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 2019

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

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors of Vinco Financial Group Limited (the "Company", together with its subsidiaries, the "Group") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("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 material respects and not misleading or 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$5.48 million for the six months ended 30 June 2019 (2018: approximately HK$13.27 million).

- Loss attributable to shareholders for the six months ended 30 June 2019 amounted to approximately HK$3.70 million as compared to a profit of approximately HK$4.36 million for the corresponding period in 2018.

- The Directors do not recommend the payment of any dividend for the six months ended 30 June 2019 (2018: nil).

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 2019 together with the comparative unaudited figures for the corresponding periods in 2018 as follows:

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Three months ended 30 June		Six months ended 30 June	
		2019	2018	2019	2018
		HK$’000	HK$’000	HK$’000	HK$’000
	Notes	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	2	1,638	5,655	5,478	13,265
Operating expenses		(4,474)	(3,796)	(9,174)	(8,066)
(Loss) / profit from operations and before taxation		(2,836)	1,859	(3,696)	5,199
Income tax	4	-	(314)	-	(841)
(Loss) / profit for the period and attributable to owners of the Company		(2,836)	1,545	(3,696)	4,358
Other comprehensive income for the period, net of income tax		-	-	-	-
Total comprehensive (expenses) / income for the period attributable to owners of the Company		(2,836)	1,545	(3,696)	4,358
(Loss) / earnings per share					
Basic earnings per share (Hong Kong cents)	5	(0.44)	0.24	(0.58)	0.68

Condensed Consolidated Statement of Financial Position

	Notes	30 June 2019 HK$'000 (Unaudited)	31 December 2018 HK$'000 (audited)
Non-current assets			
Plant and equipment	6	694	117
Right of use asset		3,205	-
Rental and other deposits paid		673	1,199
		4,572	1,316
Current assets			
Trade and other receivables	7	52	1,738
Cash and cash equivalents		32,931	34,410
		32,983	36,148
Current liabilities			
Accrued expenses		-	200
Received in advance		480	-
Lease liability		3,507	-
Provision for taxation		2,193	2,193
		6,180	2,393
Net current assets		26,803	33,755
NET ASSETS		31,375	35,071
Capital and reserves			
Share capital	8	6,400	6,400
Reserves		24,975	28,671
TOTAL EQUITY		31,375	35,071

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019

	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 2018	6,400	21,787	8,080	36,267
Profit for the year	-	-	1,804	1,804
Final dividend approved in respect of previous financial year	-	-	(3,000)	(3,000)
At 31 December 2018 and at 1 January 2019	6,400	21,787	6,884	35,071
Loss for the period	-	-	(3,696)	(3,696)
At 30 June 2019	6,400	21,787	3,188	31,375

Condensed Consolidated Statement of Cash Flow

	Six months ended	
	30 June 2019	**30 June 2018**
	HK$'000 (unaudited)	HK$'000 (unaudited)
Net cash (used in)/ generated from operations activities	(844)	5,419
Net cash used in investing activities	(635)	(17)
Net cash used in financing activities	-	(3,000)
Net (decrease)/ increase in cash and cash equivalents	(1,479)	2,402
Cash and cash equivalents at beginning of the period	34,410	36,454
Cash and cash equivalents at end of period	32,931	38,856
Analysis of the balance of cash and cash equivalents		
Bank balances and cash	32,931	38,856

1. Basis of preparation

The Group's unaudited condensed consolidated half yearly 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 GEM of The Stock Exchange of Hong Kong Limited.

The unaudited condensed consolidated half yearly financial statements comprise the Company and its subsidiaries (together referred to as "the Group").

Items included in the unaudited condensed consolidated half yearly financial statements of each entity of the Group are measured using the currency of primary economic environment in which the entity operates (the "functional currency"). These financial statements are presented in Hong Kong dollars ("HK$"), rounded to the nearest thousand except for per share data. HK$ is the Company's functional and the Group's presentation currency.

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 amounts 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.

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

2. Revenue

The principal activity of the Group is the provision of financial services in Hong Kong. Revenue represents income from the provision of corporate financial advisory services for the six months ended 30 June 2019 and 2018.

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. Income tax

Taxation in the consolidated statement of profit or loss and other comprehensive income

	Six months ended	
	30 June 2019	**30 June 2018**
	HK$'000	HK$'000
	(unaudited)	(unaudited)
Current tax		
Hong Kong Profits Tax	-	(841)

No provision for the Hong Kong Profits Tax has been provided in the financial statements as the Company incurred a tax loss for the six months ended 30 June 2019 (2018: 16.5%).

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

5. (Loss)/ Earnings per share

a) Basic (loss)/ earnings per share

The calculation of basic (loss)/ earnings per share is based on the loss attributable to the owners of the Company of approximately HK$3,696,000 (2018: profit of approximately HK$4,358,000) and the weighted average of 640,000,000 (2018: 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 for the six months ended 30 June 2019 and 2018, and diluted (loss)/ earnings per share is the same as basic (loss)/ earnings per share.

6. Plant and equipment

	Furnitures & Fixtures HK$'000	Office Equipments HK$'000	Leasehold Improvements HK$'000	Total HK$'000
Net book value at 1 January 2018	26	70	-	96
Additions	-	66	-	66
Depreciation	(10)	(35)	-	(45)
Net book value at 1 January 2019	16	101	-	117
Additions	8	-	633	641
Depreciation	(4)	(18)	(42)	(64)
Net book value at 30 June 2019	20	83	591	694

7. 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 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
Trade receivable	50	1,285
Deposits and prepayments	2	453
	52	1,738

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

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'000 (audited)
0-30 days	50	1,285
30-90 days	-	-
>90 days	-	-
	50	1,285

8. Share capital

	30 June 2019 HK$'000 (unaudited)	31 December 2018 HK$'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

9. Dividend

The Directors do not recommend the payment of any dividend for the six months ended 30 June 2019 (for the six months ended 30 June 2018: Nil).

Management Discussion and Analysis

Business Review

For the six months ended 30 June 2019, 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 around 9 corporate finance related projects in the first half of the year.

Outlook

Looking ahead, the market condition for the rest of 2019 remains uncertain but the Group remains positive 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$5.48 million for the six months ended 30 June 2019. The loss attributable to equity holders of the Company for the six months ended 30 June 2019 was approximately HK$3.70 million. The Group believes that such loss was mainly attributable to (i) the decrease in revenue from corporate financial advisory services income as a result of withholding of certain projects due to clients' financial performance deteriorated mainly because of the continuous weak business environment caused by the US-China trade war; and (ii) the volatilities of the political environment, economy and the stock market this year in tandem with the trade war and tariff dispute between China and the United States of America have leaded to postponement to some of our projects as clients' worries over domestic uncertainties might have weakened investment sentiment to the local capital markets.

The Group remained in a healthy and sound liquidity position as at 30 June 2019.

Capital Structure

The capital of the Group comprises only ordinary shares. As at 30 June 2019, the total number of the ordinary shares of the Group was 640,000,000 shares.

Charges on Assets

As at 30 June 2019, the Group did not have any charges on its assets.

Information on employees

As at 30 June 2019, the Group had a workforce of 17 employees. The total staff costs, including directors' emoluments, amounted to approximately HK$4.01 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 2019, 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 2019, 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	Approximate percentage of shareholdings
Mr. Chung Ho Yan (Note 1)	Beneficial owner/ through controlled corporation	344,670,000	53.85%

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 2019, 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 have 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 2019, 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 beneficially held	Approximate percentage of shareholdings
Mr. Chung Ho Yan (Note 1)	Beneficial owner/ through controlled corporation	344,670,000	53.85%
Vinco Asia Limited (Note 1)	Beneficial owner	326,400,000	51%

Note:

(1) 18,270,000 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 2019, 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

For the six months ended 30 June 2019, 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 announcement.

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

During the six months ended 30 June 2019, 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 accessing 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 2019.

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 2019.

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. Lee Wing Lun (chairman of the audit committee), Mr. Tam King Ho, Howard and Mr. Law Chor Yam.

The audit committee has reviewed the financial statements of the Group for the six-month period ended 30 June 2019 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, 16 July 2019

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