

**30 September 2022**

**Disclosure under Listing Rule 4.3D**

***Reconciliation of the Audited Financial Statements to the Unaudited Preliminary Final Report (Appendix 4E)***

Victor Group Holdings Limited (ASX:VIG) advises that the audited financial statements for the year ended 30 June 2022 released today include changes to the unaudited preliminary final report released on 31 August 2022.

The changes are non-cash and relate to the accounting treatment of prepayments for intangibles, plant and equipment and software on the balance sheet, and an increase to the income tax expense on the statement of financial performance.

These changes comprise an increase to the loss after tax of \$178,885, a reduction in current assets by \$2,879,644 and a corresponding increase to non-current assets of \$2,793,656. Overall change to net assets was reduction of \$180,741 owing to depreciation updates on the statement of financial performance. Net Assets were reduced by \$180,741 from previously reported. The reduction in the net assets is also driven by an increase in income tax payable.

The consolidated entity entered contracts worth \$5,554,832 to purchase two cloud-platform integrated server machines. One of the machines was delivered during the 2022 financial year. The second server machine is expected to be delivered and installed ready for use in the 2023 financial year, therefore no depreciation has been recorded. The prepayment for the machine and software associated with it had been previously reported as prepayments in the current assets.

The consolidated entity prepaid \$737,085 and entered 2 leasing agreements for its i-cloud integrated server machines. One commenced in March 2022 and other in June 2022. The prepayment for the right of use asset has been previously reported as a prepaid current asset and has now been reclassified to non-current asset.

The audited financial statements now show that the prepayments for the right-of-use assets, and prepayments for plant and equipment and software have now been reclassified to non-current assets from the previously reported current assets.

The reconciliation of the unaudited preliminary final report to the audited financial statements is set out in the tables below:

**Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Previously reported (\$)	Adjustments	Audited balance (\$)
Revenue	10,600,265	165,953	10,766,218
Cost of sales	<u>(7,750,545)</u>	(27,637)	<u>(7,778,182)</u>
<b>Gross profit</b>	<b>2,849,720</b>	<b>138,316</b>	<b>2,988,036</b>
Other income	1,322	-	1,322
Bad debts write-off	-	(325,508)	(325,508)
General and administrative expenses	(1,722,585)	1,349,060	(373,525)
Depreciation and amortisation	-	(1,089,889)	(1,089,889)
Employee benefits expense	-	(152,916)	(152,916)
Loss on disposal of non-current assets	(1,049,186)	-	(1,049,186)
Finance costs	<u>(558)</u>	-	<u>(558)</u>
<b>(Loss)/Profit before income tax</b>	<b><u>78,713</u></b>	<b>(80,937)</b>	<b><u>-2,224</u></b>
Income tax (expense)/benefit	<u>(14,249)</u>	(97,948)	<u>(112,197)</u>
<b>(Loss)/Profit after income tax (expense)/benefit for the year attributable to the owners of Victor Group Holdings Limited</b>	<b><u>64,464</u></b>	<b>(178,885)</b>	<b><u>(114,421)</u></b>
<b>Other Comprehensive income(loss) for the year</b>			
Items that may be reclassified subsequently to profit or loss:			
Exchange (loss)/gain differences arising on the translation of foreign operations	616,722	(1,856)	614,866
<b>Total Comprehensive income/(loss) for the year attributable to the owners of Victor Group Holdings Limited</b>	<b><u>681,186</u></b>	<b>(180,741)</b>	<b><u>500,445</u></b>
<b>Earnings/(loss) per share (on loss attributable to ordinary equity holders)</b>			
	<b>Cents</b>		<b>Cents</b>
Basic earnings/(loss) per share (cents per share)	0.01		(0.02)
Diluted earnings/(loss) per share (cents per share)	0.01		(0.02)

**Consolidated Statement of Financial Position**

	2022 (\$)	Adjustments	Audited Balance (\$)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	688,224	-	688,224
Trade and other receivables	1,069,403	64,580	1,133,983
Contract Assets *	<u>3,290,222</u>	(2,944,224)	<u>345,998</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>5,047,849</u></b>	<b>(2,879,644)</b>	<b><u>2,168,205</u></b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	1,809,751	(745,247)	1,064,504
Intangible assets	6,762,934	17,103	6,780,037
Right-of-use asset	-	705,324	705,324
Prepayments for plant and equipment software	<u>-</u>	2,816,476	<u>2,816,476</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<b><u>8,572,685</u></b>	<b>2,793,656</b>	<b><u>11,366,341</u></b>
<b>TOTAL ASSETS</b>	<b><u>13,620,534</u></b>	<b>(85,988)</b>	<b><u>13,534,546</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,092,737	(64,801)	1,027,936
Contract liabilities	516,200	(168,507)	347,693
Income tax payable	-	349,172	349,172
Employee benefits	<u>45,134</u>	(21,112)	<u>24,022</u>
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>1,654,071</u></b>	<b>94,752</b>	<b><u>1,748,823</u></b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	<u>6,712</u>	1	<u>6,713</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b><u>6,712</u></b>	<b>1</b>	<b><u>6,713</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>1,660,783</u></b>	<b>94,753</b>	<b><u>1,755,536</u></b>
<b>NET ASSETS</b>	<b><u>11,959,751</u></b>	<b>(180,741)</b>	<b><u>11,779,010</u></b>
<b>EQUITY</b>			
Issued capital	5,494,446		5,494,446
Foreign exchange translation reserve	783,973	(110,971)	673,002
Statutory reserves	411,219	146,295	557,514
Retained earnings	<u>5,270,113</u>	(216,065)	<u>5,054,048</u>
<b>TOTAL EQUITY</b>	<b><u>11,959,751</u></b>	<b>(180,741)</b>	<b><u>11,779,010</u></b>

**\*Typographic error on previously reported amount**

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