



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 2009

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: (1) the information contained in this announcement is accurate and complete in all respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.

HIGHLIGHTS

- The Group recorded a turnover of approximately HK\$3.18 million for the six months ended 30 June 2009 (2008: approximately HK\$9.34 million).
- Loss attributable to shareholders for the six months ended 30 June 2009 amounted to approximately HK\$0.86 million as compared to profit after tax of approximately HK\$2.84 million for the corresponding period in 2008.
- 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 2009 together with the comparative unaudited figures for the corresponding periods in 2008, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	Three months ended 30 June		Six months ended 30 June	
		2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)	2009 HK\$'000 (unaudited)	2008 HK\$'000 (unaudited)
Turnover	2	1,466	3,093	3,178	9,337
Other revenue	4	2	21	3	33
Operating expenses		(1,934)	(2,674)	(4,043)	(5,973)
Profit/(Loss) before taxation		(466)	440	(862)	3,397
Income tax	5	-	(72)	-	(559)
Profit/(Loss) attributable to equity holders of the Company		(466)	368	(862)	2,838
Attributable to:					
Equity holders of the Company		(466)	368	(862)	2,838
Minority interests		-	-	-	-
		(466)	368	(862)	2,838
Earnings/(Loss) per share					
Basic earnings/(Loss) per share (cents)	6	(0.07)	0.06	(0.13)	0.49

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	30 June 2009 HK\$'000 (unaudited)	31 December 2008 HK\$'000 (audited)
Non-current assets			
Property and equipment	7	454	478
		-----	-----
Current assets			
Account receivable	8	500	72
Rent and utility deposits		643	642
Tax recoverable		315	325
Cash and cash equivalents		28,153	30,221
		-----	-----
		29,611	31,260
		-----	-----
Current liabilities			
Accrued expenses		17	197
Tax payable		-	132
		-----	-----
		17	329
		-----	-----
Net current assets		29,594	30,931
		-----	-----
NET ASSETS		30,048	31,409
		=====	=====
Capital and reserves	9		
Share capital		6,400	6,400
Share premium and reserve		21,787	21,787
Retained profits		1,861	3,222
		-----	-----
TOTAL EQUITY		30,048	31,409
		=====	=====

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

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 2008	10,000	-	2,441	12,441
Profit for the year	-	-	781	781
Arising from the Reorganisation	(9,900)	9,900	-	-
Capitalisation issue	5,500	(5,500)	-	-
Issuance of new shares by way of placing	800	19,200	-	20,000
Share issuance expenses	-	(1,813)	-	(1,813)
At 31 December 2008 and at 1 January 2009	6,400	21,787	3,222	31,409
(Loss) for the period	-	-	(862)	(862)
Dividend paid	-	-	(499)	(499)
At 30 June 2009	6,400	21,787	1,861	30,048
	=====	=====	=====	=====

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Six months ended	
	30 June 2009 HK\$'000 (unaudited)	30 June 2008 HK\$'000 (unaudited)
Net cash generated from operations activities	(1,571)	1,327
Net cash generated from investing activities	2	18,215
Net cash used in financing activities	(499)	(14,000)
Net increase in cash and cash equivalents	<u>(2,068)</u>	<u>5,542</u>
Cash and cash equivalents at beginning of the period	30,221	29,149
Cash and cash equivalents at end of the period	<u>28,153</u> =====	<u>34,691</u> =====
Analysis of the balance of cash and cash equivalents		
Bank balances and cash	28,153	34,691

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.

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 2008.

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	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income from provision of financial services	1,466	3,093	3,178	9,337
	=====	=====	=====	=====

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 provision for Hong Kong Profits Tax has been made in the financial statements as the Company incurred a tax loss for the period. (2008: 16.5%).

6. EARNINGS/ (LOSS) PER SHARE – BASIC AND DILUTED

The calculation of basic earnings/(loss) per share is based on loss attributable to equity holders of HK\$862,000 (2008: a profit of approximately HK\$2,838,000) and the weighted average of 640,000,000 shares in issue (2008: 580,220,000 shares after adjusting for the capitalization issues in 2008) during the year.

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

7. PROPERTY AND EQUIPMENT

	Furniture & Fixtures HK\$'000	Office Equipments HK\$'000	Leasehold Improvements HK\$'000	Total HK\$'000
Net book value at 1 January 2008	129	13	341	483
Additions	-	42	-	42
Depreciation	(21)	(10)	(16)	(47)
Net book value at 1 January 2009	108	45	325	478
Additions	-	1	-	1
Depreciation	(11)	(6)	(8)	(25)
Net book value at 30 June 2009	97	40	317	454
	=====	=====	=====	=====

8. ACCOUNT RECEIVABLE

The Group's receivables are due within a credit period of 30 days to 45 days from the date of billing. Receivables with balances that are more than 1 month past due are requested to settle all outstanding balances before any further credit is granted. 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 senior management.

	30 June 2009 HK\$'000 (unaudited)	31 December 2008 HK\$'000 (audited)
Account receivable	500 =====	72 =====

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

	30 June 2009 HK\$'000 (unaudited)	31 December 2008 HK\$'000 (audited)
0-30 days	500 =====	72 =====

9. SHARE CAPITAL

	30 June 2009 HK\$'000 (unaudited)	31 December 2008 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 2009 (for the six months ended 30 June 2008: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of year 2009, the global economic was still affected by the persistent widespread global financial crisis. Given that the business performance of the Group is highly dependent on the performance of the financial market and the local and global economy, it continued to impact the Group's business development efforts for the six months ended 30 June 2009. However, there are signs of gradual recovery in the stock market in Hong Kong for the second quarter of 2009 with both the recent stock market rally and recent reactivation of the IPO market in Hong Kong. The Hang Seng Index reached 18,379 points as at 30 June 2009, representing an increase of approximately 28% from the previous year's closing of 14,387 points. Meanwhile, the IPO market in Hong Kong raised capital of approximately HK\$15.8 billion in the second quarter in 2009, which is more than 10 times of the capital raised of approximately HK\$1.56 billion during the first quarter in 2009. In view of such positive signs, the management expects that the business results of the Group could gradually be improved.

OUTLOOK

Responding to the global financial crisis, the Group will not only continue to focus on its core business in relation to the provision of corporate finance advisory services in Hong Kong but will also continue to seek for new opportunities in the provision of other financial services so as to diversify its businesses for more sources of revenue and at the same time strengthening our network by seeking for strategic alliances and raising public awareness of the Group's services in the market.

FINANCIAL REVIEW

Revenue of the Group for the six months ended 30 June 2009 was approximately HK\$3.18 million (2008: approximately HK\$9.34 million), representing a decrease of approximately 65.95% as compared as compared with the corresponding period in 2008. The decrease was mainly attributable to the reduction of income generated from financial activities as a result of the global financial crisis.

The Group's total operating expenses for the six months ended 30 June 2009 was approximately HK\$4.04 million, representing a decrease of 30.33% from approximately HK\$5.97 million for the corresponding period of last fiscal year.

For the six months ended 30 June 2009, loss attributable to shareholders was approximately HK\$0.86 million (2008: profit after tax of approximately HK\$2.84 million).

The Group has adopted a prudent financial management strategy and maintained a health liquidity position as at 30 June 2009. The Group has no borrowing and the gearing ratio of the Group, calculated as total borrowings over shareholders' fund, was nil as at 30 June 2009 (2008: nil).

CAPITAL STRUCTURE

The capital of the Group comprises only ordinary shares. As at 30 June 2009, the total number of the ordinary shares of the Group was 640,000,000 shares.

CHARGES ON ASSETS

As at 30 June 2009, the Group did not have any charges on its assets.

INFORMATION ON EMPLOYEES

As at 30 June 2009, the Group had a workforce of 11 employees. The total staff costs, including the directors' emoluments, amounted to HK\$2.02 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 2009, the Group did not have any significant contingent liabilities.

Comparison of business objectives with actual business progress

An analysis comparing the business objectives as stated in the Company's prospectus dated 14 May 2008 (the "Prospectus") with the Group's actual business progress for the period from 1 January 2009 to 30 June 2009 is set out below:

Business objectives	Actual business progress up to 30 June 2009
1. Business development	The Group has commenced on setting up the infrastructure and system for the equity capital market and fund management divisions. The Group has continued to recruit additional staff to expand the business. The Group has continued to provide a wider range of financial services. The Group has commenced the initial feasibility study on setting up representative offices in overseas.
2. Expansion of the alliance network	A new alliance has been formed in Hong Kong. On-going training/assistance has been provided to the Group's alliance members. The Group has circulated its newsletters to the Group's alliance members from time to time. The Group has continued to seek for co-operations with government bodies or universities in Hong Kong.
3. Improvement of public awareness	During the period under review, the Group and its staff have participated in various seminars and conferences in relation to the financial markets.

USE OF PROCEEDS

During the period from 1 January 2009 to 30 June 2009, the net proceeds for issue of new shares had been applied as follows:

	Planned use of proceeds as stated in the Prospectus from 1 January 2009 to 30 June 2009 (HK\$'000)	Actual use of proceeds from 1 January 2009 to 30 June 2009 (HK\$'000)
Business development	11,900	11,905
Expansion of the alliance network	200	197
Improvement of public awareness	200	147
Total	12,300	12,249

Note:

The business objectives as stated in the Prospectus were based on the best estimation of the future market conditions made by the Group at the time of preparing the Prospectus. The uses of proceeds were applied in accordance with the actual development of the market and the remaining proceeds as at 30 June 2009 had been placed as interest bearing deposits in bank in Hong Kong.

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

As at 30 June 2009, the interests or short positions of the Directors and the chief executives 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 beneficially held	Approximate percentage of shareholdings
Mr. Chung Ho Yan (Note 1)	Interest of controlled corporation	326,400,000	51%

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 2009, 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 2009, 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
Vinco Asia Limited (Note 1)	Beneficial owner	326,400,000	51%
Ms. Chiu Lai Yee	Beneficial owner	153,600,000	24%

Note:

- (1) *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 2009, 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 2009, 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 as at the date of this announcement.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by Ample Capital Limited ("Ample"), the Company's compliance adviser, neither Ample nor its directors or employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 30 June 2009.

Pursuant to the agreement dated 13 May 2008 entered into between Ample and the Company, Ample received and will receive fees for acting as the Company's compliance adviser.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2009, 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 Code on Corporate Governance Practices as contained in Appendix 15 to the GEM Listing Rules (the "CCGP"), the Company had, during the period under review, complied with the CCGP.

Coder provisions set out in the CCGP	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 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.

The Company is also in the progress of accessing the effect of the implementation of CCGP on the Company's operation. Save as disclosed, the Company has met the code provisions set out in the CCGP throughout the six months ended 30 June 2009.

SECURITIES TRANSACTIONS BY DIRECTORS

During the period under review, the Company has adopted the standards set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding the Directors' securities transactions in securities of the Company. Having made specific enquiry to all Directors and the Company was not aware of any non-compliance with the required standards of dealings its code of conduct regarding securities transactions by Directors.

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 supervise the financial reporting process and internal control systems of the Group. The audit committee comprises three independent non-executive Directors, namely Mr. Yip Tai Him (chairman of the audit committee), Mr. William Wu and Mr. Lee Wing Lun.

The audit committee has reviewed the financial statements of the Group for the six-month period ended 30 June 2009 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, 7 August 2009

As at the date of this announcement, the executive directors of the Company are Mr. Chung Ho Yan and Mr. Miu Ka Keung and the independent non-executive Directors are Mr. Yip Tai Him, Mr. William Wu and Mr. Lee Wing Lun.

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>.