



## 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)

### **THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017, THIRD QUARTER DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS**

#### **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.**

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this announcement.

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\$25.48 million for the nine months ended 30 September 2017 (2016: approximately HK\$13.29 million).
- Profit attributable to shareholders for the nine months ended 30 September 2017 amounted to approximately HK\$11.04 million (2016: profit of approximately HK\$2.32 million).
- The Directors recommend the payment of a third quarter dividend of HK\$0.003125 per share, amounting to HK\$2,000,000 for the nine months ended 30 September 2017.

### Third Quarterly Results (Unaudited)

The board of Directors (the “Board”) is pleased to present the unaudited condensed consolidated results of the Group for the three and nine months ended 30 September 2017 together with the comparative unaudited figures for the corresponding periods in 2016, as follows:

#### Condensed Consolidated Statement of Comprehensive Income

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Turnover	2	10,985	4,714	25,484	13,289
Other revenue	4	-	-	-	-
Operating expenses		(4,487)	(3,836)	(12,865)	(10,971)
Earnings/(Loss) before taxation		6,498	878	12,619	2,318
Income tax	5	(1,077)	-	(1,578)	-
Earnings attributable to equity holders the Company		5,421	878	11,041	2,318
Attributable to: Equity holders of the Company		5,421	878	11,041	2,318
		5,421	878	11,041	2,318
Earnings per share Basic earnings per share (Hong Kong cents)	6	0.85	0.14	1.73	0.36

## Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2017

	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 2016	6,400	21,787	(4,769)	23,418
Profit for the year	-	-	1,471	1,471
At 31 December 2016 and at 1 January 2017	6,400	21,787	(3,298)	24,889
Profit for the period	-	-	11,041	11,041
Payment of dividends	-	-	(2,000)	(2,000)
At 30 September 2017	6,400	21,787	5,743	33,930

## NOTES:

### 1. Basis of Preparation

The Group's unaudited condensed consolidated 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 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 financial statements were consistent with those applied for the financial statements of the Group for the year ended 31 December 2016.

These unaudited condensed consolidated 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		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income from provision of financial services	10,985	4,714	25,484	13,289
	=====	=====	=====	=====

### **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**

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the year.

### **6. Earnings Per Share – Basic and Diluted**

The calculation of basic earnings per share is based on profit attributable to equity holders of approximately HK\$11,041,000 (2016: profit of approximately HK\$2,318,000) and the weighted average of 640,000,000 shares in issue (2016: 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. Dividend**

The board resolved to declare a third quarter dividend of HK0.003125 per share for the nine months ended 30 September 2017 (for the nine months ended 30 September 2016: nil).

## **Management Discussion and Analysis**

### **Business Review**

For the nine months ended 30 September 2017, the Group continued to focus on its principal business in relation to the provision of corporate finance advisory services in Hong Kong. Although our corporate finance advisory operations experienced severe competitions from competitors, we have managed to complete around eight corporate finance advisory related projects and two initial public offerings projects.

### **Outlook**

The economic outlook for the rest of 2017 remains uncertain, global and local markets are expected to be volatile. To maintain our competitiveness in the market, the Group will continue to focus on the general corporate finance advisory services as well as initial public offerings related projects in Hong Kong. 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.

## **Financial Review**

Turnover of the Group for the nine months ended 30 September 2017 was approximately HK\$25.48 million (2016: approximately HK\$13.29 million), representing an increase of approximately 92% as compared with the corresponding period in 2016 mainly due to the increase in income generated from initial public offerings related projects.

The Group's total operating expenses for the nine months ended 30 September 2017 was approximately HK\$12.87 million, representing an increase of 17% from approximately HK\$10.97 million for the corresponding period of last fiscal year.

For the nine months ended 30 September 2017, profit attributable to shareholders was approximately HK\$11.04 million and profit attributable to the equity holders of the Company as of 30 September 2016 was approximately HK\$2.32 million.

The Group has adopted a prudent financial management strategy and maintained a health liquidity position. The Group has no borrowing and the gearing ratio of the Group was nil as at 30 September 2017 (2016: nil).

## **Third Quarterly Dividend**

The third quarter dividend of HK\$0.003125 per share (2016: Nil) will be paid on or about 15 November 2017 to shareholders whose names appear on the register of members of the Company on 7 November 2017.

## **Contingent Liabilities**

As at 30 September 2017, 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**

As at 30 September 2017, the interests or short positions of the Directors and chief executive of the Company in the share ("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 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 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, were as follows:

## Interests in the Company

Name of Director	Nature of interest	Number of shares 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 September 2017, 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 September 2017, 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 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%
Ms. Chiu Lai Yee	Beneficial owner	96,000,000	15%

Note:

- (1) 18,270,000 shares of the Company were held by Mr. Chung and 344,670,000 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 September 2017, 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 nine months ended 30 September 2017, 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 scheme has been adopted by the Company during the period.

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

During the nine months ended 30 September 2017, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

## **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 as 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 nine months ended 30 September 2017.

## **Third quarter dividend and closure of register of members**

The Board declares the payment of the third quarter dividend of HK\$0.003125 per share for the nine months ended 30 September 2017. The third quarter dividend will be payable in cash to shareholders whose names appear on the register of members of the Company on 7 November 2017.

The register of members of the Company will be closed from 6 November 2017 to 7 November 2017 (both dates inclusive), for the purpose of determining shareholders' entitlement to the third quarter dividend, during which period no transfer of shares of the Company will be registered. In order to qualify for the third quarter dividend, all transfers of shares of the Company accompanied by the relevant share certificates and transfer forms must be lodged with the Company's share registrars, Tricor Investor Services Limited Level 22, Hopewell Centre 183 Queen's Road East, Hong Kong, for registration not later than 4:00 p.m. on 3 November 2017.

The payment date of the third quarter dividend is expected to be on or around 15 November 2017.

## **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 CG Code and Report.

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

### **Reason for deviations**

- |     |  |  |
|-----|--|--|
| A.2 | The Chairman and Chief Executive Officer of the Company were performed by the same individual. | The Company's size is not huge and thus not justified in separating the role of Chairman and Chief Executive Officer.<br><br>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, however they are 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.

Save as disclosed, the Company has met the code provisions set out in the CG Code and Report throughout the nine months ended 30 September 2017.

### **Remuneration Committee**

The Company established a remuneration committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the remuneration committee are to review and 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 formulating nomination policy and making 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 in compliance with the GEM Listing Rules. The primary 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 nine-month period ended 30 September 2017 pursuant to the relevant provisions contained in the CG Code and Report 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, 20 October 2017

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.

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>.