VINCO 域高

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 2016

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 2016 amounted to approximately HK$18.04 million (2015: approximately HK$17.57 million), representing an increase of approximately 2.7% as compared with the year ended 31 December 2015.
- Net profit attributable to equity shareholders of the Company for the year ended 31 December 2016 amounted to approximately HK$1.47 million (2015: approximately HK$2.53 million).
- The Directors do not recommend any final dividend for the year ended 31 December 2016 (2015: 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 2016 together with the comparative figures as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 HK$'000	2015 HK$'000
Revenue	3	18,035	17,572
Operating expenses		(16,564)	(15,038)
Profit from operations and before taxation	4	1,471	2,534
Income tax	5	-	-
Profit for the year and attributable to equity shareholders of the Company		1,471	2,534
Other comprehensive income for the year (net of nil tax)		-	-
Total comprehensive income for the year and attributable to equity shareholders of the Company		1,471	2,534
Earnings per share			
- Basic and diluted	6	0.23 cents	0.40 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 HK$'000	2015 HK$'000
Non-current assets			
Plant and equipment		93	122
Rental and other deposits paid		-	1,038
Other assets		-	44
		93	1,204
Current assets			
Rental and other deposits paid		1,038	-
Trade and other receivables	7	446	814
Cash and cash equivalents		24,177	21,650
		25,661	22,464
Current liabilities			
Accrued expenses		155	150
Receipt in advance		710	100
		865	250
Net current assets		24,796	22,214
NET ASSETS		24,889	23,418
Capital and reserves			
Share capital		6,400	6,400
Reserves		18,489	17,018
TOTAL EQUITY		24,889	23,418

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	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 2015	6,400	11,887	9,900	(7,303)	14,484	20,884
Changes in equity for 2015:						
Profit for the year	-	-	-	2,534	2,534	2,534
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,534	2,534	2,534
Balance at 31 December 2015 and 1 January 2016	6,400	11,887	9,900	(4,769)	17,018	23,418
Changes in equity for 2016:						
Profit for the year	-	-	-	1,471	1,471	1,471
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,471	1,471	1,471
Balance at 31 December 2016	6,400	11,887	9,900	(3,298)	18,489	24,889

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 2016 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 a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. REVENUE AND SEGMENT REPORTING

a. Revenue

The principal activity of the Group is the provision of financial services in Hong Kong. Revenue represents income from the provision of financial services for the years ended 31 December 2016 and 2015.

b. Segment Reporting

During the year ended 31 December 2016, the Group operates in a single operating segment in Hong Kong, i.e. the provision of financial services in Hong Kong. Accordingly, operating segment and geographical information are not presented.

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

	2016 HK$'000	2015 HK$'000
Customer A	3,512	1,920
Customer B	3,200	-
Customer C	2,500	-
Customer D	-	5,085

4. PROFIT FROM OPERATIONS AND BEFORE TAXATION

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

	2016 HK$'000	2015 HK$'000
a) Staff costs (including directors' remuneration):		
Contributions to defined contribution retirement plan	124	142
Salaries and other benefits	8,804	7,619
	8,928	7,761

	2016 HK$'000	2015 HK$'000
b) Other items:		
Auditor's remuneration		
- audit services	155	150
Depreciation	38	32
Operating lease charges in respect of office premises	3,201	2,978

5. INCOME TAX

No provision for Hong Kong Profits Tax for the year ended 31 December 2016 and 2015 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 the year.

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$1,471,000 (2015: profit of approximately HK$2,534,000) and the weighted average of 640,000,000 (2015: 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 2016 and 2015, 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 receivables (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:

	2016	2015
	HK$'000	HK$'000
Within 3 months	131	780

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

8. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the current year (no final dividend for the year ended 31 December 2015).

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 2016.

FINANCIAL REVIEW

Results of the Group

The turnover of the Group was approximately HK$18.04 million during the year (2015: approximately HK$17.57 million). The net profit attributable to shareholders of the Group for the year ended 31 December 2016 was approximately HK$1.47 million (2015: approximately HK$2.53 million).

As at 31 December 2016, the Group had total assets of approximately HK$25.75 million (2015: approximately HK$23.67 million).The net assets value of the Group was approximately HK$24.89 million as at 31 December 2016 (2015: approximately HK$23.42 million).

The Group stayed in a healthy and sound liquidity position. The cash and cash equivalents of the Group amounted to approximately HK$24.18 million as at 31 December 2016. 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 share capital of the Group comprises only ordinary shares. As at 31 December 2016, 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 2016, the Group did not have any charge on its assets (2015: 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 2016, the Group had a workforce of 17 employees (2015: 15). The total staff costs, including the directors' emoluments, amounted to HK$8.93 million for the year under review (2015: approximately HK$7.76 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

As at 31 December 2016, the Group did not have any significant contingent liabilities (2015: nil).

Significant investment

The Group did not hold any significant investment for the year ended 31 December 2016.

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. Meanwhile, the Group will also continue to seek for business opportunities in other financial related services so as to generate greater value for the shareholders.

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 2016, 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 established the Audit Committee 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 of three Independent Non-executive Directors, Mr. Lee Wing Lun, Mr. Tam King Ho, Howard and Mr. Law Chor Yam. The Audit Committee held 4 meetings for the year ended 31 December 2016. The Audit Committee members have reviewed this annual results announcement 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 Thursday, 27 April 2017 to Tuesday, 2 May 2017, 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 Wednesday, 26 April 2017.

By order of the Board
Vinco Financial Group Limited
Chung Ho Yan
Chairman

Hong Kong, 22 March 2017

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. Lee Wing Lun, Mr. Tam King Ho, Howard and Mr. Law Chor Yam 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.