



VBG INTERNATIONAL HOLDINGS LIMITED

建泉國際控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8365)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 MARCH 2020

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* For identification purpose only

FINANCIAL HIGHLIGHTS (UNAUDITED)

- The Company and its subsidiaries (the “**Group**”) recorded a revenue of approximately HK\$29.0 million for the six months ended 31 March 2020, representing an increase of approximately 93.3% when compared with a revenue of approximately HK\$15.0 million for the six months ended 31 March 2019.
- The Group recorded a loss of approximately HK\$9.9 million for the six months ended 31 March 2020 compared with a loss of approximately HK\$15.2 million for the six months ended 31 March 2019. The decrease in loss for the six months ended 31 March 2020 was mainly attributable to (i) an increase in revenue contribution of approximately HK\$14.5 million from placing and underwriting services due to the successful completion of two (2) placing and underwriting engagements handled by the Group and (ii) a decrease in administrative expenses and other operating expenses of approximately HK\$5.8 million as a result of a reduction in discretionary bonus payment as compared with that of for the six months ended 31 March 2019 respectively.
- The basic and diluted loss per share for the six months ended 31 March 2020 was approximately HK1.93 cents and the basic and diluted loss per share for the six months ended 31 March 2019 was approximately HK2.96 cents.
- The board of Directors (the “**Board**”) did not recommend the payment of any interim dividend for the six months ended 31 March 2020 (six months ended 31 March 2019: HK\$0.01 per share).

UNAUDITED CONDENSED CONSOLIDATED RESULTS

The Board announces the unaudited condensed consolidated results of the Group for the three months and six months ended 31 March 2020, together with the comparative unaudited figures for the three months and six months ended 31 March 2019, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and six months ended 31 March 2020

		Three months ended 31 March		Six months ended 31 March	
		2020	2019	2020	2019
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
	Note	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	4	24,022	3,810	28,999	14,975
Cost of services		<u>(12,300)</u>	<u>—</u>	<u>(12,300)</u>	<u>—</u>
Gross profit		11,722	3,810	16,699	14,975
Other income, net	5	193	306	590	870
Administrative expenses and other operating expenses	6	<u>(13,992)</u>	<u>(19,305)</u>	<u>(27,193)</u>	<u>(32,997)</u>
Loss before income tax	6	(2,077)	(15,189)	(9,904)	(17,152)
Income tax credit	7	<u>—</u>	<u>1,988</u>	<u>—</u>	<u>1,937</u>
Loss for the period		<u>(2,077)</u>	<u>(13,201)</u>	<u>(9,904)</u>	<u>(15,215)</u>
Other comprehensive income (loss)					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange difference on consolidation		—	—	—	189
<i>Items that will not be reclassified to profit or loss:</i>					
Fair value loss on financial assets designated at fair value through other comprehensive income ("FVOCI")		<u>(767)</u>	<u>(2,162)</u>	<u>(1,311)</u>	<u>(2,010)</u>
Other comprehensive loss for the period		<u>(767)</u>	<u>(2,162)</u>	<u>(1,311)</u>	<u>(1,821)</u>
Total comprehensive loss attributable to ordinary equity holders of the Company for the period		<u>(2,844)</u>	<u>(15,363)</u>	<u>(11,215)</u>	<u>(17,036)</u>
		<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>	<i>HK cents</i>
Loss per share attributable to ordinary equity holders of the Company					
— Basic and diluted	8	<u>(0.40)</u>	<u>(2.57)</u>	<u>(1.93)</u>	<u>(2.96)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2020

		At 31 March 2020 HK\$'000 (Unaudited)	At 30 September 2019 HK\$'000 (Audited)
	Note		
Non-current assets			
Goodwill	9	19,966	19,966
Plant and equipment	10	5,277	5,517
Right-of-use assets	11	10,755	—
Financial assets designated at FVOCI	12	2,131	2,959
Deposits paid for acquisition of a subsidiary		10,000	10,000
		<u>48,129</u>	<u>38,442</u>
Current assets			
Financial assets at fair value through profit or loss (“FVPL”)	13	129	129
Trade and other receivables	14	16,942	24,538
Income tax recoverables		412	412
Bank balances and cash		30,589	34,238
		<u>48,072</u>	<u>59,317</u>
Current liabilities			
Other payables and accruals		5,836	6,687
Lease liabilities	11	6,444	—
Income tax payables		2,821	3,342
		<u>15,101</u>	<u>10,029</u>
Net current assets		<u>32,971</u>	<u>49,288</u>
Non-current liabilities			
Deferred tax payables		459	459
Lease liabilities	11	4,585	—
		<u>5,044</u>	<u>459</u>
NET ASSETS		<u><u>76,056</u></u>	<u><u>87,271</u></u>
Capital and reserves			
Share capital	15	5,132	5,132
Reserves		70,924	82,139
TOTAL EQUITY		<u><u>76,056</u></u>	<u><u>87,271</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 March 2020

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 March 2019

	Reverses								
	Share capital	Share premium	Capital reserve	Exchange reserve	Investment revaluation reserve (recycling)	Investment revaluation reserve (non-recycling)	Retained earnings	Total reserves	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(note i)	(note ii)	(note iii)	(note iv)	(note v)			
At 1 October 2018 (audited)	5,132	70,935	152	1,467	1,474	—	51,787	125,815	130,947
Impact on initial application of HKFRS 9	—	—	—	—	(1,474)	1,474	—	—	—
As restated	5,132	70,935	152	1,467	—	1,474	51,787	125,815	130,947
Loss for the period	—	—	—	—	—	—	(15,215)	(15,215)	(15,215)
Other comprehensive income for the period									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange difference on consolidation	—	—	—	189	—	—	—	189	189
<i>Items that may be reclassified subsequently to profit or loss</i>									
Fair value change on financial assets designated at FVOCI	—	—	—	—	—	(2,010)	—	(2,010)	(2,010)
Fair value change on financial assets designated at FVOCI reclassified to retained earnings upon disposal	—	—	—	—	—	7	(7)	—	—
	—	—	—	—	—	(2,003)	(7)	(2,010)	(2,010)
	—	—	—	189	—	(2,003)	(7)	(1,821)	(1,821)
Total comprehensive income (loss) for the period	—	—	—	189	—	(2,003)	(15,222)	(17,036)	(17,036)
Transactions with owners									
<i>Contribution and distribution</i>									
Dividends (note 17)	—	—	—	—	—	—	(10,264)	(10,264)	(10,264)
Total transactions with owners for the period	—	—	—	—	—	—	(10,264)	(10,264)	(10,264)
At 31 March 2019 (unaudited)	<u>5,132</u>	<u>70,935</u>	<u>152</u>	<u>1,656</u>	<u>—</u>	<u>(529)</u>	<u>26,301</u>	<u>98,515</u>	<u>103,647</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 31 March 2020

Notes:

- (i) Share premium represents the excess of the net proceeds from issuance of the Company's share over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debt as they fall due in the ordinary course of business.
- (ii) Capital reserve of the Group represents the capital contribution from the controlling party of certain subsidiaries now comprising the Group before completion of the Group reorganisation to rationalise the Group structure for the listing of the shares of the Company on GEM of the Stock Exchange.
- (iii) Exchange reserve of the Group comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong.
- (iv) Investment revaluation reserve (recycling) comprises the accumulated net change in the fair value of financial assets classified as measured at amortised cost and debt instrument measurement at FVOCI, if any, at the end of the reporting period and is dealt with in accordance with the accounting policies adopted. The reserve as at 30 September 2018 comprises the accumulated gains and losses arising on the revaluation of available-for-sale investments measured at fair value that have been recognised in other comprehensive income, net of the amounts reclassified to profit or loss when those investments are disposed of or are determined to be impaired, in accordance with HKAS 39 Financial Instruments: Recognition and Measurement.
- (v) Investment revaluation reserve (non-recycling) comprises the accumulative net change in the fair value on financial assets designated at fair value through other comprehensive income that have been recognised in other comprehensive income, net of the amounts reclassified to retained earnings when those investments are disposed of.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 March 2020

	Six months ended 31 March	
	2020	2019
	HK\$'000	HK\$'000
Note	(Unaudited)	(Unaudited)
OPERATING ACTIVITIES		
Loss before income tax	(9,904)	(17,152)
Adjustments for:		
Bank interest income	(146)	(630)
Depreciation of plant and equipment	421	334
Depreciation of right-of-use assets	3,398	—
Finance cost on lease liabilities	420	—
Loss on disposal of plant and equipment	180	—
Cash flows used in operations before movements in working capital	(5,631)	(17,448)
Trade and other receivables	7,596	16,222
Other payables and accruals	(503)	1,162
Cash from (used in) operations	1,462	(64)
Bank interest received	146	630
Tax paid	(1,809)	(4,025)
Net cash used in operating activities	(201)	(3,459)
INVESTING ACTIVITIES		
Purchase of plant and equipment	(361)	(1,564)
Purchase of financial assets designated at FVOCI	(571)	—
Proceeds from disposal of financial assets designated at FVOCI	1,028	251
Net cash from (used in) investing activities	96	(1,313)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*For the six months ended 31 March 2020*

	<i>Note</i>	Six months ended	
		31 March	
		2020	2019
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)
FINANCING ACTIVITIES			
Dividend paid	17	—	(10,264)
Payment of lease liabilities		<u>(3,544)</u>	<u>—</u>
Net cash used in financing activities		<u>(3,544)</u>	<u>(10,264)</u>
Net decrease in cash and cash equivalents		(3,649)	(15,036)
Cash and cash equivalents at beginning of period		34,238	72,589
Effect of foreign exchange rate change		<u>—</u>	<u>189</u>
Cash and cash equivalents at end of period, represented by bank balances and cash		<u>30,589</u>	<u>57,742</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months and six months ended 31 March 2020

1. GENERAL INFORMATION

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

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

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

The condensed consolidated financial statements of the Group for the three months and six months ended 31 March 2020 (the “**Condensed Consolidated Financial Statements**”) are unaudited, but have been reviewed by the audit committee of the Company. The Condensed Consolidated Financial Statements were approved and authorised for issue by the Directors on 8 May 2020.

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

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

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

The Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements and thereby should be read in conjunction with the annual financial statement of the Group for the year ended 30 September 2019 (the “**2018/19 Annual Report**”) which have been prepared in accordance with HKFRSs issued by the HKICPA. The Condensed Consolidated Financial Statements have been prepared in accordance with the same accounting policies adopted by the Group in the 2018/19 Annual Report except for the adoption of new or revised HKFRSs issued by the HKICPA, which are effective for the Group's financial year beginning on 1 October 2019. The Group has not early applied the new and revised HKFRSs that have been issued by the HKICPA but are not yet effective.

Adoption of new/revised HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA that are relevant to the preparation of the Condensed Consolidated Financial Statements:

Annual Improvements to HKFRSs	2015-2017 Cycle
HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKAS 19	Employee Benefits
Amendments to HKFRS 9	Prepayment Features with Negative Compensation

Other than as explained below regarding the nature and impact of HKFRS 16 *Leases*, the applications of the new and revised standards do not have a material impact on the Condensed Consolidated Financial Statements.

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases — Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 October 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained profits at 1 October 2019, and the comparative information for 30 September 2019 was not restated and continues to be reported under HKAS 17.

New definition of a lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 October 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their standard-alone prices. A practical expedient is available to a lessee, which the Group has adopted, not to separate non-lease components and to account for the lease and the associated non-lease components (e.g., property management services for leases of properties) as a single lease component.

The Group as lessee — Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for rented premises. As a lessee, the Group previously classified leases as operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases.

Impacts on transition

Lease liabilities at 1 October 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rates at 1 October 2019. The lessee's incremental borrowing rates applied to the lease liabilities on 1 October 2019 ranged from 4.84% to 12%.

The right-of-use assets were measured at the amount of the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the condensed consolidated statement of financial position immediately before 1 October 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the condensed consolidated statement of financial position.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 October 2019:

- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease;
- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relied on the entity's assessment of whether leases were onerous by applying HKAS 37 immediately before 1 October 2019 as an alternative to performing an impairment review; and
- Excluded the initial direct costs from the measurement of the right-of-use assets at the date of initial application.

The impacts arising from the adoption of HKFRS 16 as at 1 October 2019 are as follows:

	Addition HK\$'000 (Unaudited)
Assets	
Right-of-use assets	14,579
Liabilities	
Lease liabilities	14,579

There is no significant difference between the amount of the operating lease commitments disclosed applying the previous accounting standards at 30 September 2019, discounted using the incremental borrowing rates at 1 October 2019 and the amount of lease liabilities recognised in the condensed consolidated statement of financial position at 1 October 2019.

Basis of measurement

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

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Condensed Consolidated Financial Statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

In preparing the Condensed Consolidated Financial Statements, the significant judgements made by the management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the 2018/19 Annual Report.

3. INFORMATION ABOUT PROFIT OR LOSS, ASSETS AND LIABILITIES

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/loss 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

	Three months ended 31 March		Six months ended 31 March	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong	22,999	2,676	27,013	12,581
Canada	1,023	1,134	1,986	2,394
	<u>24,022</u>	<u>3,810</u>	<u>28,999</u>	<u>14,975</u>

(b) Specified non-current assets

The following table sets out information about the geographical location of the Group's non-current assets (excluding financial instruments) which is based on the physical location of the assets.

	At 31 March 2020 <i>HK\$'000</i> (Unaudited)	At 30 September 2019 <i>HK\$'000</i> (Audited)
Hong Kong	19,072	12,436
The PRC	—	180
Canada	<u>26,926</u>	<u>22,867</u>
	<u>45,998</u>	<u>35,483</u>

Information about major customers

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

	Three months ended		Six months ended	
	31 March		31 March	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Customer A	14,823	— [#]	14,823	— [#]
Customer B	— [#]	— [#]	— [#]	2,767
Customer C	— [#]	— [#]	— [#]	1,800
Customer D	— [#]	— [#]	— [#]	1,700
Customer E	— [#]	507	— [#]	— [#]
	<u>14,823</u>	<u>507</u>	<u>14,823</u>	<u>6,267</u>

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

4. REVENUE

	Three months ended		Six months ended	
	31 March		31 March	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue from contracts with customers:				
Corporate finance advisory services	6,498	2,169	10,512	10,574
Placing and underwriting services	16,489	507	16,489	2,007
Business consulting services	1,035	1,134	1,998	2,394
	<u>24,022</u>	<u>3,810</u>	<u>28,999</u>	<u>14,975</u>

5. OTHER INCOME, NET

	Three months ended 31 March		Six months ended 31 March	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	57	346	146	630
Reversal of loss allowance	349	—	349	240
Others	(213)	(40)	95	—
	<u>193</u>	<u>306</u>	<u>590</u>	<u>870</u>

6. LOSS BEFORE INCOME TAX

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

	Three months ended 31 March		Six months ended 31 March	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Staff costs (including directors' remuneration):				
Salaries and allowances	7,593	14,261	14,040	22,186
Contributions to defined contribution plans	127	185	252	352
Total staff costs	<u>7,720</u>	<u>14,446</u>	<u>14,292</u>	<u>22,538</u>
Auditor's remuneration	85	81	170	162
Depreciation of plant and equipment	301	174	421	334
Depreciation of right-of-use assets	1,786	—	3,398	—
Exchange loss (gain), net	78	(1)	12	4
Professional fees	3,505	840	5,069	2,396
Finance cost on lease liabilities	213	—	420	—
Operating lease payments on premises	<u>—</u>	<u>2,785</u>	<u>—</u>	<u>5,592</u>

7. INCOME TAX CREDIT

The group entities established in the Cayman Islands and the BVI are exempted from income tax.

During each of the periods, only one entity in the Group is subject to the two-tiered Hong Kong profits tax rate while the remaining entities in the Group will continue to be taxed at the rate of 16.5%.

The Group's entity established in the PRC is subject to Enterprise Income Tax of the PRC at a statutory rate of 25% during each of the periods.

The Group's entity established in Canada is subject to Corporate Income Tax of Canada at a statutory rate of 27% during each of the periods.

	Three months ended 31 March		Six months ended 31 March	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current tax credit				
Hong Kong Profits Tax	—	1,872	—	1,773
Canada Corporate Income Tax	—	116	—	164
	<u>—</u>	<u>1,988</u>	<u>—</u>	<u>1,937</u>

8. LOSS PER SHARE

The calculation of the basic loss per share of the Company is based on the following data:

	Three months ended 31 March		Six months ended 31 March	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Loss				
Loss for the period for the purpose of basic loss per share	<u>2,077</u>	<u>13,201</u>	<u>9,904</u>	<u>15,215</u>

	Three months ended 31 March		Six months ended 31 March	
	2020	2019	2020	2019
	'000	'000	'000	'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Shares				
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>513,200</u>	<u>513,200</u>	<u>513,200</u>	<u>513,200</u>

For each of the three months and six months ended 31 March 2020 and 2019, there were no dilutive potential ordinary shares in issue, thus no diluted loss per share is presented.

9. GOODWILL

During the six months ended 31 March 2020, there were no movement in the carrying amount of goodwill (six months ended 31 March 2019: nil).

10. PLANT AND EQUIPMENT

During the six months ended 31 March 2020, the Group acquired items of plant and equipment of approximately HK\$361,000 (six months ended 31 March 2019: approximately HK\$1,564,000).

11. RIGHT-OF-USE ASSETS/LEASE LIABILITIES

(i) Right-of-use assets

Upon adoption of HKFRS 16, on 1 October 2019, the Group recognised right-of-use assets of approximately HK\$14,579,000 for rented premises (note 2). As at 31 March 2020, the carrying amounts of right-of-use assets was approximately HK\$10,755,000.

(ii) Lease liabilities

Upon adoption of HKFRS 16, on 1 October 2019, the Group recognised lease liabilities of approximately HK\$14,579,000 (note 2). As at 31 March 2020, the carrying amount of lease liabilities was approximately HK\$11,029,000.

(iii) Amounts recognised in profit or loss

	Six months ended 31 March 2020 HK\$'000 (Unaudited)
Depreciation on right-of-use assets	3,398
Finance cost on lease liabilities	420

(iv) Other

The total cash outflow for leases amounted to approximately HK\$3,544,000.

12. FINANCIAL ASSETS DESIGNATED AT FVOCI

	At 31 March 2020 <i>HK\$'000</i> (Unaudited)	At 30 September 2019 <i>HK\$'000</i> (Audited)
At fair value		
Equity securities listed overseas	1,072	1,960
Equity securities unlisted overseas	<u>1,059</u>	<u>999</u>
	<u>2,131</u>	<u>2,959</u>

The fair values of listed securities were based on quoted market price at the end of the reporting period. During the six months ended 31 March 2020, the fair value loss on these equity securities of approximately HK\$1,311,000 was recognised in other comprehensive income (six months ended 31 March 2019: approximately HK\$2,010,000).

13. FINANCIAL ASSETS AT FVPL

	At 31 March 2020 <i>HK\$'000</i> (Unaudited)	At 30 September 2019 <i>HK\$'000</i> (Audited)
Held for trading		
Derivatives — unlisted options issued by companies listed overseas	<u>129</u>	<u>129</u>

The fair values of these derivatives are derived from Black-Scholes option pricing model.

14. TRADE AND OTHER RECEIVABLES

		At 31 March 2020 <i>HK\$'000</i> (Unaudited)	At 30 September 2019 <i>HK\$'000</i> (Audited)
	<i>Note</i>		
Trade receivables	(a)	14,347	18,764
Less: Loss allowance	(b)	<u>(2,828)</u>	<u>(2,824)</u>
		<u>11,519</u>	<u>15,940</u>
Prepayment		941	2,102
Deposits and other receivables		<u>4,482</u>	<u>6,496</u>
		<u>5,423</u>	<u>8,598</u>
		<u><u>16,942</u></u>	<u><u>24,538</u></u>

Notes:

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

At the end of each reporting period, the ageing analysis of the trade receivables (net of loss allowance) by invoice date is as follows:

	At 31 March 2020 <i>HK\$'000</i> (Unaudited)	At 30 September 2019 <i>HK\$'000</i> (Audited)
Within 30 days	1,647	4,271
31 to 60 days	407	1,902
61 to 90 days	3,871	515
Over 90 days	<u>5,594</u>	<u>9,252</u>
	<u><u>11,519</u></u>	<u><u>15,940</u></u>

At the end of each reporting period, the ageing analysis of the trade receivables (net of loss allowance) by due date is as follows:

	At 31 March 2020 <i>HK\$'000</i> (Unaudited)	At 30 September 2019 <i>HK\$'000</i> (Audited)
Net yet due	<u>1,647</u>	<u>4,935</u>
Past due:		
Within 30 days	407	1,609
31 to 60 days	3,871	270
61 to 90 days	50	1,771
Over 90 days	<u>5,544</u>	<u>7,355</u>
	<u>8,972</u>	<u>11,005</u>
	<u>11,519</u>	<u>15,940</u>

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

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

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

- (b) The movement in the loss allowance for trade receivables during the period is summarised below:

	<i>HK\$'000</i> (Unaudited)
At 1 October 2019	2,824
Increase in allowance	353
Reversal of allowance	<u>(349)</u>
At 31 March 2020	<u>2,828</u>

15. SHARE CAPITAL

	<i>Number of shares</i>	<i>HK\$'000</i>
Authorised:		
At 30 September 2019 (audited) and 31 March 2020 (unaudited) (at par value of HK\$0.01 per share)	<u><u>2,000,000,000</u></u>	<u><u>20,000</u></u>
Issued and fully paid:		
At 30 September 2019 (audited) and 31 March 2020 (unaudited) (at par value of HK\$0.01 per share)	<u><u>513,200,000</u></u>	<u><u>5,132</u></u>

16. SHARE OPTION SCHEME

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

Since the adoption of the Scheme and up to 31 March 2020, no option has been granted by the Company.

17. DIVIDENDS

	Three months ended 31 March		Six months ended 31 March	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interim dividends (<i>Note a</i>)	—	—	—	—
Final dividends (<i>Note b</i>)	—	10,264	—	10,264
	<u>—</u>	<u>10,264</u>	<u>—</u>	<u>10,264</u>

Notes:

- (a) The Board did not recommend the payment of any interim dividend for the six months ended 31 March 2020 (six months ended 31 March 2019: HK\$0.01 per ordinary share of the Company).

- (b) The final dividend of HK\$0.02 per ordinary share of the Company for the year ended 30 September 2018 was approved at the annual general meeting of the Company held on 25 January 2019 and paid during the six months ended 31 March 2019.

18. FAIR VALUE MEASUREMENTS

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

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

(a) Assets measured at fair value

	At 31 March 2020 (Unaudited)			At 30 September 2019 (Audited)		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Financial assets						
designated at FVOCI	1,072	1,059	2,131	1,960	999	2,959
Financial assets at						
FVPL	—	129	129	—	129	129

During the six months ended 31 March 2020 and 2019, there were no transfer between Level 1 and Level 2 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

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

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

19. EVENTS AFTER REPORTING PERIOD

On 1 April 2020, completion of the Company's acquisition of Wealth Link Securities Limited ("Wealth Link Securities") took place. Wealth Link Securities has become a wholly-owned subsidiary of the Company and the financial results of Wealth Link Securities will be consolidated into the accounts of the Group.

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; (iii) securities trading services; (iv) asset management services; and (v) business consulting services, mainly to companies listed on the Stock Exchange, non-listed companies and potential listing applicants on the stock exchanges mainly in Hong Kong, 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 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. Through Wealth Link Securities, the Group provides securities trading, margin financing and online trading. The Group's asset management services include provision of advisory services for equity securities, fixed income securities, real estate securities, mutual funds and discretionary portfolio management services for professional clients. 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.

Corporate finance advisory business continues to be the core business of the Group. During the period, the corporate finance advisory business accounted for approximately 36.2% of the Group's revenues.

FINANCIAL REVIEW

Revenue

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

The Group's revenue increased by approximately HK\$14.0 million, or approximately 93.3%, from approximately HK\$15.0 million for the six months ended 31 March 2019 to approximately HK\$29.0 million for the six months ended 31 March 2020. Such increase was mainly attributable to an increase in revenue contribution from placing and underwriting services by approximately HK\$14.5 million, or approximately 7.3 times, from approximately HK\$2.0 million for the six months ended 31 March 2019 to approximately HK\$16.5 million for the six months ended 31 March 2020 as a result of the recognition in revenues due to the successful completion of two (2) placing and underwriting engagements handled by the Group during the period. The Group's revenue contribution from corporate finance advisory services decreased slightly by approximately HK\$0.1 million, or approximately 0.9%, from approximately HK\$10.6 million for the six months ended 31 March 2019 to approximately HK\$10.5 million for the six months ended 31 March 2020.

Other income

The Group's other income was mainly derived from bank interest income and reversal of provision for allowance for doubtful debts.

The Group's other income decreased from approximately HK\$870,000 for the six months ended 31 March 2019 to approximately HK\$590,000 for the six months ended 31 March 2020. Such decrease was mainly attributable to a decrease in interest income during the period.

Administrative expenses and other operating expenses

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

The Group's administrative expenses and other operating expenses decreased by approximately HK\$5.8 million, or approximately 17.6%, from approximately HK\$33.0 million for the six months ended 31 March 2019 to approximately HK\$27.2 million for the six months ended 31 March 2020. Such decrease was mainly attributable to a decrease in staff costs and related expenses as a result of a reduction in discretionary bonus payment during the period.

Loss for the period

As a result of foregoing, the Group recorded a loss of approximately HK\$9.9 million for the six months ended 31 March 2020 as compared with a loss of approximately HK\$15.2 million for the six months ended 31 March 2019.

USE OF PROCEEDS

The net 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 of the Company dated 15 May 2017, the “**Prospectus**”). The Group adjusted the use of Net Proceeds in the same manner and in the same proportion as shown in the Prospectus.

As stated in the Company's announcement dated 13 September 2019, the Board resolved to change the use of HK\$5.0 million out of the remaining balance of the unutilised Net Proceeds to develop asset management business. Breakdown of the adjusted Net Proceeds, the breakdown of the amount of utilised Net Proceeds and the remaining balance as at 31 March 2020 are summarised as follows:

	Adjusted Net Proceeds <i>HK\$ million</i>	Amount utilised as at 31 March 2020 <i>HK\$ million</i>	Balance <i>HK\$ million</i>
To expand the Group's placing and underwriting business	34.3	15.0	19.3
To enhance and strengthen the Group's financial advisory business by maintaining and expanding our corporate finance team	5.5	5.5	—
To develop asset management business	5.0	0.9	4.1
To expand the Group's network internationally and across the PRC	12.1	11.8	0.3
General working capital	2.0	2.0	—
Total	58.9	35.2	23.7

As at 31 March 2020, unutilised Net Proceeds of approximately HK\$17.2 million were deposited in licensed banks in Hong Kong and unutilised Net Proceeds of approximately HK\$6.5 million were placed on short-term interest bearing instrument with licensed banks in Hong Kong.

PROSPECTS

In view of the adverse negative impact of the COVID-19 outbreak on the financial markets, the Group has implemented cost cutting measures to mitigate the impact on our performance. Whilst the business environment for the Group will remain difficult for the remaining period of the 2020 financial year, we are confident that with the completion of the Company's acquisition of Wealth Link Securities and its diversification into asset management business, the Group is well positioned to take advantage of the business opportunities when the market turnarounds.

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

As at 31 March 2020, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) held by

the Directors and chief executives of the Company which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

Long positions

(i) Interests in the shares of the Company:

Name of Director	Capacity/Nature	Number of shares interested	Approximate percentage of the issued share capital of the Company
Ms. Wan Ho Yan Letty	Interests of controlled corporation	359,370,000 (L)	70.03%

Notes:

- (1) These 359,370,000 shares are held by Jayden Wealth Limited (“**Jayden Wealth**”), a company incorporated in the British Virgin Islands and wholly owned by Ms. Wan Ho Yan Letty (“**Ms. Letty Wan**”). Therefore, Ms. Letty Wan is deemed to be interested in all the shares held by Jayden Wealth for the purpose of the SFO.
- (2) The letter “L” denotes as long positions in the shares of the Company.

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

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

Save as disclosed above, as at 31 March 2020, none of the Directors and chief executives of the Company and/or any of their respective associates had any interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed “**DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**” above and “**SHARE OPTION SCHEME**” below, neither the Company nor any of its subsidiaries or associated corporations was, a party to any arrangement to enable the Directors and chief executives of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of the shares or underlying shares in, or debentures of, the Company or any of its associated corporations at any time during the six months ended 31 March 2020.

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

As at 31 March 2020, the following parties (not being the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in the shares or underlying shares of the Company

Name of shareholder	Nature of interests	Number of shares held	Number of underlying shares held	Total number of shares and underlying shares held	Approximate percentage of the issued share capital of the Company
Jayden Wealth	Beneficial owner	359,370,000	—	359,370,000	70.03%

Notes:

- (1) Jayden Wealth is wholly owned by Ms. Letty Wan. Under the SFO, Ms. Letty Wan is deemed to be interested in all the shares held by Jayden Wealth.
- (2) The approximate percentage of shareholdings is based on 513,200,000 shares as at 31 March 2020, not the enlarged issued share capital of the Company.

Save as disclosed above, the Directors were not aware of any other persons, other than the Directors or the chief executives of the Company who held an interests or short positions in the shares or underlying shares of the Company as at 31 March 2020 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Company had adopted a share option scheme (the “**Scheme**”) by the resolutions in writing of the sole shareholder of the Company passed on 4 May 2017. Unless otherwise cancelled or amended, the Scheme will remain in force for a period of 10 years from the date of its adoption. No share option has been granted by the Company since the adoption of the Scheme and there was no share option outstanding as at 31 March 2020.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the six months ended 31 March 2020 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 six months ended 31 March 2020 and up to date of this announcement.

COMPETING INTERESTS

As at 31 March 2020, none of the Directors, substantial shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group or has or may have any other conflict of interests with the Group during the six months ended 31 March 2020.

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 six months ended 31 March 2020 and up to the date of this announcement, the Board has reviewed the Group’s corporate governance practices and is satisfied that the Group has complied with the code provisions of the Corporate Governance Code (the “**Code**”) as set out in Appendix 15 to the GEM Listing Rules.

AUDIT COMMITTEE

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

Pursuant to code provision C.3.3 of the Code, the Audit Committee together with the management of the Company have reviewed the financial reporting matters including the review of the unaudited condensed consolidated results of the Group for the six months ended 31 March 2020 and confirmed that the preparation of such complied with applicable accounting principles and practices adopted by the Company and the requirements of the Stock Exchange, and adequate disclosure had been made.

BOARD OF DIRECTORS

As at the date of this 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, 8 May 2020

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Listed Company Information” 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.