



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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG (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 Stock 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.

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This announcement, for which the directors (the “Directors”) of Vinco Financial Group Limited (the “Company”, together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, include particulars given in compliance with 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 the information contained in this announcement is accurate and complete in all respects and not misleading and deceptive and there are no other matters the omission of which would make any statement herein or this announcement misleading.

HIGHLIGHTS

- The Group recorded a turnover of approximately HK\$10.01 million for the six months ended 30 June 2015 (2014: approximately HK\$6.40 million).
- Profit attributable to shareholders for the six months ended 30 June 2015 amounted to approximately HK\$3.65 million as compared to loss of approximately HK\$1.69 million for the corresponding period in 2014.
- No interim dividend is recommended for the period.

Interim Results (Unaudited)

The board of Directors (the “Board”) is pleased to present the unaudited condensed consolidated results of the Group for the six months ended 30 June 2015 together with the comparative unaudited figures for the corresponding periods in 2014 as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Three months ended 30 June		Six months ended 30 June	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Turnover	2	5,440	765	10,010	6,395
Other revenue	4	-	-	-	-
Operating expenses		(3,211)	(2,793)	(6,361)	(8,089)
Profit/(Loss) before taxation		2,229	(2,028)	3,649	(1,694)
Income tax	5	-	-	-	-
Profit/(Loss) attributable to equity holders of the Company		2,229	(2,028)	3,649	(1,694)
Attributable to: Equity holders of the Company		2,229	(2,028)	3,649	(1,694)
		2,229	(2,028)	3,649	(1,694)
Earnings/(Loss) per share					
Basic earnings per share (Hong Kong cents)	6	0.35	(0.32)	0.57	(0.26)

Condensed Consolidated Statement of Financial Position

		30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (audited)
	Notes		
Non-current assets			
Plant and equipment	7	96	97
Rental and other deposits paid		1,039	-
		<u>1,135</u>	<u>97</u>
Current assets			
Trade and other receivables	8	1,960	1,277
Cash and cash equivalents		21,627	19,982
		<u>23,587</u>	<u>21,259</u>
Current liabilities			
Accrued expenses		89	372
Received in advance		100	100
		<u>189</u>	<u>472</u>
Net current assets		<u>23,398</u>	<u>20,787</u>
NET ASSETS		<u>24,533</u>	<u>20,884</u>
Capital and reserves			
Share capital	9	6,400	6,400
Reserves		18,133	14,484
TOTAL EQUITY		<u>24,533</u>	<u>20,884</u>

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2015

	Attributable to equity holders of the Company			
	Share capital HK\$'000	Share premium and reserve HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
At 1 January 2014	6,400	21,787	(1,251)	26,936
(Loss) for the year	-	-	(6,052)	(6,052)
At 31 December 2014 and at 1 January 2015	6,400	21,787	(7,303)	20,884
Profit for the period	-	-	3,649	3,649
At 30 June 2015	6,400	21,787	(3,654)	24,533

Condensed Consolidated Statement of Cash Flow

	Six months ended	
	30 June	30 June
	2015	2014
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash generated from/ (used in) operations activities	1,659	(214)
Net cash (used in) investing activities	(14)	(15)
Net cash (used in) financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	1,645	(229)
Cash and cash equivalents at beginning of the period	19,982	24,488
Cash and cash equivalents at end of period	21,627	24,259
	=====	=====
Analysis of the balance of cash and cash equivalents		
Bank balances and cash	21,627	24,259
	=====	=====

1. Basis of preparation

The Group's unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements set out in Chapter 18 of the GEM Listing Rules and Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the company. The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. There have been no significant changes to the accounting policies applied in these financial statements for the current and prior accounting periods presented as a result of these developments.

The unaudited condensed consolidated interim financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities at fair value through profit or loss.

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise their judgements in the process of applying the Group's accounting policies.

The accounting policies adopted in preparing the unaudited condensed consolidated interim financial statements were consistent with those applied for the financial statements of the Group for the year ended 31 December 2014.

These unaudited condensed consolidated interim financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000) unless otherwise stated.

The condensed consolidated accounts have not been audited by the Company's auditors but have been reviewed by the Company's audit committee.

2. Turnover

Turnover represents fee income from provision of financial services as follows:-

	Three months ended		Six months ended	
	30 June		30 June	
	2015	2014	2015	2014
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income from provision of financial services	5,440	765	10,010	6,395
	=====	=====	=====	=====

3. Segment information

No business segment analysis and geographical segment analysis are presented for the periods as substantially all of the Group's revenue was derived from provision of financial services in Hong Kong.

4. Other revenue

Other revenue represents bank interest income earned for the period.

5. Income tax

No Hong Kong profits tax has been provided for in the consolidated financial statements as the Group has accumulated tax losses brought forward which exceeds the estimated assessable profits for the period.

6. Profit per share – basic and diluted

The calculation of basic profit per share is based on profit attributable to equity holders of approximately HK\$3,649,000 (2014: loss of approximately HK\$1,694,000) and the weighted average of 640,000,000 shares in issue (2014: 640,000,000 shares) during the year.

There were no dilute potential ordinary shares during the relevant period and therefore, diluted earnings per share are not presented.

7. Plant and equipment

	Furnitures & Fixtures HK\$'000	Office Equipments HK\$'000	Leasehold Improvements HK\$'000	Total HK\$'000
Net book value at 1 January 2014	239	220	389	848
Additions	-	54	-	54
Depreciation	(221)	(195)	(389)	(805)
Net book value at 1 January 2015	18	79	-	97
Additions	-	14	-	14
Depreciation	(2)	(13)	-	(15)
Net book value at 30 June 2015	16	80	-	96

8. Trade and other receivables

The Group's receivables are due within a credit period of 30 days to 45 days from the date of billing. The Group does not obtain collateral from customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the senior management.

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Trade receivable	1,585	280
Deposits and prepayments	375	997
	<u>1,960</u>	<u>1,277</u>
	=====	=====

The aging analysis of the trade receivable at the balance sheet dates are as follows:

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
0-30 days	1,585	280
30-90 days	-	-
>90 days	-	-
	<u>1,585</u>	<u>280</u>
	=====	=====

9. Share capital

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Authorised:		
200,000,000,000 ordinary shares of HK\$0.01 each	2,000,000	2,000,000
Issued and fully paid:		
640,000,000 ordinary shares of HK\$0.01 each	6,400	6,400

10. Dividend

The Directors do not recommend the payment of any dividend for the six months ended 30 June 2015 (for the six months ended 30 June 2014: Nil).

Management Discussion and Analysis

Business Review

For the six months ended 30 June 2015, the Group continued to focus on its principal business in relation to the provision of corporate finance advisory services in Hong Kong. Although the business operations of the Group continued to experience severe competitions from competitors, the Group has managed to complete about fifteen corporate finance related projects in the first half of the year.

Outlook

Looking ahead, the market condition for the rest of 2015 remains uncertain but the Group remains positive about the capital market in Hong Kong and the Group will continue to focus on the general corporate finance advisory services as well as initial public offerings related projects in Hong Kong.

Financial Review

The Group recorded a turnover of approximately HK\$10.01 million for the six months ended 30 June 2015. The profit attributable to equity holders of the Company for the six months ended 30 June 2015 was approximately HK\$3.65 million. The Group remained in a healthy and sound liquidity position as at 30 June 2015. The Group's gearing ratio, defined as the Group's total borrowings divided by shareholders' fund, was nil.

Capital Structure

The capital of the Group comprises only ordinary shares. As at 30 June 2015, the total number of the ordinary shares of the Group was 640,000,000 shares.

Charges on Assets

As at 30 June 2015, the Group did not have any charges on its assets.

Information on employees

As at 30 June 2015, the Group had a workforce of fourteen employees. The total staff costs, including the directors' emoluments, amounted to approximately HK\$2.84 million for the half year under review. The Group's remuneration policies are determined by reference to market terms as well as the performance, qualification and experience of individual employee.

Contingent Liabilities

As at 30 June 2015, the Group did not have any significant contingent liabilities.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2015, the interests or short positions of the Directors and the chief executive of the Company in the shares ("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 ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Interests in the Company

Name of Director	Nature of interest	Number of shares directly and beneficially held	Percentage of the Company's issued share capital
Mr. Chung Ho Yan (Note 1)	Interest of controlled corporation	346,400,000	54.13%

Note:

- (1) Mr. Chung Ho Yan ("Mr. Chung") is the beneficial owner of 100% of the issued share capital of Vinco Asia Limited. Mr. Chung is deemed to be interested in 326,400,000 Shares held by Vinco Asia Limited under the SFO.

Save as disclosed herein, as at 30 June 2015, none of the Directors or chief executive of the Company or their associates had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2015, so far as is known to the Directors, the following persons, not being Directors or chief executive of the Company had, or were deemed to have, interests or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Interests in the Company

Names	Nature of interest	Number of ordinary shares held	Percentage of the Company issued share capital
Mr. Chung Ho Yan (Note 1)	Beneficial owner	346,400,000	54.13%
Vinco Asia Limited (Note 1)	Beneficial owner	326,400,000	51%
Ms. Chiu Lai Yee	Beneficial owner	96,000,000	15%

Note:

(1) 20,000,000 shares of the Company were held by Mr. Chung and 326,400,000 shares of the Company were held by Vinco Asia Limited, an investment holding company incorporated under the laws of the BVI with limited liability, is wholly and beneficially owned by Mr. Chung.

Save as disclosed above, as at 30 June 2015, the Directors are not aware of any other person, other than the Directors and the chief executive of the Company who had, or was deemed to have, interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or options in respect of such share capital.

Directors' and Supervisors' Interest in a Competing Business or conflict of interest

For the six months ended 30 June 2015, the Directors are not aware of any business or interest of the Directors, the Supervisors, the management shareholders of the Company and their associates (as defined under the GEM Listing Rules) that compete or may compete (directly or indirectly) with the business of the Company and any other conflicts of interests which any such person has or may have with the Company.

Share Option Scheme

No share options have been granted nor any existing share option schemes have been adopted by the Company as at the date of this report.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2015, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

Corporate Governance

Save and except the following deviation from the code provision set out in the Corporate Governance Code and Corporate Governance Report as contained in Appendix 15 to the GEM Listing Rules (the

“CG Code and Report”), the Company had, during the period under review, complied with the CCGP.

**Code provisions set out in the
CG Code and Report**

Reasons for deviations

A.2.1 The Chairman and Chief Executive Officer of the Company were performed by the same individual.	The Company’s size is still relatively small and thus not justified in separating the role of Chairman and Chief Executive Officer.
	The Group has in place internal control system to perform the check and balance function.
A.4.1 The non-executive Directors should be appointed for specific terms, subject to reelection	The Company has deviated from this provision in that all independent non-executive Directors are not appointed for specific terms. They are, however, subject to retirement by rotation at least once every three years as all Directors are subject to retirement by rotation in accordance with the Company’s Articles of Association.

The Company is also in the progress of assessing the effect of the implementation of CG Code and Report on the Company’s operation. Save as disclosed, the Company has met the code provisions set out in the CG Code and Report throughout the six months ended 30 June 2015.

Code of Conduct regarding securities transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transaction by Directors during the six months ended 30 June 2015.

Remuneration Committee

The Company established a remuneration committee with written terms of reference in compliance with the GEM Listing Rules. The principal duties of the remuneration committee are to review and to make recommendation for the remuneration policy of the directors and senior management. The remuneration committee comprises of one executive Director, namely Mr. Chung Ho Yan and two independent non-executive Directors, namely Mr. Lee Wing Lun (chairman of the remuneration committee) and Mr. Tam King Ho, Howard.

Nomination committee

The Company established a nomination committee with written terms of reference in compliance with the GEM Listing Rules. The principal duties of the nomination committee are to formulate nomination policy and to make recommendations to the Board on nomination and appointment of directors and board succession. The nomination committee comprises of one executive Director, namely Mr. Chung Ho Yan (chairman of the nomination committee) and two independent non-executive Directors, namely Mr. Lee Wing Lun and Mr. Tam King Ho, Howard.

Audit Committee

The Company has established an audit committee with written terms of reference on in compliance with the GEM Listing Rules. The principal duties of the audit committee are to review and to supervise the financial reporting process and internal control systems of the Group. The audit committee comprises of three independent non-executive Directors, namely Mr. Yip Tai Him (chairman of the audit committee), Mr. Lee Wing Lun and Mr. Tam King Ho, Howard.

The audit committee has reviewed the financial statements of the Group for the six-month period ended 30 June 2015 pursuant to the relevant provisions contained in the Code on Corporate Governance Practices as set out in Appendix 15 of the GEM Listing Rules and was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

By order of the Board
Vinco Financial Group Limited

Chung Ho Yan
Chairman

Hong Kong, 31 July 2015

As at the date of this announcement, the executive directors of the Company are Mr. Chung Ho Yan and Mr. Lam Yick Hing and the independent non-executive Directors are Mr. Yip Tai Him, Mr. Lee Wing Lun and Mr. Tam King Ho, Howard.