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 2014

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 2014 amounted to approximately HK$10.10 million (2013: approximately HK$15.07 million), representing a decrease of approximately 32.98% as compared with the year ended 31 December 2013.

- Net loss attributable to equity shareholders of the Company for the year ended 31 December 2014 amounted to approximately HK$6.05 million (2013: profit approximately HK$0.77 million).

- The Directors do not recommend any final dividend for the year ended 31 December 2014 (2013: 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 2014 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	**2014** **HK$'000**	2013 HK$'000
Turnover	3	**10,095**	15,065
Operating expenses		**(16,147)**	(14,291)
(Loss)/profit from operations and before taxation	4	**(6,052)**	774
Income tax	5	**-**	-
(Loss)/profit for the year and attributable to equity shareholders of the Company		**(6,052)**	774
Other comprehensive income for the year (net of nil tax)		**-**	-
Total comprehensive (loss)/income for the year and attributable to equity shareholders of the Company		**(6,052)**	774
(Loss)/earnings per share	6		
- Basic and diluted		**(0.95) cents**	0.12 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Plant and equipment		**97**	75
Rental deposits paid		**-**	955
		97	1,030
Current assets			
Trade and other receivables	7	**1,277**	1,795
Cash and cash equivalents		**19,982**	24,489
		21,259	26,284
Current liabilities			
Accrued expenses		**372**	378
Receipt in advance		**100**	-
		472	378
Net current assets		**20,787**	25,906
NET ASSETS		**20,884**	26,936
Capital and reserves			
Share capital		**6,400**	6,400
Reserves		**14,484**	20,536
TOTAL EQUITY		**20,884**	26,936

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Attributable to equity shareholders of the Company					
		Reserves				
	Share capital	Share premium	Merger reserve	Accumulated losses	Subtotal	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Balance at 1 January 2013	6,400	11,887	9,900	(2,025)	19,762	26,162
Changes in equity for 2013:						
Profit for the year	-	-	-	774	774	774
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	774	774	774
Balance at 31 December 2013 and 1 January 2014	6,400	11,887	9,900	(1,251)	20,536	26,936
Changes in equity for 2014:						
Loss for the year	-	-	-	(6,052)	(6,052)	(6,052)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(6,052)	(6,052)	(6,052)
Balance at 31 December 2014	6,400	11,887	9,900	(7,303)	14,484	20,884

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 2014 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. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The HKICPA has issued the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, Investment Entities
- Amendments to HKAS 32, Offsetting Financial Assets and Financial Liabilities
- Amendments to HKAS 36, Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to HKAS 39, Novation of Derivatives and Continuation of Hedge Accounting
- HK(IFRIC) 21, Levies

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 the new or amended HKFRSs are discussed below:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27, Investment Entities

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 *Investment Entities* for the first time in the current year. The amendments to HKFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statement.

Amendments to HKAS 32, Offsetting Financial Assets and Financial Liabilities

The Group has applied the amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off ' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amount recognised in the Group's consolidated financial statements.

Amendments to HKAS 36, Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclose the recoverable amount of a cash generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU, Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 *Fair Value Measurements*.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to HKAS 39, Novation of Derivatives and Continuation of Hedge Accounting

The Group has applied the amendments to HKAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK(IFRIC) 21, Levies

The Group has applied HK(IFRIC) — Int 21 *Levies* for the first time in the current year. HK(IFRIC) — Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operation in a future period.

HK(IFRIC) — Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

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 2014 and 2013.

b. Segment Reporting

During the year ended 31 December 2014, 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.

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

	2014 HK$'000	2013 HK$'000
Customer A	3,103	4,700
Customer B	-	4,115
Customer C	1,500	-

4. (LOSS)/PROFIT FROM OPERATIONS AND BEFORE TAXATION

(Loss)/profit from operations and before taxation is arrived at after charging:

	2014 HK$'000	2013 HK$'000
a) Staff costs (including directors' remuneration):		
Contributions to defined contribution retirement plan	**108**	95
Salaries and other benefits	**7,567**	7,541
	7,675	7,636

	2014 HK$'000	2013 HK$'000
b) Other items:		
Auditor's remuneration		
- audit services	**150**	155
Depreciation	**32**	32
Operating lease charges in respect of office premises	**2,934**	2,937

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

No Hong Kong Profits Tax has been made in these consolidated financial statements as the Group has no estimated assessable profits arising in Hong Kong for the year ended 31 December 2014.

No provision for Hong Kong Profits Tax for the year ended 31 December 2013 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. (LOSS)/EARNINGS PER SHARE

a. Basic (loss)/earnings per share

The calculation of basis (loss)/earnings per share is based on the loss attributable to ordinary equity shareholders of the Company of approximately HK$6,052,000 (2013: profit of approximately HK$774,000) and the weighted average of 640,000,000 (2013: 640,000,000) ordinary shares in issue during the year.

b. Diluted (loss) / earnings per share

There were no dilutive potential ordinary shares in issue during the years ended 31 December 2014 and 2013, and diluted (loss)/earnings per share is the same as basic (loss)/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 date of revenue recognition and net of allowance of doubtful debts, is as follows:

	The Group	
	2014	2013
	HK$'000	HK$'000
Within 1 month	**280**	1,790

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 provision of corporate finance advisory business in Hong Kong. Last year was a tough year for the Group due to the domestic uncertainties. Despite this unfavorable local market situation, we have completed over twenty corporate finance related transactions.

FINANCIAL REVIEW

Results of the Group

The turnover of the Group was approximately HK$10.10 million during the year (2013: approximately HK$15.07 million).The net loss attributable to shareholders of the Group for the year ended 31 December 2014 was approximately HK$6.05 million (2013: profit of approximately HK$0.77 million).

As at 31 December 2014, the Group had total assets of approximately HK$21.36 million (2013: approximately HK$27.31 million).The net assets value of the Group was approximately HK$20.88 million as at 31 December 2014 (2013: approximately HK$26.94 million).

The Group stayed in a healthy and sound liquidity position. The cash and cash equivalents of the Group amounted to approximately HK$19.98 million as at 31 December 2014. 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 2014, 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 2014, the Group did not have any charge on its assets (2013: nil).

Hedging

Since majority 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 2014, the Group had a workforce of 15 employees (2013: 15).The total staff costs, including the directors' emoluments, amounted to HK$7.68 million for the year under review (2013: approximately HK$7.64 million).

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

The Group did not hold any significant investment for the year ended 31 December 2014 and has never been engaged in any investment of structured securities and/or products.

Significant investment

The Group did not hold any significant investment for the year ended 31 December 2014 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 2014, 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. Tam King Ho, Howard. The Audit Committee members have reviewed the 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, 27 April 2015 to Wednesday, 29 April 2015, 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, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 24 April 2015.

By order of the Board
Vinco Financial Group Limited

Chung Ho Yan
Chairman

Hong Kong, 23 March 2015

As at the date hereof, the Board comprises Mr. Chung Ho Yan and Mr. Lam Yick Hing being executive directors of the Company; and Mr. Yip Tai Him, Mr. Lee Wing Lun and Mr. Tam King Ho, Howard being the independent non-executive directors of the Company.

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.