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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 SEPTEMBER 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

* *For identification purpose only*

FINANCIAL HIGHLIGHTS

– The Company and its subsidiaries (the "**Group**") recorded a revenue of approximately HK$76.7 million for the year ended 30 September 2018, representing an increase of approximately 21.2% when compared with the revenue of approximately HK$63.3 million for the year ended 30 September 2017.

– The Group recorded a profit of approximately HK$24.1 million for the year ended 30 September 2018 as compared with a profit of approximately HK$16.0 million for the year ended 30 September 2017. The profit for the year ended 30 September 2018 was mainly attributable to (i) an increase in the total number of engagements for placing and underwriting from nil for the year ended 30 September 2017 to 15 for the year ended 30 September 2018; and (ii) an increase in the total number of engagements for corporate finance advisory services from 50 for the year ended 30 September 2017 to 55 for the year ended 30 September 2018.

– The basic and diluted earnings per share for the year ended 30 September 2018 was approximately HK4.70 cents and the basic and diluted earnings per share for the year ended 30 September 2017 was approximately HK3.72 cents.

– The Directors proposed to recommend the payment of a final dividend of HK$0.02 per share for the year ended 30 September 2018.

ANNUAL RESULTS

The board of Directors (the "**Board**") announce the consolidated results of the Group for the year ended 30 September 2018, together with the comparative figures for the year ended 30 September 2017, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2018

	Note	**2018** *HK$'000*	2017 *HK$'000*
Revenue	*3*	**76,749**	63,329
Other (loss) income, net	*4*	**(183)**	1,205
Administrative expenses and other operating expenses		**(47,221)**	(42,730)
Profit before income tax	*5*	**29,345**	21,804
Income tax expense	*6*	**(5,235)**	(5,824)
Profit for the year		**24,110**	15,980
Other comprehensive income (loss):			
Items that are reclassified or may be reclassified subsequently to profit or loss:			
Exchange difference on consolidation		**75**	–
Fair value gain on available-for-sale financial assets	*10*	**1,474**	1,200
Reclassification adjustment upon disposal of available-for-sale financial assets		**–**	(1,200)
Other comprehensive income for the year		**1,549**	–
Total comprehensive income for the year		**25,659**	15,980
		HK Cents	*HK Cents*
Earnings per share			
Basic and diluted	*7*	**4.70**	3.72

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

	Note	**2018** **HK$'000**	2017 *HK$'000*
Non-current assets			
Goodwill	*9*	**23,966**	–
Plant and equipment		**1,752**	1,228
		25,718	1,228
Current assets			
Available-for-sale financial assets	*10*	**7,693**	–
Financial assets at fair value through profit or loss	*11*	**315**	21,918
Trade and other receivables and prepayments	*12*	**41,733**	31,983
Bank balances and cash		**72,589**	73,881
		122,330	127,782
Current liabilities			
Other payables, receipt in advance and accruals		**4,853**	2,687
Income tax payables		**11,789**	10,771
		16,642	13,458
Net current assets		**105,688**	114,324
Total assets less current liabilities		**131,406**	115,552
Non-current liabilities			
Deferred tax payables		**459**	–
NET ASSETS		**130,947**	115,552
Capital and reserves			
Share capital	*13*	**5,132**	5,132
Reserves	*14*	**125,815**	110,420
TOTAL EQUITY		**130,947**	115,552

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2018

	Share capital *HK$'000*	Share premium *HK$'000* *(Note 14a)*	Capital reserve *HK$'000* *(Note 14b)*	Exchange reserve *HK$'000* *(Note 14c)*	Investment revaluation reserve *HK$'000* *(Note 14d)*	(Accumulated losses)/ Retained profits *HK$'000*	Total *HK$'000*
At 30 September 2016	–	–	35,152	1,392	–	(2,211)	34,333
Profit for the year	–	–	–	–	–	15,980	15,980
Other comprehensive income for the year							
Item that are or may be reclassified subsequently to profit or loss							
Fair value gain on available-for-sale financial assets	–	–	–	–	1,200	–	1,200
Reclassification adjustment upon disposal of available-for-sale financial assets	–	–	–	–	(1,200)	–	(1,200)
	–	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	–	15,980	15,980
Transfer *(note 14b)*	–	–	(35,000)	–	–	35,000	–
Transactions with owners							
Contribution and distribution							
Issue of new shares by way of share offer *(note 13c)*	1,283	85,961	–	–	–	–	87,244
Capitalisation issue *(note 13d)*	3,849	(3,849)	–	–	–	–	–
Transaction costs attributable to issue of new shares	–	(11,177)	–	–	–	–	(11,177)
Dividends *(note 8)*	–	–	–	–	–	(10,828)	(10,828)
Total transactions with owners for the year	5,132	70,935	–	–	–	(10,828)	65,239
At 30 September 2017	5,132	70,935	152	1,392	–	37,941	115,552
Profit for the year	–	–	–	–	–	24,110	24,110
Other comprehensive income for the year							
Item that are or may be reclassified subsequently to profit or loss							
Exchange difference on consolidation	–	–	–	75	–	–	75
Fair value gain on available-for-sale financial assets	–	–	–	–	1,474	–	1,474
	–	–	–	75	1,474	–	1,549
Total comprehensive income for the year	–	–	–	75	1,474	24,110	25,659
Transactions with owners							
Contribution and distribution							
Dividends *(note 8)*	–	–	–	–	–	(10,264)	(10,264)
Total transactions with owners for the year	–	–	–	–	–	(10,264)	(10,264)
At 30 September 2018	5,132	70,935	152	1,467	1,474	51,787	130,947

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2018

1. GENERAL INFORMATION

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

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

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

The consolidated financial statements are presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of the Company and its subsidiaries (collectively referred to as the "**Group**"), except for the subsidiaries established in the People's Republic of China (the "**PRC**") and Canada whose functional currency is Renminbi ("**RMB**") and Canadian dollar ("**CAD**") respectively.

2. PRINCIPAL ACCOUNTING POLICIES

Pursuant to the group reorganisation to rationalise the group structure for the Listing of the shares of the Company (the "**Reorganisation**"), the Company acquired the entire equity interests in the companies comprising the Group from Ms. Letty Wan. The Reorganisation was completed on 20 May 2016 and since then, the Company became the holding company of the companies comprising the Group (the "**Combined Entities**").

The Combined Entities and the Company are under common control of Ms. Letty Wan prior to and after the Reorganisation, and that control is not transitory. Accordingly, the acquisition of the Combined Entities is accounted for as business combination under common control in accordance with Accounting Guideline 5 "Merger accounting under common control combination" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") as detailed below.

The consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group have been prepared to include the results, changes in equity and cash flows of the Combined Entities and the Company as if the current group structure has been in existence since 1 October 2016, or since the respective dates of incorporation or acquisition by the Company, whichever period is shorter.

Basis of preparation

The consolidated financial statements has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "**GEM Listing Rules**").

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2017 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

Adoption of new/revised HKFRSs

Amendments to HKAS 7: Disclosure Initiative

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

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

Amendments to HKAS 12: Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify, among others, how to account for deferred tax assets related to debt instruments measured at fair value.

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

A summary of the principal accounting policies adopted by the Group is set out below:

Basis of measurement

The measurement basis used in the preparation of these consolidated financial statements is historical cost, except for available-for-sale financial assets and financial assets at fair value through profit or loss, which are measured at fair value as explained in the accounting policies set out below.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balances, transactions, incomes and expenses and profits and losses resulting from intra-group transactions are eliminated in full. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.

Merger accounting for business combination involving entities under common control

In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the consolidated financial statements as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing carrying values from the controlling party's perspective. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the contribution of the controlling party's interest. The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

Expenditure incurred in relation to a common control combination that is to be accounted for by using merger accounting is recognised as an expense in the period in which it is incurred.

Changes in ownership interest

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

3. SEGMENT INFORMATION AND REVENUE

Segment information

The chief operating decision-makers of the Group, being the executive directors and senior management of the Group, regularly assess the performance of the Group based on a measure of profit after income tax and revenue analysis according to geographical location of the services rendered and consider the Group as a single reportable segment, i.e. provision of advisory and consultancy, placing and underwriting and business consulting services. Information reported to the chief operating decision makers for the purposes of resources allocation and performance assessment focuses on the operating results of the Group as a whole as the Group's resources are integrated. Business segment information is not presented accordingly.

Information about geographical areas

(a) Revenue from external customers

	2018	2017
	HK\$'000	*HK\$'000*
Hong Kong	**74,043**	63,329
Canada	**2,706**	–
	76,749	63,329

(b) Specified non-current assets

The following table sets out information about the geographical location of the Group's goodwill and plant and equipment which is based on the physical location of the assets.

	2018	2017
	HK$'000	*HK$'000*
Hong Kong	**1,195**	1,148
The PRC	**264**	80
Canada	**24,259**	–
	25,718	1,228

Information about major customers

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

	2018	2017
	HK$'000	*HK$'000*
Customer A	**7,726**	–
Customer B	**–**	14,813

Revenue

	2018	2017
	HK$'000	*HK$'000*
Corporate finance advisory services	**51,270**	43,977
Placing and underwriting services	**11,123**	–
Business consulting services	**14,356**	19,352
	76,749	63,329

4. OTHER (LOSS) INCOME, NET

	2018	2017
	HK$'000	*HK$'000*
Dividend income from investments	**1,588**	98
Net unrealised loss on financial assets at fair value through profit or loss	**(125)**	(125)
Interest income	**748**	17
(Loss) gain on disposal of available-for sale financial assets	**(5)**	1,200
Loss on disposal of financial assets at fair value through profit or loss	**(2,399)**	–
Others	**10**	15
	(183)	1,205

5. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	2018	2017
	HK$'000	*HK$'000*
Staff costs (including directors' remuneration):		
Employee benefit expense	**32,994**	23,314
Contributions to defined contribution plans	**613**	442
Total staff costs	**33,607**	23,756
Auditor's remuneration	**650**	569
Depreciation of plant and equipment	**408**	255
Exchange loss, net	**6**	228
Professional fees (excluding Listing expenses which were one-off in nature)	**2,421**	1,141
Listing expenses	**–**	9,100
Loss on disposal of plant and equipment	**–**	2
Operating lease payments on premises	**5,963**	4,739
Provision for allowance on doubtful debts	**1,100**	–

6. INCOME TAX EXPENSE

The two-tiered profits tax rates regime have been implemented from 1 April 2018, under which, the profit tax rate for the first HK$2,000,000 assessable profits arising from Hong Kong of qualifying entities will be taxed at 8.25%, and assessable profits arising from Hong Kong above HK$2,000,000 will continue to be taxed at the rate of 16.5%. If the entity has one or more connected entities, the two-tiered profits tax rates would only apply to the one which is nominated to be chargeable at the two-tiered rates. Therefore, only one entity in the Group is subject to the two-tiered profits tax rate while the remaining entities in the Group will continue to be taxed at the rate of 16.5% (2017: 16.5% on all profits arising from Hong Kong).

For the year ended 30 September 2018, the Group's entity established in Canada is subject to Corporate Income Tax of Canada at a statutory rate of 27%.

For the years ended 30 September 2018 and 2017, the Group's entities established in the Cayman Islands and the BVI are exempted from income tax.

For the years ended 30 September 2018 and 2017, for the Group's entity established in the PRC, no Enterprise Income Tax has been provided as the Group's entity incurred a loss for taxation purpose.

	2018	2017
	HK$'000	*HK$'000*
Current tax		
Hong Kong Profits Tax		
Current year	**5,463**	5,588
(Over) Under-provision in prior year	**(277)**	236
	5,186	5,824
Canada Corporate Income Tax	**49**	–
	5,235	5,824

Reconciliation of income tax expense

	2018	2017
	HK$'000	*HK$'000*
Profit before taxation	**29,345**	21,804
Tax calculated at domestic tax rates applicable to profit in the respective tax jurisdictions	**4,541**	3,411
Non-deductible expenses	**641**	2,064
Tax exempt revenue	**(326)**	(216)
(Over) Under-provision in prior year	**(277)**	236
Unrecognised tax losses	**375**	348
Others	**281**	(19)
Income tax expense	**5,235**	5,824
Weighted average applicable effective tax rates *(note)*	**17.1%**	26.7%

Note: The weighted average applicable effective tax rates represent the weighted average of the effective rates of taxation prevailing in the territories in which the Group operates.

7. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the equity holders of the Company is based on the following data on the assumption that the Group had been in existence throughout the years ended 30 September 2018 and 2017:

	2018	2017
	HK$'000	*HK$'000*
Earnings		
Profit for the year for the purpose of basic earnings per share	**24,110**	15,980

	2018	2017
	'000	*'000*
Shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**513,200**	429,893

Diluted earnings per share is not presented as there were no potential dilutive ordinary shares outstanding during the years ended 30 September 2018 and 2017.

8. DIVIDENDS

	2018	2017
	HK$'000	*HK$'000*
Dividends approved or paid during the year		
Interim dividends in respect of 2018 of HK$Nil (2017: HK$10,828,000 per ordinary share)	**–**	10,828
Final dividends in respect of 2017 of HK$0.02 per ordinary share (2016: HK$Nil)	**10,264**	–
	10,264	10,828

During the year ended 30 September 2017, interim dividends of HK$7,300,000 were paid in cash and dividends of HK$3,528,000 were distributed in specie with the entire interests of the Company's indirectly wholly-owned subsidiary of Gather Shine Investments Limited ("**Gather Shine**"). Gather Shine was then ceased to be a subsidiary of the Company and no gain or loss was recognised in respect of the disposal of Gather Shine.

During the year ended 30 September 2018, 2017 final dividends of HK$10,264,000 were paid in cash.

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 30 September 2018 of HK$0.02 per ordinary share, in an aggregate amount of HK$10,264,000 has been proposed by the directors of the Company and is subject to the approval by the Company's shareholders at the forthcoming annual general meeting.

9. GOODWILL

	2018	2017
	HK$'000	*HK$'000*
Reconciliation of carrying amount		
At the beginning of the reporting period	**–**	–
Additions	**23,966**	–
At the end of the reporting period	**23,966**	–

In April 2018, the Group acquired 100% equity interests in Baron Global Financial Canada Ltd. ("**Baron Canada**") at a consideration of approximately CAD6,150,000 (equivalent to approximately HK$36,900,000). Baron Canada is engaged in the provision of business consulting services to private and public companies in Canada (the "**Canada Business CGU**"). The excess of the consideration transferred over the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed amounted to approximately HK$23,966,000 and was recognised as a goodwill. Further details of the acquisition were set out in the Company's announcement and circular dated 19 December 2017 and 21 March 2018, respectively.

At 30 September 2018, the Group assessed the recoverable amount of the Canada Business CGU with reference to a business valuation of Baron Canada determined under a market-based approach based on the multiples of price-to-earnings as stated in a valuation report issued by an independent professional valuer and determined that no impairment for goodwill was required.

Key assumptions and inputs used for the business valuation are as follows:

	2018	2017
Control premium*	**25%**	–
Discount of lack of marketability#	**16%**	–
Price-to-earnings multiples^	**17.19-24.33**	–

* Control premium was adopted to reflect the degree of control associated with 100% equity interests of the company as the discount of lack of marketability adopted below is on a non-controlling basis.

\# Discount of lack of marketability was the median of the percentage variance of private placement price and market reference price of international transactions over the 37 years period; the level of value is presented on freely traded and non-controlling basis.

^ Price-to-earnings multiples were estimated by the median of price-to-earnings of the selected comparable companies whose principal business were comparable to that of Baron Canada.

The Directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the Canada Business CGU to exceed its recoverable amount.

Other information on fair value measurement of the Canada Business CGU

The description of valuation technique used in fair value measurement for the Canada Business CGU containing goodwill is as follow:

Fair value hierarchy	**Valuation technique**
Level 3	Market-based approach

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2018	2017
	HK$'000	*HK$'000*
At fair value		
Equity securities listed overseas	**7,693**	–

The fair values of listed securities were based on quoted market price at the end of the reporting period. During the year ended 30 September 2018, the fair value gain on these equity securities of HK$1,474,000 was recognised in other comprehensive income.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2018	2017
	Note	***HK$'000***	*HK$'000*
Held for trading			
Equity securities – listed in Hong Kong		**–**	149
Other equity instruments – listed overseas	*(a)*	**–**	21,769
Derivatives – unlisted options issued by companies listed overseas	*(b)*	**315**	–
		315	21,918

Notes:

(a) During the year ended 30 September 2018, the Company disposed of (i) 8.125% perpetual subordinated capital securities ("**HSEA**") and (ii) 8.00% perpetual subordinated capital securities, Series 2 ("**HSEB**") issued by HSBC Holdings plc and listed on the New York Stock Exchange, which resulted in loss on disposal of HK$2,271,000.

(b) During the year ended 30 September 2018, the Group acquired unlisted stock options issued by companies listed overseas through the acquisition of Baron Canada. The fair values of these derivatives is derived from Black-Scholes option pricing model. During the year, the Group has exercised certain options in exchange for underlying equity listed securities.

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Note	2018 HK$'000	2017 HK$'000
Trade receivables		**36,378**	29,663
Less: Allowance for doubtful debts		**(1,100)**	-
	(a)	**35,278**	29,663
Prepayment		**1,640**	214
Deposits and other receivables		**4,815**	2,106
		6,455	2,320
		41,733	31,983

(a) The settlement terms of trade receivables are determined in accordance with the contract terms, usually within 1 month after the provision of service.

Ageing analysis of the trade receivables (after allowance for doubtful debts) by invoice date is as follows:

	2018 HK$'000	2017 HK$'000
Within 30 days	**26,399**	29,063
31 to 60 days	**3,522**	–
61 to 90 days	**2,033**	–
Over 90 days	**3,324**	600
	35,278	29,663

Ageing analysis of the trade receivables (after allowance for doubtful debts) by due date is as follows:

	2018 HK$'000	2017 HK$'000
Not yet due	**26,399**	29,063
Past due:		
Within 30 days	**3,522**	–
31 to 60 days	**2,033**	–
61 to 90 days	**584**	–
Over 90 days	**2,740**	600
	8,879	600
	35,278	29,663

Before accepting a new customer, the Group assesses the potential customer's credit quality and determines credit limit. In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted and subsequent settlement up to the reporting date.

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

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

The movements in allowance for doubtful debts in respect of trade receivables

	2018	2017
	HK$'000	*HK$'000*
At the beginning of the reporting period	**–**	–
Provision for allowance	**1,100**	–
At the end of the reporting period	**1,100**	–

13. SHARE CAPITAL

	Note	No. of shares	*HK$'000*
Authorised:			
At 1 October 2016 (at par value of US$1 per share)		50,000	390
Creation of shares under the Re-denomination (defined thereafter)	*(a)(i)*	39,000,000	390
Cancellation of shares under the Re-denomination	*(a)(iv)*	(50,000)	(390)
Increase in authorised share capital	*(b)*	1,961,000,000	19,610
At 30 September 2017 and 2018 (at par value of HK$0.01 per share)		2,000,000,000	20,000
Issued and fully paid:			
At 1 October 2016 (at par value of US$1 per share)		1	–
Issue of shares under the Re-denomination	*(a)(ii)*	780	–
Repurchase of shares under the Re-denomination	*(a)(iii)*	(1)	–
Issue of shares by share offer	*(c)*	128,300,000	1,283
Capitalisation issue of shares	*(d)*	384,899,220	3,849
At 30 September 2017 and 2018 (at par value of HK$0.01 per share)		513,200,000	5,132

Notes:

(a) Pursuant to written resolutions of the sole shareholder passed on 26 April 2017, the authorised and issued share capital of the Company were re-denominated ("**Re-denomination**") by way of:

(i) an increase in the authorised share capital of HK$390,000 by the creation of 39,000,000 shares;

(ii) an issue of 780 shares to the immediate holding company at HK$0.01 per share;

(iii) repurchase from the immediate holding company of the one issued share of US$1 at an aggregate price of US$1 (equivalent to HK$7.8); and

(iv) following the above repurchase, a diminution in the authorised but unissued share capital by the cancellation of all unissued shares of US$1 each in the capital of the Company.

As a result of the Re-denomination, the Company had an authorised share capital of HK$390,000 divided into 39,000,000 shares with a par value of HK$0.01 each.

(b) Pursuant to the written resolution passed by the sole shareholder on 4 May 2017, the authorised share capital of the Company was increased from HK$390,000 to HK$20,000,000 by the creation of an additional of 1,961,000,000 shares each which rank pari passu in all respects with the existing shares.

(c) On 26 May 2017, the Company issued 128,300,000 ordinary shares of HK$0.01 each pursuant to the Company's listing on the GEM of the Stock Exchange by way of share offer at a price of HK$0.68 per share. Total gross proceeds from the share offer of HK$87,244,000, before the share issue expenses of HK$11,177,000, were credited to the share premium accounts.

(d) Pursuant to the written resolution passed by the sole shareholder on 4 May 2017, a sum of approximately HK$3,849,000 standing to the credit of the share premium account of the Company was capitalised by paying up in full at par a total of 384,899,220 new shares for allotment and issue to Jayden Wealth upon listing on 26 May 2017.

14. RESERVES

(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

(b) Capital reserve

Capital reserve of the Group represents the capital contribution from the controlling shareholder of certain subsidiaries now comprising the Group before completion of the Reorganisation.

During the year ended 30 September 2017, an amount of HK$35,000,000 was transferred to retained profits to facilitate future distributions.

(c) Exchange reserve

Exchange reserve of the Group comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong.

(d) Investment revaluation reserve

Investment revaluation reserve of the Group represents the accumulative net change in fair value of available-for-sale investments held at the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

FINANCIAL REVIEW

Revenue

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

For the year ended 30 September 2018, the Group recorded an increase in total revenue by approximately 21.2% to approximately HK$76.7 million (2017: approximately HK$63.3 million) primarily attributable to an increase in the overall number of high value transactions (over HK$1 million) handled by the Group from 19 for the year ended 30 September 2017 to 23 for the year ended 30 September 2018.

For the year ended 30 September 2018, the Group's revenue generated from the provision of corporate finance advisory services increased by approximately 16.6% to approximately HK$51.3 million (2017: approximately HK$44.0 million), accounting for approximately 66.8% of the Group's total revenue (2017: approximately 69.4%). Such increase was primarily attributable to (i) successful completion of two IPO sponsorship projects on GEM and Main Board during the year ended 30 September 2018 and substantial completion of one IPO sponsorship project which was subsequently listed on GEM in October 2018, respectively, in which we acted as sponsor; and (ii) an increase in the total number of engagements for corporate finance advisory services from 50 during the year ended 30 September 2017 to 55 during the year ended 30 September 2018.

For the year ended 30 September 2018, the Group's revenue generated from the provision of placing and underwriting services was approximately HK$11.1 million (2017: nil) primarily attributable to an increase in the total number of engagements for placing and underwriting services from nil during the year ended 30 September 2017 to 15 during the year ended 30 September 2018.

For the year ended 30 September 2018, the Group's revenue generated from the provision of business consulting services decreased by approximately 25.8% to approximately HK$14.4 million (2017: approximately HK$19.4 million) mainly due to a slowdown in high value transaction related to cross-border M&A activities between Italy and the PRC.

Administrative expenses and other operating expenses

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

For the year ended 30 September 2018, the Group's administrative expenses and other operating expenses increased by approximately 10.5% to approximately HK$47.2 million (2017: approximately HK$42.7 million). Such increase was primarily attributable to (i) an increase in staff costs and related expenses to approximately HK$33.6 million (2017: approximately HK$23.8 million), (ii) an increase in professional fees mainly related to the continuing listing obligations to approximately HK$2.4 million (2017: approximately HK$1.1 million), and (iii) an increase in operating lease payments on premises to approximately HK$6.0 million (2017: approximately HK$4.7 million), against the non-occurrence of the Listing expenses one-off in nature of approximately HK$9.1 million which was incurred during the year ended 30 September 2017.

The increase in staff costs and related expenses for the year ended 30 September 2018 was mainly attributable to (i) new headcount by way of business acquisition, Baron Canada; (ii) expansion of our corporate finance team; and (iii) an increase in discretionary bonus.

Income tax expense

The Group's income tax expense decreased to approximately HK$5.2 million for the year ended 30 September 2018 from approximately HK$5.8 million for the year ended 30 September 2017 resulting from the non-occurrence of the tax non-deductibility of Listing expenses incurred during the year ended 30 September 2017.

Profit for the year

As a result of foregoing, the Group recorded a profit of approximately HK$24.1 million for the year ended 30 September 2018 as compared with a profit of approximately HK$16.0 million for the year ended 30 September 2017.

Net profit margin

For the year ended 30 September 2018, the Group's net profit margin ratio was approximately 31.4% (2017: 25.2%).

Return on total assets

For the year ended 30 September 2018, the Group's return on total assets ratio was approximately 16.3% (2017: 12.4%).

Return on equity

For the year ended 30 September 2018, the Group's return on equity ratio was approximately 18.4% (2017: 13.8%).

LIQUIDITY AND CAPITAL RESOURCES

As at 30 September 2018, all of the Group's cash and cash equivalents, except (i) a sum of approximately HK$30.5 million in US dollars for treasury purpose, and (ii) a minimum amount of approximately HK$3.8 million and HK$0.1 million, in Canadian dollars and Renminbi, respectively, for settling the operating expenses of the subsidiary in Canada and the PRC subsidiary, were held in Hong Kong dollars.

The Directors are of the view that at the date hereof the Group's financial resources are sufficient to support its business and operations.

Banking borrowings

As at 30 September 2018, the Group had no banking facilities and no borrowings (2017: nil).

Charge on assets

The Group did not have any charges on its assets as at 30 September 2018 (2017: nil).

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 September 2018 (2017: nil).

Current ratio

As at 30 September 2018, the Group's current ratio was approximately 7.4 times (2017: 9.5 times).

Gearing ratio

As at 30 September 2018, the Group did not have any interest-bearing borrowings and hence the gearing ratio was zero (2017: zero).

Capital structure

The Group's equity consists only of ordinary shares.

Our objective in managing capital is to safeguard the ability to continue as a going concern, so that it can continue to provide returns for Shareholders. Our overall strategy remains unchanged since the Listing.

Our risk management reviews the capital structure on a regular basis. As part of our review, the management considers the cost of capital and the risk associated with capital and will balance the overall capital structure through the payment of dividends, new share issues as well or sale of assets to reduce debts.

Treasury policies

The Directors will continue to follow a prudent policy in managing the Group's bank balances, trade receivables and financial assets at fair value through profit or loss for the purposes of maintaining the Group's solid and healthy liquidity position.

RISK EXPOSURE

The Board believes that all the major risk factors relevant to the Group have already been listed in the section headed "Risk factors" of the prospectus of the Company dated 15 May 2017 (the "**Prospectus**"). Please refer thereto for more information.

Foreign exchange exposure

Majority of the Group's revenue is denominated in Hong Kong dollars and the Group's accounts are prepared in Hong Kong dollars. Consequently, the exposure to the risk of foreign exchange rate fluctuations for the Group is not material provided that (i) the available-for-sale financial assets denominated in Canadian dollars, and the bank balance denominated in Canadian dollars and Renminbi is insignificant, and (ii) the bank balance denominated in US dollars is less fluctuated when Hong Kong dollars is pegged to the US dollars. For the year ended 30 September 2018, the Group did not have any derivatives for hedging against the foreign exchange rate risk. The Directors will continue to monitor the foreign exchange exposure and will consider appropriate action to mitigate such risk, when necessary.

OUTLOOK AND PROSPECTS

Whilst the impact on Hong Kong's economy from the potential Sino-US trade war and rising interest rate in the U.S. remains to be seen, the Group expects the Hong Kong stock market to remain volatile in 2019. Notwithstanding such uncertain market conditions, the Group is committed to exploring opportunities to expand our corporate finance advisory business; actively participate in placing and underwriting activities in primary and secondary market fund raising exercises; and to expand our network internationally and across the PRC.

Future plan for material investments or capital assets

Save as disclosed in the section headed "Future plans and use of proceeds" of the Prospectus, the Group did not have any other plans for material investment or capital assets as at 30 September 2018.

Use of proceeds

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

The Group adjusted the use of proceeds in the same manner and in the same proportion as shown in the Prospectus. The adjusted use of proceeds is shown below together with the net proceeds had been utilised, as at 30 September 2018, as follows:

	Adjusted net proceeds	**Amount utilised as at 30 September 2018**	**Balance**
	HK$ million	*HK$ million*	*HK$ million*
To expand our placing and underwriting business	39.3	–	39.3
To enhance and strengthen our financial advisory business by maintaining and expanding our corporate finance team	5.5	3.4	2.1
To expand our network internationally and across the PRC	12.1	1.6	10.5
General working capital	2.0	2.0	–
Total	58.9	7.0	51.9

As at 30 September 2018, unutilised proceeds of approximately HK$7.8 million were deposited in licensed banks in Hong Kong and unutilised proceeds of approximately HK$44.1 million were placed on short-term interest bearing instrument with licensed banks in Hong Kong.

The Group did not apply the adjusted net proceeds as per the planned time frame with reference to the disclosure in the Prospectus since (a) shrinking in number and size of the placing and underwriting transactions under a pessimistic sentiment about the stock market; and (b) slowdown in cross-border M&A activities arising from the Sino-US trade war and stringent foreign exchange control in the PRC, therefore the Group adopted a conservative and flexible approach by (i) acquiring low risk investment in HSEA and HSEB (see paragraph "Significant Investments Held" for details) for a better yield for the treasury purpose which being early redeemed and the redeemed proceeds denominated in US dollars together with the dividends received has placed on short-term time deposits with licensed banks in Hong Kong; and (ii) placing idle funds on short-term time deposits with licensed banks in Hong Kong. Having demonstrated solid performance for the years ended 30 September 2017 and 2018, the Group decided to apply the internal resources generated from its business operation to acquire Baron Canada which align with its business strategies.

Material acquisitions and disposals of subsidiaries

During the year ended 30 September 2018, the Company completed the acquisition of the entire equity interests in Baron Canada. Save and except such acquisition, the Group did not have any material acquisitions and disposal of subsidiaries during the year ended 30 September 2018.

Significant investments held

Details of the significant investments which were classified as financial assets at fair value through profit or loss, as of and for the year ended 30 September 2017:

2017

Name of investment	**Stock exchange and stock code**	**Cost (in HK$'000)**	**Purchase date and at 30 Sep 2017**	**Market value at 30 Sep 2017 (in HK$'000)**	**Number of shares held**	**Proportion to total issued share capital of the investments**	**Size to the Group's net assets at 30 Sep 2017**
8.125% Perpetual Subordinated Capital Securities issued by HSBC Holdings plc	NYSE:HSEA	1,733	13 Sep 2017		8,030		
		2,627	14 Sep 2017		12,166		
		702	15 Sep 2017		3,251		
		5,062	30 Sep 2017	4,976	23,447	0.0293%	4.31%
8.00% Perpetual Subordinated Capital Securities, Series 2 issued by HSBC Holdings plc	NYSE:HSEB	6,302	26 Sep 2017		30,000		
		10,503	28 Sep 2017		50,000		
		16,805	30 Sep 2017	16,793	80,000	0.0588%	14.53%
Total			30 Sep 2017	21,769			18.84%

No significant investments which were classified as financial assets at fair value through profit or loss were held as of 30 September 2018.

Performance, strategy and future prospects significant investments which were classified as financial assets at fair value through profit or loss, for the years ended 30 September 2018 and 2017 are detailed as follows:

2018

	Performance for the year ended 30 Sep 2018				
Name of investment	**Cost or market value at 1 Oct 2017** *(in HK$'000)*	**Market value at 30 Sep 2018** *(in HK$'000)*	**Unrealised and realised fair value gain/(loss)** *(in HK$'000)*	**Dividend** *(in HK$'000)*	**Strategy and future prospects**
8.125% Perpetual Subordinated Capital Securities issued by HSBC Holdings plc	4,976	–	(416)	237	Acquisition and holding of the short-term investments is for treasury management purpose due to a robust cash position resulting from the unutilised proceeds. In the short run, the Group expects a regular investment return derived from the steady stream of dividend in each quarter subject to a stable price fluctuation. Once the need for the use of proceeds arises, the Group will liquidate the significant investments to support the business plan and strategies as stated in the Prospectus. The relevant risk exposure and policies are discussed in the paragraph headed "RISK EXPOSURE".
8.00% Perpetual Subordinated Capital Securities, Series 2 issued by HSBC Holdings plc	16,793	–	(1,855)	1,349	
Total	21,769*	–	(2,271)	1,586	

During the year ended 30 September 2018, the Company acquired 8% perpetual subordinated capital securities, Series 2 issued by HSBC Holdings plc ("**HSBC**") which are listed on the New York Stock Exchange at HK$8,402,000 for treasury management purposes.

On 4 May 2018, HSBC issued two irrevocable notices of redemption, pursuant to which HSBC will redeem (i) all outstanding 8.125% perpetual subordinated capital securities on 4 June 2018 and (ii) all outstanding 8% perpetual subordinated capital securities, Series 2 on 4 June 2018. For details of the redemption, please refer to the notice of redemption issued by HSBC on 4 May 2018 which is available on the www.hkexnews.hk.

The net realised loss from sale of investments at fair value through profit or loss was arising from the disposal of all the investments in (i) 8.125% Perpetual Subordinated Capital Securities and (ii) 8.000% Perpetual Subordinated Capital Securities, Series 2, both issued by HSBC by way of redemption exercised by the issuer (i.e. HSBC) on 4 June 2018.

2017

Name of investment	Cost or market value at 1 Oct 2016 *(in HK$'000)*	Market value at 30 Sep 2017 *(in HK$'000)*	Unrealised fair value gain/(loss) *(in HK$'000)*	Dividend *(in HK$'000)*	Strategy and future prospects
	Performance for the year ended 30 Sep 2017				
8.125% Perpetual Subordinated Capital Securities issued by HSBC Holdings plc	5,062	4,976	(86)	93	Acquisition and holding of the short-term investments is for treasury management purpose due to a robust cash position resulting from the unutilised proceeds. In the short run, the Group expects a regular investment return derived from the steady stream of dividend in each quarter subject to a stable price fluctuation. Once the need for the use of proceeds arises, the Group will liquidate the significant investments to support the business plan and strategies as stated in the Prospectus. The relevant risk exposure and policies are discussed in the paragraph headed "RISK EXPOSURE".
8.00% Perpetual Subordinated Capital Securities, Series 2 issued by HSBC Holdings plc	16,805	16,793	(12)	–	
Total	21,867	21,769	(98)	93	

As at 30 September 2017, the Group's financial assets at fair value through profit or loss amounted to approximately HK$21.9 million attributable to (i) the Group's holding of 60,000 shares of a company listed on the Stock Exchange and (ii) the Group's purchase of (a) 8.125% perpetual subordinated capital securities ("**HSEA**") and (b) 8.00% perpetual subordinated capital securities, Series 2 ("**HSEB**") issued by HSBC and listed on the New York Stock Exchange at HK$21,867,000 in aggregate for treasury management purposes. The fair values of the listed equity securities aforementioned are based on quoted market price.

During the year ended 30 September 2017, the fair value loss on the listed equity securities referred to under (i) above amounted to HK$27,000 (2016: a fair value gain of HK$45,000) was recognised in profit or loss; and the fair value loss on the listed equity instruments referred to under (ii) above amounted to HK$98,000 (2016: Nil) was recognised in profit or loss.

OTHERS INFORMATION

Employees and remuneration policies

As at 30 September 2018, the Group employed a total of 58 employees (2017: 35). For the year ended 30 September 2018, employee benefits costs of the Group (including the Directors' emoluments) were approximately HK$33.6 million (2017: approximately HK$23.8 million). Employees' remuneration is determined with reference to market terms and the performance, qualifications and experience of employees. Apart from basic remuneration, the Company may grant share options under the share option scheme (please refer to the disclosure in the section headed "Appendix IV – Statutory and general information" of the Prospectus) adopted by the Company on 4 May 2017 to eligible employees by reference to the Group's performance as well as the individual employee's contributions to the development and growth of the Group. The Directors believe that the compensation packages offered by the Group to its staff are competitive in comparison with market standards and practices.

Major customers and suppliers

During the year ended 30 September 2018, the revenue attributable to the Group's largest customer accounted for approximately 10.1% (2017: 23.4%) of the Group's total revenue and the revenue attributable to the Group's top five largest customers accounted for approximately 38.2% (2017: 52.6%) of the Group's total revenue.

The Group had no major suppliers due to the nature of the principal activities of the Group.

None of the Directors or any of their close associates, or any Shareholder (who to the knowledge of the Directors own 5% or more of the issued Shares of the Company) had any beneficial interest in any the Group's major customers above.

DIVIDEND

The Board proposed to recommend the payment of a final dividend of HK$0.02 per share for the year ended 30 September 2018 (2017: HK$0.02 per share). The payment of final dividend is subject to approval of the shareholders of the Company at the forthcoming annual general meeting (the "**AGM**") of the Company for the year ended 30 September 2018 to be held on Friday, 25 January 2019.

CLOSURE OF THE REGISTER OF MEMBERS

In order to determine the entitlement of the shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 22 January 2019 to Friday, 25 January 2019, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all properly completed transfer forms 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, 21 January 2019.

In order to determine the shareholder's entitlement to the proposed final dividend, the register of members of the Company will be closed on Friday, 1 February 2019 and no transfer of shares of the Company will be registered on that day. In order to qualify for the entitlement to the proposed final dividend, all properly completed transfer forms 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 Thursday, 31 January 2019. The proposed final dividend is expected to be distributed to the shareholders of the Company on or about Friday, 15 February 2019.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year ended 30 September 2018 and up to the date of this announcement and neither the Company nor any of its subsidiaries had issued or granted any convertible securities, options, warrants or similar rights or exercise any conversion or subscription rights under any convertible securities, options, warrants or similar rights during the year ended 30 September 2018 and up to date of this announcement.

CORPORATE GOVERNANCE

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

During the year ended 30 September 2018 and up to the date of this announcement, the Board has reviewed the Group's corporate governance practices and is satisfied that the Group has complied with the code provisions of the Corporate Governance Code (the "**Code**") as set out in Appendix 15 to the GEM Listing Rules.

AUDIT COMMITTEE

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

Pursuant to code provision C.3.3 of the Code, the Audit Committee together with the management of the Company have reviewed the financial reporting matters including the review of the annual results for the year ended 30 September 2018 of the Group and confirmed that the preparation of such complied with applicable accounting principles and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosure had been made. The Audit Committee also reviewed the effectiveness of the risk assessment and internal control systems and internal audit functions of the Group.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Company's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 30 September 2018 as set out in the preliminary announcement have been agreed by the Company's auditor, Mazars CPA Limited ("**Mazars**"), to the amounts set out in the Company's audited consolidated financial statements for the year. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars on the preliminary announcement.

BOARD OF DIRECTORS

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

Executive Directors:
Ms. Wan Ho Yan Letty *(Chairperson)*
Mr. Hui Ringo Wing Kun

Non-executive Director:
Mr. Wan Chuen Fai

Independent Non-executive Directors:
Mr. Kam Cheuk Fai David
Mr. William Robert Majcher
Mr. Ho Lik Kwan Luke

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

Hong Kong, 7 December 2018

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the day of its publication and posting and will be published and remains on the website of the Company at www.vbg-group.com.