

**VBG INTERNATIONAL HOLDINGS LTD:
WITH THIS COMPANY,
IT IS EITHER FEAST OR FAMINE**

Read The Conclusion Of This Analysis !

Beset by the ubiquitous and aggressive acts of the many strong competitors of VBG International Holdings Ltd () (Code: 8365, The Growth Enterprise Market [the **GEM**] of The Stock Exchange of Hongkong Ltd), with this financial services provider of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), it is either feast or famine.

And some of the biggest competitors of this GEM company are well known to have the morals not unlike those of that notorious pirate of the middle of the 15th Century, Captain William Kyd, a pirate whose base of operations was not the Caribbean, but Exmouth, East Devon, England.

The Initial Public Offering (IPO) Of VBG International Holdings Ltd

The Share Offer Prospectus of VBG International Holdings Ltd was published and disseminated in the HKSAR on May 15, 2017.

In this hand-on-the-heart document, Management Offered 128.30 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 68 cents to a high of 88 cents.

The Investing Public of the HKSAR was Offered 12.83 million Shares while the remaining 115.47 million Shares were reserved to be Placed, presumably to Institutional/Professional Investors.

On May 25, 2017, Management announced that the Share Price had been struck at the lowest-acceptable level of 68 cents and that, as a result, the Company had netted about \$HK68.10 million from the IPO.

The announcement as to the allotment of shares stated that the 12.83 million, Public Offer tranche had been over-subscribed by about 12 times and that the 115.47 Placing tranche had been '*fully subscribed*'.

At Page Five of this announcement, it was stated as to the intended utilisations of the net proceeds:

1. Approximately, \$HK45.50 million, that is about 66.80 percent, '*will be used to expand the Group's placing and underwriting business*';
2. Approximately, \$HK6.40 million, that is about 9.40 percent, '*will be used to enhance and strengthen the Group's financial advisory business by maintaining and expanding its corporate finance team*';
3. Approximately, \$HK14.00 million, that is about 20.60 percent, '*will be used to expand the Group's network internationally and across the PRC*'; and,
4. Approximately, \$HK2.20 million, that is about 3.20 percent, '*will be used for general working capital*'.

The reasons that had been given for the flotation of this Company on the secondary equity market of the HKSAR included ...

‘... we will also gain access to the capital markets for future rounds of financing to fund our further growth plans as and when necessary.

‘We also consider that the Listing is a complimentary form of advertising that will enhance our corporate profile, assist in reinforcing our market reputation and brand awareness, which we believe will strengthen our credibility before public and potential business partners. The Listing will also entail a broader shareholder base which will provide liquidity in the trading of the Shares.’

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