



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 2012

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\$9.76 million for the six months ended 30 June 2012 (2011: approximately HK\$4.82 million).
- Profit attributable to shareholders for the six months ended 30 June 2012 amounted to approximately HK\$1.91 million as compared to profit of approximately HK\$0.3 million for the corresponding period in 2011.
- 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 2012 together with the comparative unaudited figures for the corresponding periods in 2011 as follows:

Condensed Consolidated Statement of Comprehensive Income

		Three months ended 30 June		Six months ended 30 June	
		2012 HK\$'000 (unaudited)	2011 HK\$'000 (unaudited)	2012 HK\$'000 (unaudited)	2011 HK\$'000 (unaudited)
Notes					
Turnover	2	4,594	3,257	9,756	4,822
Other revenue	4	-	1	-	1
Operating expenses		(3,960)	(2,374)	(7,850)	(4,514)
Earnings before taxation		634	884	1,906	309
Income tax	5	-	-	-	-
Earnings attributable to equity holders of the Company		634	884	1,906	309
Attributable to: Equity holders of the Company		634	884	1,906	309
		634	884	1,906	309
Earnings per share					
Basic earnings per share (Hong Kong cents)	6	0.10	0.14	0.30	0.05

Condensed Consolidated Statement of Financial Position

		30 June 2012 HK\$'000 (unaudited)	31 December 2011 HK\$'000 (audited)
	Notes		
Non-current assets			
Property and equipment	7	91	96
		-----	-----
Current assets			
Trade and other receivables	8	-	1,663
Rent and utility deposits		916	-
Prepayment		-	-
Tax recoverable		-	-
Cash and cash equivalents		26,044	23,756
		-----	-----
		26,960	25,419
		-----	-----
Current liabilities			
Accrued expenses		157	291
Income received in advance		-	90
Bank overdraft		-	146
		-----	-----
		157	527
		-----	-----
Net current assets		26,803	24,892
		-----	-----
NET ASSETS		26,894	24,988
		=====	=====
Capital and reserves			
Share capital	9	6,400	6,400
Reserve		20,494	18,588
		-----	-----
TOTAL EQUITY		26,894	24,988
		=====	=====

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

	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 2011	6,400	21,787	(1,931)	26,256
(Loss) for the year	-	-	(1,268)	(1,268)
At 31 December 2011 and at 1 January 2012	6,400	21,787	(3,199)	24,988
Profit for the year	-	-	1,906	1,906
At 30 June 2012	6,400	21,787	(1,293)	26,894

Condensed Consolidated Statement of Cash Flow

	Six months ended	
	30 June	30 June
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net cash generated from/ (used in) operations activities	2,448	(504)
Net cash (used in) investing activities	(15)	(2)
Net cash (used in) financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	2,433	(506)
Cash and cash equivalents at beginning of the period	23,611	25,462
Cash and cash equivalents at end of period	26,044	24,956
	=====	=====
Analysis of the balance of cash and cash equivalents		
Bank balances and cash	26,044	24,956
	=====	=====

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 2011.

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	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income from provision of financial services	4,594	3,257	9,756	4,822
	=====	=====	=====	=====

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 or the period.

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\$1,906,000 (2011: profit of approximately HK\$309,000) and the weighted average of 640,000,000 shares in issue (2011: 640,000,000 shares after adjusting for the capitalization issues in 2011) 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

	Furnitures & Fixtures HK\$'000	Office Equipments HK\$'000	Leasehold Improvements HK\$'000	Total HK\$'000
Net book value at 1 January 2011	71	40	95	206
Additions	3	17	-	20
Depreciation	(22)	(13)	(95)	(130)
Net book value at 1 January 2012	52	44	-	96
Additions	15	-	-	15
Depreciation	(12)	(8)	-	(20)
Net book value at 30 June 2012	55	36	-	91
	=====	=====	=====	=====

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. 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 2012 HK\$'000 (unaudited)	31 December 2011 HK\$'000 (audited)
Trade receivable	-	1,663
	=====	=====

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

	30 June 2012 HK\$'000 (unaudited)	31 December 2011 HK\$'000 (audited)
0-30 days	-	235
	=====	=====

9. Share capital

	30 June 2012 HK\$'000 (unaudited)	31 December 2011 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 2012 (for the six months ended 30 June 2011: Nil).

Management Discussion and Analysis

Business Review

Due to the unresolved European debt crisis and the slow recovery of global economy, the market sentiment remained weak during the first half of 2012. As at 30 June 2012, the Group continued to focus on provision of corporate finance advisory services in Hong Kong. Leveraging on the experience of corporate finance team, the Group had persistently improved its results to achieve turnover of approximately HK\$9.76 million and net profit of approximately HK\$1.91 million. The increase in profit attributable to the shareholders was mainly due to secure of several initial public offerings related projects.

Outlook

Looking forward, the Group will continue to reinforce its position in the market, the Group will constantly keep reviewing the Group's business development strategies and directions with a view to enhance its performance. Despite continue to focus on the general corporate finance advisory services as well as initial public offerings related projects in Hong Kong. The Group will continue to explore new business opportunities to diversify its existing business portfolio and allocate resources into new businesses should attractive opportunities arise. In view of the current global economy, the Group will take prudent approach to expose its business with an aim for the long term stable growth.

Financial Review

The Group's financial performance improved in current period, turnover of the Group for the six months ended 30 June 2012 was approximately HK\$9.76 million (2011: approximately HK\$4.82 million), representing an increase of approximately 102.49% as compared with the corresponding period in 2011.

The Group's total operating expenses for the six months ended 30 June 2012 was approximately HK\$7.85 million, representing an increase of approximately 74.06% from approximately HK\$4.51 million for the corresponding period in 2011.

For the six months ended 30 June 2012, profit attributable to shareholders was approximately HK\$1.91 million (2011: profit of approximately HK\$0.3 million).

The Group has adopted a prudent financial management strategy and maintained a health liquidity position as at 30 June 2012. 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 2012 (2011: Nil).

Capital Structure

The capital of the Group comprises only ordinary shares. As at 30 June 2012, the total number of the ordinary shares of the Group was 640,000,000 shares.

Charges on Assets

As at 30 June 2012, the Group did not have any charges on its assets.

Information on employees

As at 30 June 2012, the Group had a workforce of 17 employees. The total staff costs, including the directors' emoluments, amounted to approximately HK\$3.50 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 2012, 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 2012, 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	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 2012, 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 2012, 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
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 2012, 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 2012, 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 report.

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

During the six months ended 30 June 2012, 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

A.2 The Chairman and Chief Executive Officer of the Company were performed by the same individual.

Reason for deviations

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 2012.

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.

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 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. William Wu.

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 remuneration committee comprises one executive Director, namely Mr. Chung Ho Yan (chairman of the nomination committee) and two independent non-executive Directors, namely Mr. William Wu and Mr. Lee Wing Lun.

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 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 2012 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, 3 August 2012

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. William Wu and Mr. Lee Wing Lun.