VINCO FINANCIAL GROUP LIMITED

域高金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8340)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Vinco Financial Group Limited (the "Company") and its subsidiaries (together, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

SUMMARY

- Turnover of the Group for the year ended 31 December 2013 amounted to approximately HK$15.07 million (2012: approximately HK$16.99 million), representing a decrease of approximately 11.30% as compared with the year ended 31 December 2012.

- Net profit attributable to equity shareholders of the Company for the year ended 31 December 2013 amounted to approximately HK$0.77 million (2012: approximately HK$1.17 million).

- The Directors do not recommend any final dividend for the year ended 31 December 2013 (2012: nil).

CONSOLIDATED RESULTS

The board of Directors (the "Board") is pleased to announce the audited consolidated results of the Group for the year ended 31 December 2013 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	**2013**	2012
		HK$'000	HK$'000
Turnover	3	**15,065**	16,988
Operating expenses		**(14,291)**	(15,814)
Profit from operations and before taxation	4	**774**	1,174
Income tax	5	**-**	-
Profit for the year and attributable to equity shareholders of the Company		**774**	1,174
Other comprehensive income for the year (net of nil tax)		**-**	-
Total comprehensive income for the year and attributable to equity shareholders of the Company		**774**	1,174
Earnings per share	6		
- Basic and diluted		**0.12 cents**	0.18 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	2013 HK$'000	2012 HK$'000
Non-current assets			
Plant and equipment		**75**	80
Rental deposits paid		**955**	-
		1,030	80
Current assets			
Trade and other receivables	7	**1,795**	2,319
Cash and cash equivalents		**24,489**	24,194
		26,284	26,513
Current liabilities			
Accrued expenses		**378**	261
Income received in advance		**-**	170
		378	431
Net current assets		**25,906**	26,082
NET ASSETS		**26,936**	26,162
Capital and reserves			
Share capital		**6,400**	6,400
Reserves		**20,536**	19,762
TOTAL EQUITY		**26,936**	26,162

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Attributable to equity shareholders of the Company				
	Share capital	Share premium	Merger reserve	Accumulated losses	Total equity
	HK$'000	HK$'000	HK$'000	HK$"000	HK$'000
Balance at 1 January 2012	6,400	11,887	9,900	(3,199)	24,988
Changes in equity for 2012:					
Profit for the year	-	-	-	1,174	1,174
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,174	1,174
Balance at 31 December 2012 and 1 January 2013	6,400	11,887	9,900	(2,025)	26,162
Changes in equity for 2013:					
Profit for the year	-	-	-	774	774
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	774	774
Balance at 31 December 2013	6,400	11,887	9,900	(1,251)	26,936

NOTES

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

The consolidated financial statements for the year ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as "the Group").

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of the financial statements in conformity with HKFRSs 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 that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1 *"Presentation of Financial Statements" - Presentation of items of other comprehensive income*
- HKFRS 10 *"Consolidated Financial Statements"*
- HKFRS 12 *"Disclosure of Interests in Other Entities"*
- HKFRS 13 *"Fair Value Measurement"*
- *Annual Improvements to HKFRSs 2009–2011 Cycle*
- Amendments to HKFRS 7 *"Financial Instruments: Disclosures" — Offsetting financial assets and financial liabilities*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of new or amended HKFRSs are discussed below:

Amendments to HKAS 1 *"Presentation of Financial Statements" - Presentation of items of other comprehensive income*

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly. In addition, the Group has chosen to use the new title "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

HKFRS 10 *"Consolidated Financial Statements"*

HKFRS 10 replaces the requirements in HKAS 27, *"Consolidated and Separate Financial Statements"* relating to the preparation of consolidated financial statements and HK(SIC) - Int 12 *"Consolidation — Special Purpose Entities"*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 January 2013.

HKFRS 12 *"Disclosure of Interests in Other Entities"*

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. The adoption of HKFRS 12 does not have any material impact on the disclosures of these financial statements.

HKFRS 13 *"Fair Value Measurement"*

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

Annual Improvements to HKFRSs 2009–2011 Cycle

This cycle of annual improvements contains amendments to five standards with consequential amendments to other standards and interpretations. Among them, HKAS 1 has been amended to clarify that an opening statement of financial position is required only when a retrospective application of an accounting policy, a retrospective restatement or a reclassification has a material effect on the information presented in the opening statement of financial position. The amendments also remove the requirement to present related notes to the opening statement of financial position when such statement is presented. The adoption of the improvements does not have any material impact on these financial statements.

Amendments to HKFRS 7 *"Financial Instruments: Disclosures" — Offsetting financial assets and financial liabilities*

The amendments introduce new disclosures in respect of offsetting financial assets and financial liabilities. Those new disclosures are required for all recognised financial instruments that are set off in accordance with HKAS 32 *"Financial Instruments: Presentation"* and those that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments and transactions, irrespective of whether the financial instruments are set off in accordance with HKAS 32.

The adoption of the amendments does not have an impact on these financial statements because the Group has not offset financial instruments, nor has it entered into master netting arrangement or similar agreement which is subject to the disclosures of HKFRS 7 during the periods presented.

3. TURNOVER AND SEGMENT REPORTING

a. Turnover

The principal activity of the Group is the provision of financial services in Hong Kong. Turnover represents revenue from the provision of financial services for the years ended 31 December 2013 and 2012.

For the year ended 31 December 2013, revenues of approximately HK$4,700,000 and HK$4,115,000 were derived from two single external customers, each of them contributed over 10% of the total revenue of the Group.

For the year ended 31 December 2012, revenues of approximately HK$2,370,000 and HK$1,950,000 were derived from two single external customers, each of them contributed over 10% of the total revenue of the Group.

b. Segment Reporting

During the year ended 31 December 2013, the Group operates in a single operating segment in Hong Kong, i.e. the provision of financial services in Hong Kong. Accordingly, no operating segment nor geographical information are presented.

4. PROFIT FROM OPERATIONS AND BEFORE TAXATION

Profit from operations and before taxation is arrived at after charging:

	2013 HK$'000	2012 HK$'000
a) Staff costs (including directors' remuneration):		
Contributions to defined contribution retirement plan	125	116
Salaries and other benefits	7,511	7,545
	7,636	7,661

	2013 HK$'000	2012 HK$'000
b) Other items:		
Auditor's remuneration		
- audit services	155	155
Depreciation	32	38
Operating lease charges in respect of office premises	2,937	3,042

5. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

No provision for Hong Kong Profits Tax for the year ended 31 December 2013 and 2012 has been made in the consolidated financial statements as the Group has accumulated tax losses brought forward which exceeds the estimated assessable profits arising in Hong Kong for each of these two years.

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to income tax in the Cayman Islands.

6. EARNINGS PER SHARE

a. Basic earnings per share

The calculation of basis earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK$774,000 (2012: HK$1,174,000) and the weighted average of 640,000,000 (2012: 640,000,000) ordinary shares in issue during the year.

b. Diluted earnings per share

There were no dilutive potential ordinary shares in issue during the years ended 31 December 2013 and 2012, and diluted earnings per share is the same as basic earnings per share.

7. TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors (which are included in trade and other receivables) based on the invoice date (or date of revenue recognition, if earlier) and net of allowance of doubtful debts, is as follows:

	The Group	
	2013	2012
	HK$'000	HK$'000
Within 1 month	1,790	1,400

Trade debtors are due within 60 days from the date of billing.

MANAGEMENT DISCUSSION AND ANALYSIS

Business review

The Group continued to focus on its principal business in relation to the provisional of corporate finance advisory services in Hong Kong. Despite the unstable market situation, we have completed over twenty five corporate finance advisory related projects and one initial public offering project as of 31 December 2013.

FINANCIAL REVIEW

Results of the Group

The turnover of the Group was approximately HK$15.07 million during the year (2012: approximately HK$16.99 million), representing a decrease of approximately 11.30%. The net profit attributable to shareholders of the Group for the year ended 31 December 2013 was approximately HK$0.77 million (2012: approximately HK$1.17 million).

As at 31 December 2013, the Group had total assets of approximately HK$27.31 million (2012: approximately HK$26.59 million). The net assets value of the Group was approximately HK$26.94 million as at 31 December 2013 (2012: approximately HK$26.16 million).

The Group stayed in a healthy and sound liquidity position. The cash and cash equivalents of the Group amounted to approximately HK$24.49 million as at 31 December 2013. It is the Group's policy to adopt a prudent financial management strategy and maintain a suitable level of liquidity to meet operation requirements and acquisition opportunities.

Capital structure

The capital of the Group comprises only ordinary shares. As at 31 December 2013, the total number of the ordinary shares of the Group in issue was 640,000,000 shares.

Charge on Group's assets

As at 31 December 2013, the Group did not have any charge on its assets (2012: nil).

Hedging

Since all of the transactions of the Group are denominated in Hong Kong dollars, no hedging or other arrangements to reduce the currency risk had been implemented during the year under review.

Information on employees

As at 31 December 2013, the Group had a workforce of 15 employees. The total staff costs, including the directors' emoluments, amounted to HK$7.64 million for the year under review.

The Group's remuneration policies were determined by reference to market terms as well as the performance, qualification and experience of each individual employee.

Contingent liabilities

As at 31 December 2013, the Group did not have any significant contingent liabilities (2012: nil).

Significant investment

The Group did not hold any significant investment for the year ended 31 December 2013 and has never been engaged in any investment of structured securities and/or products.

Outlook

Looking forward, the operation environments of the Group continue to be challenging, the Group will continue to provide a comprehensive one-stop advisory service for all of our customers. In cope with the uncertainties in the capital market, the management remains optimistic and the Group will continue to focus on the corporate finance advisory services as well as IPO-related projects.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to ensure a high standard of corporate governance in the interests of the shareholders and devotes considerable effort to maintain high level of business ethics and corporate governance practices.

Throughout the financial year ended 31 December 2013, the Group had complied with the code provisions in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules (the "CG Code and Report"), except for the deviations to Code Provisions A.2.1 and A.4.1 as explained in the Corporate Governance Report which will be included in the annual report to be published by the Company in due course.

The board of Directors (the "Board") has continued to monitor and review the Group's progress in respect of corporate governance practices to ensure compliance.

AUDIT COMMITTEE

The Company's Audit Committee was formed on 22 April 2008 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review the Company's internal control procedures and annual report, financial statements, half-year reports and quarterly reports and to provide advice and comments thereon to the board of Directors. The Audit Committee currently comprises three Independent Non-executive Directors, Mr. Yip Tai Him, Mr. Lee Wing Lun and Mr. William Wu. The Audit Committee members have reviewed this Annual Report and have provided advice and comments thereon.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 14 April 2014 to Wednesday, 16 April 2014, both days inclusive, during which period no transfers of shares shall be effected. In order to qualify for attending the forthcoming annual general meeting, all transfers of shares, accompanied by the relevant share certificates and transfer forms, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong (Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, with effective from 31 March 2014) for registration not later than 4:30 p.m. on Friday, 11 April 2014.

By order of the Board
Vinco Financial Group Limited

Chung Ho Yan
Chairman

Hong Kong, 11 March 2014

As at the date hereof, the executive Directors are Mr. Chung Ho Yan and Mr. Lam Yick Hing; and the independent non-executive Directors are Mr. Yip Tai Him, Mr. William Wu and Mr. Lee Wing Lun.

This announcement will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcement" page for at least 7 days from the date of its posting and on the website of the Company at http://www.vinco.com.hk.