and regulations of any stock exchange in Canada or the US; nor, (v) render any fairness opinion or valuation opinion for any corporate transactions. The Target Company is not required to register with or report to any securities commissions or industry regulators, and therefore competes primarily with independent / boutique investment advisory firms, accounting firms and law firms in providing its services. The market for servicing early stage growth companies in Canada is fragmented and consists of both national companies (legal and accounting firms) and regional players (independent advisory firms).

III. Reasons for and benefits of the Acquisition

As stated in the Company's prospectus dated 15 May 2017 and the Company's annual report 2016/2017, the Group would focus its efforts to expand its network internationally. The Acquisition is in line with the Group's stated expansion plan. The Company's management have considered (i) Canada's positive economic environment based on the forecast for Canada's real gross domestic product growth at 1.9% in both 2018 and 2019 by The Economist Intelligence Unit, which will be positive for merger and acquisition activities in Canada, (ii) that the Target Company has sourced one new engagement with a public company and one new engagement with a private company which intend to go public subsequent to 31 March 2017, and the Target Company is currently in negotiation for engagement with three potential clients (which are private companies in the progress of going public) which demonstrates the continuing effort of the directors of the Target Company to source new deals; (iii) financial performance of the Target Company for the year ended 31 March 2017 and for the nine months ended 31 December 2017 and (iv) the valuation report of the Target Company issued by AP Appraisal Limited, a professional independent valuer as set out in Appendix I to the Circular, (v) the Target Company's confirmation that there is no foreseeable event which might materially affect the long term profitability of the Target Company as at the Latest Practicable Date; and are of the view that the Acquisition not only represents an opportunity for the Group to expand its business internationally but also an opportunity for the Group to benefit from an expected increase in income, earnings and operating cash flows upon completion of the Acquisition.

Further, the Directors considered the Acquisition will provide the Group with an opportunity to expand the Group's business through cross-selling of existing services as elaborated below:

(a) companies listed in North America with weighted voting right structure may be dual-listed in Hong Kong when the new listing requirements in relation to such structure is finalised; and

(b) referral of existing / potential clients looking for listing in Hong Kong but have failed to satisfy the new listing requirements may be suitable for listing in North America.

IV. Principal terms of the SP Agreement

Parties	(1) BGI Group Limited (the "**Seller**"), which is wholly owned by Mr. Wan (2) VBG Properties Limited (now known as VBG Overseas Holdings Limited) (the "**Purchaser**"), which is an indirect wholly-owned subsidiary of the Company
Assets to be acquired	The Purchaser has conditionally agreed to acquire the Sale Shares and take up the Sale Debt at an aggregate consideration of approximately HK$36.9 million, which shall be settled in cash. As at the Latest Practicable Date, the amount owing by the Target Company to the Seller was approximately CAD0.52 million (equivalent to approximately HK$3.2 million). The Target Company is engaged primarily in the business of providing financial advisory services (including corporate finance advisory services) to private and public companies in Canada. Upon Completion, the Target Company will become a wholly-owned subsidiary of the Purchaser.
The Consideration	The Consideration was agreed after arm's length negotiations between the Seller and the Purchaser having taken into account of, amongst others, the issue of a valuation report by the Valuer that the appraised value of the Target Company is approximately CAD6.06 million (equivalent to approximately HK$36.9 million) by market approach.

Settlement

The Consideration shall be payable by the Purchaser in the following manner:

(i) 50% of the Consideration shall be paid by the Purchaser to the Seller upon Completion; and

(ii) the remaining 50% of the Consideration shall be paid by the Purchaser to the Seller on or before 30 September 2018.

The Consideration will be satisfied by the internal resources of the Group.

Profit Guarantee

The Seller undertakes that if the net income for the year as stated in the Target Company's audited financial statements for the year ending 31 March 2018 ("**2018 Audited Net Profit**") falls below the amount of net income for the year as stated in the audited financial statements of the Target Company for the year ended 31 March 2017 ("**2017 Audited Net Profit**"), the Seller shall pay the Purchaser a sum ("**Sum X**") as compensation in full in accordance with the following:

(i) *When the Target Company is making a profit for the year ending 31 March 2018:*

Ratio X (%) = Consideration / Sum A
Sum X = Ratio X x (Sum A - Sum B)

Where:

Sum A = CAD658,351 being the amount of net income for the year of the Target Company as stated in the audited financial statements of the Target Company for the year ended 31 March 2017

Sum B = The amount of net income for the year denominated in Canadian Dollars, as stated in the audited financial statements of the Target Company for the year ending 31 March 2018

(ii) *When Target Company is making a loss for the year ending 31 March 2018:*

If the Target Company is loss making ("**Sum Y**") for the year ending 31 March 2018, the amount of Sum X shall be calculated as follows:

Sum X = Sum A + Sum Y

Where:

Sum Y = The absolute amount of loss for the year, denominated in Canadian Dollars, as stated in the audited financial statements of the Target Company for the year ending 31 March 2018

(iii) *When 2018 Audited Net Profit is greater than the 2017 Audited Net Profit:*

The profit guarantee referred to above shall not be applicable to the Seller.

V. Valuation of the Target Company

AP Appraisal Limited, a professional independent valuer, has been engaged by the Company to assess the value of the Target Company, and the valuation report of the Target Company is set out in Appendix I to the Circular (the "**Valuation Report**"). According to the Valuation Report, the fair value of the Target Company was approximately HK$36.9 million as at 31 October 2017.

(i) Experience of the Valuer and its engagement

We have conducted an interview with the Valuer regarding its experience in valuing companies for similar transaction, and its independence. Based on our interview with the Valuer, we understand that the Valuer is an established independent valuer with a large number of completed assignments acting for listed companies for assessing companies' value in similar transaction. We also understand that the valuer-in-charge of the Valuer's valuation team has over 10 years' experience in valuation. We have also reviewed the terms of engagement letter of the Valuer and noted that the purpose of which is to prepare a valuation report and provide the Company with the opinion of value on the Target Company. The engagement letter also contains standard valuation scopes that are typical of valuation of company carried out by independent valuers. The Valuer also confirmed that it did not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation. We are not aware of limitation of the scope of work which might have an adverse impact on the degree of assurance given by the Valuer in the Valuation Report.

We note that the Valuer mainly carried out its due diligence through discussion with the representative of the Group and the Target Company, and conducted its own research on industry trend and relevant legal requirements. We were advised by the Valuer that it has assumed data obtained in the course of the valuation, along with the opinions and representations provided by the Group and the Target Company is prepared in reasonably care, and is accurate and complete, and has been relied on by the Valuer. Based on the above, we are satisfied that the responsible person of the Valuer for the Valuation Report has relevant qualification as well as sufficient experience in performing the valuation, and that the engagement is under normal commercial terms and the scope of the Valuer's work is appropriate in conducting the valuation.

(ii) Valuation methodologies

In the process of assessing the value of the Target Company, we are advised by the Valuer that they have considered three generally accepted valuation approaches, namely the market approach, the income approach and the asset approach. In determining the value of the Target Company, the Valuer considered that the market approach is the most appropriate one. In particular, the asset approach was not adopted since the Valuer is of the view that the ability to generate economic benefit streams of the Target Company will not be taken into consideration in such a valuation approach, and the value of the Target Company is less likely driven by the values in the underlying assets. The income approach is also not considered appropriate, given this method involves more assumptions and estimates while not all of the assumptions and estimates can be easily quantified or reliably measured, and there is no sufficient information to allow detailed planning for reliable cashflow projection. As a result, the market approach is adopted.

Under the market approach, there are two commonly used methods of valuation, namely (i) guideline public company method (which utilizes information on publicly-traded comparables that are the same or similar to the subject asset to arrive at an indication of value), and (ii) the comparable transaction method (which utilizes information on transaction involving assets that are the same or similar to the subject asset to arrive at an indication of value).

The Valuer has determined that guideline public company method is to be applied as there are sufficient comparable companies that engaged in the same or similar line of businesses as the Target Company. Further, the price-to-earnings multiple (the "**P/E**") is adopted by the Valuer as the most preferable valuation multiple for valuing equity value as it measures the amount an investor or a shareholder is paying for a dollar of earnings. Given (i) P/E is a widely used ratio under the market approach; (ii) the relevance of using the P/E given the Target Company has been profitable for the year ended 31 March 2017 and (iii) following discussions with the Valuer as to the rationale for using the P/E, we concur that the Valuer's selection of market approach as valuation methodology to assess the value of the Target Company is appropriate.

(iii) Evaluation of the valuation

As set out in the Appendix I to the Circular, a median of P/E of six comparable companies (the "**Comparable Companies**") were obtained from WIND, and the P/E of 21 times was adopted for the purpose of valuation of the Target Company.

We have discussed with the Valuer regarding their search criteria, and understood that the Valuer has considered comparable companies listed in Canada or the U.S. which are principally engaged in provision of financial advisory/corporate finance advisory and consultancy services (with at least 50% revenue derived from financial advisory/corporate finance advisory and/or consultancy services as shown from their latest published audited accounts) and recorded positive earnings in the most recent year (being the latest 12 months financial information which could be obtained as at the valuation date). The Valuer consider the six Comparable Companies represent an exhaustive list of companies which fulfil the selection criteria as described above, and are relevant for the purpose of the valuation of the Target Company based on its best knowledge and information available, and that WIND is a database widely used in the industry for collection of financial information. We have reviewed the financial statements and market capitalisations of the Comparable Companies available to the public and calculated the P/E of the Comparable Companies, and noted they are consistent with those presented by the Valuer. We have also reviewed their scope of business, and proportion of revenue generated from provision of financial advisory/corporate finance advisory and consultancy services and concur with the Valuer that the Comparable Companies are engaged in business that is similar to the Target Company, and fulfil the selection criteria as described above.

We have further reviewed a total of 287 other listed companies under the same categories (namely, business services, diversified commercial services, diversified financial services, finance companies, finance / investor services, investment bankers / brokers / service, investment managers) by the Comparable Companies and other categories which might comprise similar services offered by the Target Company and noted that they do not fulfil the selection criteria mentioned above and therefore have been excluded in the comparable analysis. The table below sets out the relevant information including the total revenue, and the proportion of revenue generated from provision of financial advisory/corporate finance advisory and consultancy services (the "**Relevant Revenue**") by the Comparable Companies during the 12-months period from 1 October 2016 to

30 September 2017, being the latest 12 months financial information which could be obtained as at the date of the execution of the SP Agreement:

Company name (Stock Ticker)	Total Revenue *USD'000*	Relevant Revenue *USD'000*	% of Relevant Revenue	P/E
Greenhill & Co., Inc. (NYSE:GHL)	273,881	273,300[(1)]	99.8%	25
PJT Partners Inc (NYSE:PJT)	482,225	369,395[(2)]	76.6%	70
Houlihan Lokey Inc (NYSE:HLI)	964,455	508,135[(3)]	52.7%	20
Evercore Inc (NYSE:EVR)	1,629,373	1,292,817[(4)]	79.3%	20
Moelis & Co (NYSE:MC)	720,056	720,056[(5)]	100%	22
Lazard Ltd (NYSE:LAZ)	2,657,068	1,457,161[(6)]	54.8%	12
Maximum				70
Minimum				12
Median				21
Average				28.2

Source: United States Securities and Exchange Commission, Appendix I to this Circular

Notes:

1. Greenhill & Co., Inc. provides financial and strategic advice on significant domestic and cross-border mergers and acquisitions, divestitures, restructurings, financings, capital raising and other transactions. It also provides advice in connection with defense preparedness, activist response strategies and other mission critical situations. Relevant Revenue includes income from advisory services on mergers and acquisitions, financings and restructurings.

2. PJT Partners Inc. delivers strategic advisory, restructuring and special situations and private fund advisory (including mergers and acquisitions, joint ventures, minority investments, asset swaps, divestitures, takeover defenses, corporate finance advisory, private placements and distressed sales) and placement services. It also provides private fund advisory and placement services for alternative investment managers, including private equity funds, real estate funds and hedge funds. Relevant Revenue includes income from financial advisory and transaction execution services relating to acquisitions, mergers, joint ventures, minority investments, asset swaps, divestitures, takeover defenses, corporate finance advisory and distressed sales.

3. Houlihan Lokey, Inc., is focusing on advisory in mergers and acquisitions, financings, financial restructurings and financial advisory services. It serves clients in corporate finance (encompassing mergers and acquisitions and capital markets advisory), financial restructuring (both out-of-court and in formal bankruptcy or insolvency proceedings) and financial advisory services (including financial opinions, valuation and financial and strategic consulting services). Relevant Revenue includes income from provision of advice on mergers and acquisitions and capital markets offerings. mezzanine debt, high-yield debt, initial public offerings, follow-ons, convertibles, equity private placements, private equity.

4. Evercore Inc. provides advisory services on mergers, acquisitions, divestitures and restructuring advice, and also provides capital markets advice relating to both debt and equity securities, and underwrite securities offerings. It also focuses on institutional asset management, and wealth management for high net-worth individuals, and private equity business which holds investments in entities that manage private equity funds. Relevant Revenue includes income from provision of advice on mergers, acquisitions, divestitures and other strategic corporate transactions.

5. Moelis & Company provides strategic and financial advice on mergers and acquisitions, recapitalizations and restructurings, capital markets transactions and other corporate finance matters. It evaluates strategic alternatives, assess potential acquirers and targets, provides valuation analyses and advises on transaction terms including valuation, structuring, timing and potential financing. It advises clients on capital market, capital structure, public and private debt and equity transactions, and provides capital raising, secondary transaction and other advisory services, and specializes in private equity fund structures across a wide range of strategies, including buyout, growth capital, distressed, special situations, venture and sector-specific strategies. Relevant Revenue includes income from provision of advice on mergers and acquisitions, recapitalizations and restructurings, capital markets transactions and other corporate finance matters.

6. Lazard Ltd. offers financial advisory services regarding mergers and acquisitions and other strategic matters, restructurings, capital structure, capital raising, corporate preparedness and various other financial matters. It advises clients on the potential acquisition of another company, business or certain assets, and services include evaluating potential acquisition targets, providing valuation analyses, evaluating and proposing financial and structural alternatives, and rendering, if appropriate, fairness opinions. It also provides investment management services in equity and fixed income strategies, alternative investments and private equity funds. Relevant Revenue includes income from provision of financial advisory services regarding mergers and acquisitions and other strategic matters, restructurings, capital structure, capital raising, corporate preparedness and various other financial matters.

As Comparable Companies are listed companies, it is normal that their scale of operation is larger than that of the Target Company. In addition, the Target Company is not capital intensive as it does not require large amount of capital or financial resources to produce services to the clients. Based on the above and the principal activities of the Comparable Companies, we consider that the nature of Comparable Companies' financial advisory/corporate finance advisory services and consultancy services are similar to those provided by the Target Company albeit the difference in scale of operation, and therefore it is justifiable to use the Comparable Companies for comparable analysis purpose.

Given that there are only 6 out of 287 companies that fulfil the selection criteria, we consider that the number of comparable companies used for analysis purpose is on a best effort basis and is the reasonable mean to be adopted.

Further, we note the Valuer adopted the P/E of 21 times, which is the median of P/E of the Comparable Companies and represents a discount of approximately 25.5% to the average P/E of 28.2 times. If we take into consideration the control premium and the discount for lack of marketability as explained below, the implied P/E of the Target Company is approximately 22.1 times, which falls within the range of P/E and below the average P/E of the Comparable Companies of 28.2 times. Having considered the above and the industry outlook previously mentioned, we consider the valuation is fair and reasonable, and in the interests of the Company and Independent Shareholders.

As an alternative analysis, we have also compared the price-to-book ratio ("**P/B**") of the Comparable Companies, which were ranging from approximately 1.9 times to 6.6 times, against the implied P/B of the Target Company of approximately 4.0 times. We noted that the implied P/B of the Target Company is within the range of P/B of the Comparable Companies, and is slightly lower than the average P/B of the Comparable Companies of approximately 4.2 times.

However, the Target Company competes based on the caliber and abilities of its professional personnel instead of the size or quality of its assets, and therefore we are of the view that P/B may not be a relevant parameter to evaluate the value of the Target Company.

Adjusted net income for the year ended 31 March 2017

As set out in the Appendix I to the Circular, for valuation purpose, the audited net income of the Target Company for the year ended 31 March 2017 was adjusted by excluding the unrealised items and the corresponding impact of corporate tax at 26%, resulting in the adjusted amount of approximately CAD275,000, as compared with the audited amount of CAD658,351. We consider the exclusion of the unrealised gains / losses from the valuation appropriate, given its nature and the risk of fluctuation of value in future.

Control premium

The Valuer applied a control premium of 25% for the valuation of the Target Company.

As explained in the Appendix I to the Circular, the value of the controlling interest in a company is usually higher than that of minority interest, and a control premium is an amount that a buyer is sometimes willing to pay over the current market price of a publicly traded company in order to acquire a controlling interest in that company with which the buyer has the ability to make decision related to the operations of the company.

In determining a reasonable control premium, the Valuer made reference to the median figure of the international transactions of 25% in "*Control Premium Study 3rd Quarter 2016 edition*" published by FactSet Mergerstat, LLC. which included the data derived from market transactions involving companies in the United States, including privately held, publicly traded and cross-border transactions.

We understand from the Valuer that the aforesaid reference represents the latest available information and such publication is generally accepted for valuation of companies. We have reviewed circulars involving acquisition published during the period from 1 January 2017 to 31 January 2018 by companies listed on the Stock Exchange. Out of 250 circulars reviewed, 76 circulars involved adoption of P/E approach for valuation of companies, of which 19 circulars revealed that the relevant transaction consideration has been determined after applying a control premium in the calculation of the value of the companies. Publications on control premium by FactSet Mergerstat, LLC. for the relevant period were referred to in nine of such circulars, while other four different publications were each referred to in one of such circulars. Information from Bloomberg was referred to in other six of such circulars. We therefore concur with the Valuer that the "*Control Premium Study 3rd Quarter 2016 edition*" published by FactSet Mergerstat, LLC. is generally accepted for valuation of companies. Based on the above, we concur with the Valuer and consider that application of the control premium of 25% for the valuation of the Target Company is justifiable.

Discount for lack of marketability

The Valuer also applied a discount for lack of marketability of 16% for the valuation of the Target Company.

As explained in the Appendix I to the Circular, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company due to the fact that there is no ready market for such privately held shares.

In determining a reasonable marketability discount, the Valuer made reference to the median figure of 16% in "*Determining discounts for lack of marketability, a companion guide to the FMV restricted stock study, 2016 Edition*" published by Business Valuation Resources LLC which incorporated information of 736 restricted stock transactions issued by publicly traded companies from July 1980 through September 2015.

We understand from the Valuer that the aforesaid reference represents the latest available information and such publication is generally accepted for valuation of companies. We have reviewed circulars involving acquisition published during the period from 1 January 2017 to 31 January 2018 by companies listed on the Stock Exchange. Out of 250 circulars reviewed, 76 circulars involved adoption of P/E approach for valuation of companies, of which 23 circulars revealed that the relevant consideration has been determined after applying a discount for lack of marketability in the calculation of the value of the companies. Publications on discount for lack of marketability by Business Valuation Resources LLC. for the relevant period were referred to in five of such circulars, while other four different publications were each referred to in one or two of such circulars, and some other sources such as academic papers were referred to in two of such circulars. In other nine remaining transactions, the discount for lack of marketability were calculated under the Black Scholes Option Pricing Model for put option. Further to our discussion with the Valuer, we note the Valuer is of the view that option pricing model is not suitable for the Acquisition as a lot of assumptions such as maturity, exit period, option type, risk free rate, volatility, are required and are subject to judgmental views. In any event, the discounts obtained under the Black Scholes Option Pricing Model for that nine remaining transactions ranged between 10% to 21%, and the 16% adopted by the Valuer falls within the range. We therefore concur with the Valuer that the "*Determining discounts for lack of marketability, a companion guide to the FMV restricted stock study, 2016 Edition*" published by Business Valuation Resources LLC. is generally accepted for valuation of companies. Based on the above, we concur with the Valuer and consider that application of the discount for lack of marketability of 16% for the valuation of the equity interest of the Target Company is justifiable.

VI. Possible financial effects on the Group

(i) *Earnings*

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Group and the financial performance of the Target Company will be consolidated and reported in the Group's consolidated audited financial statements. We note that the Target Company generated a net loss of approximately CAD0.4 million for the year ended 31 March 2016, and return to a net income of approximately CAD0.7 million for the year ended 31 March 2017, which was mainly driven by increase in revenue, and recognition of unrealised gain (as opposed to recognition of unrealised loss for the year ended 31 March 2016). We also note that, with exclusion of unrealised gains / losses and the corresponding impact of corporate tax at 26%, the adjusted net income for the year ended 31 March 2016 and 31 March 2017 amounted to approximately CAD35,000 and CAD275,000 respectively, representing an increase of approximately 6.8 times, while the revenue increased by approximately 60.3% from approximately CAD0.8 million to approximately CAD1.3 million respectively. It is expected that the financial performance of the Group for the year ending 30 September 2018 will be enhanced by the net income contributed by the Target Company should the financial performance of the Target Company can be maintained or further improved.

Moreover, given the mechanism of the profit guarantee as stipulated under the SP Agreement, if the Target Company generated less net income for the year ending 31 March 2018 than that of the year ended 31 March 2017, the Seller has undertaken to pay a sum as compensation to the Group that provides a protection to the Group's profit for the year ending 30 September 2018 against any drop in profitability of the Target Company upon Completion.

(ii) *Gearing and working capital*

As disclosed in the Letter from the Board, the Consideration will be settled in cash upon Completion as to 50% and on or before 30 September 2018 as to the remaining 50%. As at 31 December 2017, the Group's internal resources available for settlement of the Consideration amounted to approximately HK$57.6 million, and is sufficient to cover the Consideration. We understand from the management of the Company that the Target Company did not incur interest-bearing loan, and therefore the Acquisition is not expected to have negative impact on the Group's gearing.

Based on the foregoing, we concur with the management of the Company that the Acquisition is likely to bring positive impact to the financial performance of the Group.

RECOMMENDATIONS

Having considered the principal factors and reasons above, we are of the opinion that the terms of the SP Agreement for the purpose of the Acquisition are fair and reasonable, and the Acquisition is on normal commercial terms and in the ordinary and usual course of business of the Group and is in the interest of the Group and the Shareholders as a whole so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolution approving the SP Agreement to be proposed at the EGM.

Yours faithfully,
For and on behalf of
Alliance Capital Partners Limited
Patrick Wong
Executive Director

Mr. Patrick Wong is a licensed person under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities and has more than 15 years' experience in investment banking and advising in various initial public offerings and transactions involving companies listed in Hong Kong, including but not limited to the provision of independent financial advisory services regarding connected transactions.

The following is the text of a letter with the summary of valuation received from AP Appraisal Limited, prepared for the purpose of incorporation in this circular, in connection with their valuation as of 31 October 2017 of the Target Company.

21 March 2018

VBG International Holdings Limited
18/F, Prosperity Tower
39 Queen's Road Central
Hong Kong

Dear Sir or Madam,

RE: Valuation of 100% Equity Interests of Baron Global Financial Canada Ltd.

We, AP Appraisal Limited ("APAL"), refer to the instructions from VBG International Holdings Limited (the "Instructing Party") to conduct the valuation on the fair value of 100% equity interests of Baron Global Financial Canada Ltd. (the "Company") as at 31 October 2017 (the "Valuation Date").

PURPOSE OF VALUATION

The purpose of this report is to express an independent opinion on the fair value of the 100% equity interests of Baron Global Financial Canada Ltd. for the use of the directors and the management of the Instructing Party. In addition, APAL acknowledges this report may be made available to the Instructing Party for inclusion in the circular and/or announcement(s) of the Instructing Party only. We confirm that we have made relevant investigations, enquiry and obtained such further information, as we consider necessary for the purpose of providing our opinion.

PREMISE OF VALUATION & BASIS OF VALUATION

For the purpose of preparing a valuation for inclusion in the circular and/or announcement(s) of the Instructing Party only, we observe and follow the definitions and standards laid down by the International Financial Reporting Standards, the RICS Valuation — Professional Standards published by the Royal Institution of Chartered Surveyors ("RICS"), and the International Valuation Standards published by the International Valuation Standard Council.

Our valuation is based on going concern premise and conducted on a fair value basis. Fair value is defined as "the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties".

Our valuation has been prepared in accordance with the International Valuation Standards on business valuation published by International Valuation Standards Council. This standard contains guideline on the basis and valuation approaches used in business valuation.

BACKGROUND OF BARON GLOBAL FINANCIAL CANADA LTD.

Baron Global Financial Canada Ltd. (the "Company") was incorporated on 1 June 2007 pursuant to the provisions of Business Corporations Act (British Columbia) with its head office located at 1980-1075 West Georgia Street, Vancouver, BC, V6C 3C9, Canada and registered office located at 2900-595 Burrard Street, Vancouver, BC, V7X 1J5, Canada. The Company is engaged primarily in the business of providing financial advisory services (including corporate finance advisory services) to private and public companies in Canada.

SOURCES OF INFORMATION

Our investigation covers the discussion with the Instructing Party and the Company's representatives, collecting the information of the Company's history, operations and prospects of the business. We also take the industry trend and relevant law requirements into consideration. We requested detailed information about the Company's position in order to conduct a detailed review and make an impartial and independent valuation of the Company's position/value.

Sources of information utilized in our analysis included but not limited to the following:

- Background information of the Company's business operations;
- Copy of audited financial statements of Baron Global Financial Canada Ltd. for the year ended 31 March 2017 and 2016; and
- Unaudited management account of Baron Global Financial Canada Ltd. for the period from 1 April 2017 to 31 October 2017.

We assume that the data obtained in the course of the valuation, along with the opinions and representations provided to us by the Instructing Party, the Company or his agent(s) are prepared in reasonably care. Besides, we also assume that the financial and other information provided to us by the Instructing Party and others is accurate and complete, and we have relied upon this information in performing our assessment.

The factors also considered in this valuation included, but were not limited to, the following:

- The nature and history of the Company;
- The financial conditions of the Company;
- The economic condition and the industry outlook in Canada;
- The specific economic environment and competition for the Company;
- Market-derived investment returns of entities engaged in similar lines of business; and
- The financial and business risks of the Company including the continuity of income.

VALUATION METHODOLOGY

There are three generally accepted valuation approaches in business valuation.

Asset Approach

The asset approach determines a fair value indication of a business, business ownership interest, security, or intangible asset by using one or more methods based on the value of the assets net of liabilities. Value is established based on the cost of reproducing or replacing the property, less depreciation from physical deterioration and functional and economic obsolescence, if present and measurable.

Market Approach

The market approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised assets relative to the market comparative.

Income Approach

The income approach is the present worth of the future economic benefits of ownership. This approach is generally applied to an aggregation of assets that consists of all assets of a business enterprise including working capital and tangible and intangible assets.

Selection of Assessment Methodology

We considered that the asset approach is not an adequate approach for the valuation, as this approach does not take the ability to generate economic benefit streams into consideration and the value of the Company is less likely driven by the values in the underlying assets. We have considered but decided against the income approach because this involves more assumptions and estimates while not all of the assumptions and estimates can be easily quantified or reliably measured, and there is no sufficient information to allow detailed planning for reliable cashflow projections. Thus, we considered that the market approach was the most appropriate and commonly adopted valuation approach to value the equity interests of the Company as there are sufficient comparable companies that could be identified in the market to facilitate a meaningful comparison and to form a reliable opinion of value. Under the market approach, the guideline public company method is adopted. In our course of valuation of 100% of the equity interests of the Company, we have made reference to the latest audited financial results provided by the management of the Company for the year ended on 31 March 2017.

GENERAL VALUATION ASSUMPTIONS

Due to the changing environment in which the Company is operating, a number of general valuation assumptions have to be established in order to sufficiently support our concluded opinion of values of the 100% equity interests of the Company. The major general assumptions adopted in our valuations are:

- There will be no major changes in the political, legal, economic or financial conditions and taxation laws in the jurisdiction where the Company currently operates or will operate which will materially affect the revenues attributable to the Company, that the rates of tax payable remain unchanged and that all applicable laws and regulations will be complied with;
- For the Company to continue as a going concern, the Company will successfully carry out all necessary activities for the development of its business;
- Market trends and conditions where the Company operates will not deviate significantly from the economic forecasts in Canada;
- The audited financial statements of the Company as supplied to us have been prepared in a manner which truly and accurately reflect the financial position of the Company as at the respective balance sheet dates;
- Key management, competent personnel, and technical staff will all be retained to support ongoing operations of the Company;
- There will be no material changes in the business strategy of the Company and its operating structure;
- Interest rates and exchange rates in the localities for the operation of the Company will not differ materially from those presently prevailing; and
- All relevant approvals, business certificates, licenses or other legislative or administrative authority from any local, provincial or national government, or private entity or organization required to operate in the localities where the Company operates or intends to operate will be officially obtained and renewable upon expiry unless otherwise stated.

MARKET APPROACH

Under the Market Approach, there are two commonly used methods of valuation, namely, the guideline public company method and the comparable transaction method. The guideline publicly company method utilizes information on publicly-traded comparables that are the same or similar to the subject asset to arrive at an indication of value and the comparable transactions method utilizes information on transactions involving assets that are the same or similar to the subject asset to arrive at an indication of value.

The guideline public company method is adopted as there are sufficient comparable companies that engaged in the same or similar line of businesses as the Company and could be identified in the market to facilitate a meaningful comparison and to form a reliable opinion of value. The shares of these publicly traded companies are actively traded in free and open markets and provide valid indicators of value to allow a meaningful comparison. The comparable transaction method is not appropriate as there are insufficient comparable transactions to form a reliable opinion of value.

Guideline Public Company Method

The guideline public company method is based on the premise that the valuation multiples of the publicly traded companies that are the same or similar to the subject asset (the "comparable companies") can be used as an indicator of value to be applied in valuing the subject asset. The valuation multiple is then applied to the subject asset being valued to arrive at an estimate of value for appropriate ownership interest. To derive the value of the Company, we have adopted the Price-to-Earnings multiple ("P/E"), which is the most preferable valuation multiple for valuing equity value. P/E is an appropriate valuation multiple for the valuation of the equity interests because it measures the amount an investor, or a shareholder, is paying for a dollar of earnings. When there are sufficient comparable companies that could be identified in the market and their shares are actively traded, their market values and earning performances can provide good and valid indicators of value to allow a meaningful comparison in the valuation.

Selection Criteria for Comparable Companies

The process of selecting comparable companies should be cautious when using the market approach in the valuation. The accuracy and relevance of the comparable companies will directly affect the preciseness of the valuation result. After thorough material collection and study, we set below criteria to select comparable companies relevant to this valuation:

- Companies which are publicly listed in Canada or the U.S.;
- Companies which are principally engaged in the business of corporate financial advisory and consultancy services;
- Significant portion of revenue (i.e. at least 50%) of the companies is derived from corporate finance advisory and/or consultancy services as shown from their latest published audited accounts;
- Recorded positive earnings in the most recent year*; and
- Shares of the companies are actively traded in the market.

* Being the latest 12 months financial information which could be obtained as at the valuation date

Based on the above selection criteria, six publicly traded comparable companies have been selected as follows:

Company Name	Wind Stock Ticker	Business Activities
Greenhill & Co., Inc.	NYSE: GHL	Greenhill & Co., Inc is an independent investment bank. The Company focuses on providing financial advice on mergers, acquisitions, restructuring, financing, and capital raising to corporations, partnerships, institutions, and governments. Greenhill & Co. has offices throughout the world.
PJT Partners Inc.	NYSE:PJT	PJT Partners, Inc. operates as a global advisory-focused investment bank. The Company provides a wide array of strategic advisory, restructuring and reorganization, and fund placement and secondary advisory services. PJT offers its services to corporations, financial sponsors, real estate funds, institutional investors, private equity funds, and governments globally.
Houlihan Lokey Inc.	NYSE:HLI	Houlihan Lokey, Inc. operates as an investment bank. The Company offers mergers and acquisitions, financial restructuring, capital markets, strategic consulting, and financial advisory services. Houlihan Lokey serves customers worldwide.
Evercore Inc.	NYSE:EVR	Evercore Inc. operates as an investment banking company. The Company provides advisory services to multinational corporations on mergers, acquisitions, divestiture, restructuring, and other corporate transactions. Evercore also offers investment management, independent fiduciary, and trustee services to institutional investors, financial sponsors, and individuals worldwide.
Moelis & Company	NYSE:MC	Moelis & Company is an investment bank. The Company provides financial advisory services and capital raising solutions to clients in connection with mergers, acquisitions, recapitalizations and restructuring. Moelis & Company offers its services worldwide.
Lazard Ltd	NYSE:LAZ	Lazard Ltd provides asset management and financial advisory services. The Company offers advice on mergers and acquisitions, strategic matters, restructuring capital structure, capital raising and corporate finance, as well as asset management services to corporations, partnerships, institutions, governments and individuals. Lazard serves customers internationally.

Note: Business activity descriptions stated above are extracted from Bloomberg Website.

To the best of our knowledge, information, and on a best effort basis, we believe the above list is fair and representative.

Given the above considerations from business and data observation, a median of six P/E ratios of the selected comparable companies as at the Valuation Date obtained from WIND was calculated as follows:

P/E for the Guideline Public Companies as at the Valuation Date:

	Wind Stock Ticker	***P/E (times)**
1	NYSE: GHL	25
2	NYSE: PJT	70
3	NYSE: HLI	20
4	NYSE: EVR	20
5	NYSE: MC	22
6	NYSE: LAZ	12
	Median	21
	Median (Adopted)	21

Source: Wind Financial Terminal

* Median figure of the Price/Book (P/B) ratio of comparable companies is around 6.5, which is higher than the ratio of consideration/book value (around 4.0) of Target Company. For prudent reason, P/E is an appropriate valuation multiple for the valuation of the equity interests of Target Company because the P/B ratio which will generate a higher fair value.

Control Premium

A control premium is an amount that a buyer is sometimes willing to pay over the current market price of a publicly traded company in order to acquire a controlling interest in that company with which the buyer has the ability to make decision related to the operations of the company. Conversely, shares of public companies generally do not have the ability to make decisions and the minority shareholders lack the control in the company. As such, the value of the controlling interest in a company is usually higher than that of minority interest, and a control premium may be appropriate.

In determining a reasonable control premium, we have made reference to the Control Premium Study 3rd Quarter 2016 edition, published by FactSet Mergerstat, LLC. It included the data derived from market transactions involving companies in the United States, including privately held, publicly traded and cross-border transactions. We considered that it is fair and appropriate to adopt such control premium in our valuation. With reference to the median figure of the international transactions in the above study, we applied a control premium of 25% to the indicated fair value of the Company derived by the market approach.

Discount for Lack of Marketability

The concept of marketability deals with the liquidity of an ownership interest, that is, how quickly and easily it can be converted to cash if the owner chooses to sell. The discount for lack of marketability reflects the fact that there is no ready market for shares in a closely held corporation. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

The marketability discount is estimated with reference to the ''Determining discounts for lack of marketability, a companion guide to the FMV restricted stock study, 2016 Edition'' published by Business Valuation Resources LLC. The FMV study is particularly instructive because it incorporated data from 1980 through 2015, and information is available about each of the 736 restricted stock transactions included in the study. With reference to the median figure in the FMV Study, we considered a discount for lack of marketability of 16% is fair and reasonable for the valuation of the equity interest of the Company in this particular case.

DETERMINATION OF VALUE

Based on the investigation and analysis stated above and on the valuation method employed, it was our opinion that the fair value of 100% equity interests in the Company was as follows:

Valuation Summary for the Equity Interests

The Company

		P/E
Selected multiple		21
Subject Financial Performance:		
*Net Income for the year ended 31 March 2017 (Rounded)	CAD	275,000
Implied Equity Value	CAD	5,775,000
Add: Control Premium	25%	1,443,750
Implied Equity Value after Control Premium	CAD	7,218,750
Less: Discount for Lack of Marketability ("DLOM")	16%	-1,155,000
Implied Equity Value after Control Premium and DLOM	CAD	6,063,750
#Exchange Rate of CAD:HKD		6.0825
Implied Equity Value after Control Premium and DLOM	HKD	36,882,759
Fair Value of 100% Equity Interests in the Company (Rounded)	HKD	36,900,000

* *The net income for the year ended 31 March 2017 is derived from the Income (loss) before other income obtained from the audited financial statements of the Company provided by the management of Baron Global Financial Canada Ltd. after adjustments for unrealized gains, one-off item and the corporate income tax calculated by the statutory tax rate for the Company.*

\# *Source: Exchange rate from Hong Kong Monetary Authority as at the Valuation Date*

LIMITING CONDITIONS

The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in this report are summarized below. Other assumptions are cited elsewhere in this report.

- Unless otherwise stated in this report, the valuation of the business has not considered or incorporated the potential economic gain or loss resulting from contingent assets, liabilities or events existing as of the Valuation Date.

- The management of the Company is assumed to be competent, and the ownership to be in responsible hands, unless otherwise noted in this report. The quality of the business management can have a direct effect on the viability and value of the business/ asset being assessed.

- Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject business because of future country, provincial or local legislations/ regulations, including any environmental or ecological matters or interpretations thereof.

- All facts and data set forth in our report are true and accurate to the best of our knowledge and belief. No investigation of legal fees or title of the business has been made, and the owner's claim to the business has been assumed valid. No consideration has been given to liens or encumbrances that may be against the business except as specifically stated (if any) in the auditors' report.

- During the course of the valuation, we have considered information provided by the Company and other third parties. We believe these sources to be reliable, but no further responsibility is assumed for their accuracy. We have had verbal conversations with the current management of the Company concerning the past, present, and prospective operating results of the Company. We assume that there are no hidden or unexpected conditions associated with the businesses that might adversely affect the reported values.

- This valuation is based upon data, conditions, hypotheses and assumption stated herein and as presented to us by the Company and other third parties, upon which we relied.

- This appraisal reflects facts and conditions existing at the Valuation Date. Subsequent events have not been considered, and we have no obligation to update our report for such events and conditions. We have no responsibility or obligation to update this report for events or circumstances occurring subsequent to the Valuation Date.

SENSITIVITY ANALYSIS

The sensitivity analysis has been prepared to determine the impact of change in the valuation multiple on the value of the Company. The following table summarizes the resulting values of the Company:

Valuation Multiple Sensitivity

Change in Adjusted Valuation Multiple	Adjusted Valuation Multiple	Fair Value of 100% Equity Interests of the Company	Change in Fair Value of 100% Equity Interests of the Company
-2	19	HKD33,400,000	-9.49%
-1	20	HKD35,100,000	-4.88%
Base case	21	HKD36,900,000	0.00%
+1	22	HKD38,600,000	+4.61%
+2	23	HKD40,400,000	+9.49%

CONCLUSION OF VALUE

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. While the assumptions and consideration of such matters are considered to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company, the Instructing Party and/or APAL.

Based on the valuation methodology adopted, we are of the opinion that the fair value of the 100% equity interests of Baron Global Financial Canada Ltd. as at 31 October 2017 was reasonably stated as HKD36,900,000 (HONG KONG DOLLARS THIRTY SIX MILLION AND NINE HUNDRED THOUSAND ONLY).

We hereby certify that we have neither present nor prospective interests in the Company, the Instructing Party or the value reported.

Yours faithfully,
For and on behalf of
AP Appraisal Limited
Paul Hung *MRICS ASA*
Director — Valuation & Advisory Services

Note: Mr. Paul Hung is a Registered Surveyor of Royal Institution of Chartered Surveyors. He has over 10 year's valuation experience in the Greater China Region.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and is not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

(i) Interests in the shares of the Company

As at the Latest Practicable Date, 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:

Name of Director	Long/Short position	Capacity	No. of Shares held	Approximate percentage of the issued share capital of the Company
Ms. Wan Ho Yan Letty *(Note)*	Long position	Interests of controlled corporation	384,900,000	75%

Note: 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.

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

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

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange (i) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provision of the SFO) or (ii) pursuant to section 352 of the SFO, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

3. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, 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	384,900,000	—	384,900,000	75%

Note:

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.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any persons (who were not Directors or chief executives of the Company) who had an interest or short position in the Share or underlying Shares of the Company which would fall to be disclosed to the Company under 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.

4. DIRECTORS' SERVICE CONTRACTS

Ms. Wan Ho Yan Letty has entered into a service agreement with the Company as executive Director for an initial term of three years commencing from 26 May 2017 and shall continue thereafter unless and until it is terminated by either party giving to the other party not less than three months' prior notice in writing.

Mr. Hui Ringo Wing Kun has entered into a service agreement with the Company as executive Director for an initial term of three years commencing from 26 May 2017 and shall continue thereafter unless and until it is terminated by either party giving to the other party not less than three months' prior notice in writing.

Mr. Wan Chuen Fai has entered into a letter of appointment with the Company as non-executive Director for a term of three years commencing from 26 May 2017 subject to termination by giving not less than three months' prior notice in writing by one party to another party.

Each of Mr. Kam Cheuk Fai David and Mr. William Robert Majcher has entered into a letter of appointment with the Company as independent non-executive Director for a term of three years commencing from 26 May 2017 subject to termination by giving not less than three months' prior notice in writing by one party to another party.

Mr. Ho Lik Kwan Luke has entered into a letter of appointment with the Company as independent non-executive Director for a term of three years commencing from 1 December 2017 subject to termination by giving not less than three months' prior notice in writing by one party to another party.

Each of the appointment of the Directors referred to above is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors has any existing or proposed service contract with any member of the Group which is not expiring nor terminable by the Group within one year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN ASSETS/CONTRACT AND OTHER INTERESTS

As at the Latest Practicable Date, save for Ms. Wan Ho Yan Letty and Mr. Wan Chuen Fai's deemed interest in the SP Agreement, none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to any member of the Group since 30 September 2017, being the date to which the latest published audited accounts of the Company were made up.

As at the Latest Practicable Date, save for Ms. Wan Ho Yan Letty and Mr. Wan Chuen Fai's deemed interest in the SP Agreement, none of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Company.

6. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or controlling shareholders of the Company or any of their respective close associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened against the Group.

8. QUALIFICATION AND CONSENT OF EXPERTS

The followings are the qualifications of the experts who have given an opinion or advice to the contents of this circular:

Name	Qualifications
AP Appraisal Limited	an independent professional valuer
Alliance Capital Partners Limited	a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO

Each of the above experts has given and has not withdrawn its written consent to the issuer of this circular with the inclusion of its letters, reports and/or opinion, as the case may be, and references to its name in the form and context in which they respectively appear.

As the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As the Latest Practicable Date, each of the above experts did not have, directly or indirectly, any interest in any assets which had since 30 September 2017 (being the date to which the latest published audited consolidated accounts of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any members of the Group.

9. MISCELLANEOUS

(a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(b) The head office and principal place of business of the Company is located at 18/F., Prosperity Tower, 39 Queen's Road Central, Hong Kong.

(c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

10. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group as at 30 September 2017, the date to which the latest published audited financial statements of the Group were made up.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours (i.e. from 9:30 a.m. to 5:00 p.m. on Monday to Friday except public holidays) at the principal place of business in Hong Kong of the Company in Hong Kong from the date of this circular up to and including the date of the EGM:

(a) the memorandum and articles of association of the Company;

(b) the SP Agreement;

(c) the letter from the Board, the text of which is set out on pages 4 to 53 of this circular;

(d) the letter of recommendation from the Independent Board Committee dated 21 March 2018, the text of which is set out on pages 54 and 55 of this circular;

(e) the letter of advice issued by the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders dated 21 March 2018, the text of which is set out on pages 56 to 72 of this circular;

(f) the property valuation report issued by the Valuer as set out in Appendix I to this circular;

(g) the Directors' service contracts referred to in this circular;

(h) the written consents of the experts referred to in the paragraph headed "Qualification and Consent of Experts" in this appendix;

(i) the annual report of the Company for the financial year ended 30 September 2017 and the third quarterly report of the Company for the three months ended 30 June 2017; and

(j) this circular.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of VBG International Holdings Limited (the "**Company**") will be held at 18/F., Prosperity Tower, 39 Queen's Road Central, Hong Kong on Friday, 13 April 2018 at 10:30 a.m., to consider and, if thought fit, to pass with or without amendments, the following resolution:

ORDINARY RESOLUTION

"THAT:

(a) the sale and purchase agreement dated 19 December 2017 (the "**SP Agreement**", a copy of which is tabled at the meeting marked "A" and initialled by the Chairman of the meeting for the purpose of identification) entered into between BGI Group Limited as seller (the "**Seller**") and VBG Properties Limited (now known as VBG Overseas Holdings Limited), an indirect wholly-owned subsidiary of the Company, as purchaser in relation to the sale and purchase of the entire issued shares of Baron Global Financial Canada Ltd. (the "**Target Company**") and the assignment of the loan owed by the Target Company to the Seller at the date of the completion, if any, and the performance of all the transactions contemplated under the SP Agreement be and are hereby approved, confirmed and ratified; and

(b) the board of directors of the Company be and is hereby authorised to take all steps and do all acts and things and execute all such documents or agreements or deeds as it considers necessary, appropriate desirable or expedient to implement and give full effect to or in connection with the SP Agreement and the transactions contemplated thereunder."

By order of the Board
VBG International Holdings Limited
Hui Ringo Wing Kun
Executive Director

Hong Kong, 21 March 2018

* *For identification purposes only*

Registered Office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
18/F., Prosperity Tower
39 Queen's Road Central
Hong Kong

Notes:

(1) Any member of the Company entitled to attend and vote at the extraordinary general meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her and so appointed shall have the same right as the member to speak at the extraordinary general meeting. A member who is the holder of two or more shares of the Company may appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.

(2) A form of proxy for use at the extraordinary general meeting is enclosed herewith.

(3) The form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its seal or the hand of an officer, attorney or other person duly authorised.

(4) The form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be lodged at the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not less than 48 hours before the time appointed for holding the extraordinary general meeting or any adjourned meeting (as the case may be) and in default the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members from attending and voting in person at the extraordinary general meeting or at any adjourned meeting (as the case may be) should they so wish.

(5) Where there are joint registered holders of any share, any one of such persons may vote at the extraordinary general meeting, either personally or by proxy, in respect of such share as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the extraordinary general meeting personally or by proxy, the vote of that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall be accepted to exclusion of the votes of the other joint holders. Several executors or administrators of a deceased member of the Company in whose name any shares stands shall for this purpose be deemed joint holders thereof.

(6) For determining the entitlement to attend and vote at the extraordinary general meeting, the register of members of the Company will be closed from Tuesday, 10 April 2018 to Friday, 13 April 2018, both dates inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the extraordinary general meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 9 April 2018.

As at the date of this notice, the executive Directors are Ms. Wan Ho Yan Letty (chairperson), Mr. Hui Ringo Wing Kun, the non-executive Director is Mr. Wan Chuen Fai, the independent non-executive Directors are Mr. Kam Cheuk Fai David, Mr. William Robert Majcher and Mr. Ho Lik Kwan Luke.