



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



First Quarterly Report 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 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 report, 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 report 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 report misleading; and (3) all opinions expressed in this report 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\$5.162 million for the three months ended 31 March 2012 (2011: approximately HK\$1.565 million).
- Profit attributable to shareholders for the three months ended 31 March 2012 amounted to approximately HK\$1.272 million as compared to net loss of approximately HK\$0.575 million for the corresponding period in the previous fiscal year.
- The Directors do not recommend the payment of any dividend for the three months ended 31 March 2012.

First Quarterly Results (Unaudited)

The board of Directors (the “Board”) is pleased to present the unaudited condensed consolidated results of the Group for the three months ended 31 March 2012 together with the comparative unaudited figures for the corresponding periods in 2011, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Three months ended 31 March	
		2012	2011
		HKS'000	HKS'000
		(unaudited)	(unaudited)
Turnover	2	5,162	1,565
Operating expenses		(3,890)	(2,140)
Profit/(Loss) before taxation		1,272	(575)
Income tax	4	—	—
Profit/(Loss) attributable to equity holders of the Company		1,272	(575)
Attributable to:			
Equity holders of the Company		1,272	(575)
		1,272	(575)
Earnings/(loss) per share			
Basic earnings/(loss) per share (Hong Kong cents)	5	0.20	(0.09)

NOTES:

1. BASIS OF PREPARATION

The Group's unaudited condensed consolidated first quarterly 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. There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments.

The unaudited condensed consolidated first quarterly 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 first quarterly 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 first quarterly 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 31 March	
	2012	2011
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Income from provision of financial services	5,162	1,565

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

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 for the period.

5. EARNINGS PER SHARE — BASIC AND DILUTED

The calculation of basic profit per share is based on profit attributable to equity holders of approximately HK\$1,272,000 (2011: loss of approximately HK\$575,000) and the weighted average of 640,000,000 shares in issue (2011: 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.

6. DIVIDEND

The Directors do not recommend the payment of any dividend for the three months ended 31 March 2012 (for the three months ended 31 March 2011: nil).

Management Discussion and Analysis

FINANCIAL REVIEW

The Group recorded a turnover of approximately HK\$5,162,000 for the three months ended 31 March 2012, representing an increase of 229.84% when compared to the corresponding period in the last fiscal year.

The profit attributable to equity holders of the Company for the three months ended 31 March 2012 was approximately HK\$1,272,000. The Group remained in a healthy and sound liquidity position as at 31 March 2012. The Group's gearing ratio, defined as the Group's total borrowings divided by shareholders' fund, was nil.

BUSINESS REVIEW

During the period under review, the Group is continuously engaged in provisional 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 turnaround its performance and recorded a profit of approximately HK\$1,272,000. The increase in profit attributable to the shareholders was mainly due to secure of several initial public offerings related projects.

OUTLOOK

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. The Group will also continue to seek for business opportunities in other financial related services so as to generate greater value for the shareholders. As one of the active one-stop corporate finance advisory firms in Hong Kong, the management of the Group is of the opinion that the Group's business is on the right track and would improve steadily in near future.

CONTINGENT LIABILITIES

As at 31 March 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

As at 31 March 2012, the interests and short positions of the Directors and chief executive of the Company in the shares ("Shares"), underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") which were notified to the Company and the Hong Kong Stock Exchange Limited 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 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, 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 31 March 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 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 31 March 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:

Interest in the Company

Name	Nature of interest	Number of ordinary 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 under the laws of the BVI with limited liability, is wholly and beneficially owned by Mr. Chung.

Save as disclosed above, as at 31 March 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

For the three months ended 31 March 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 has any existing share option scheme been adopted by the Company as at the date of this report.

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

During the three months ended 31 March 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

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.
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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 three months ended 31 March 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.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference on 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 three-month period ended 31 March 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, 7 May 2012

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