

LARGO VISTA GROUP LTD  
Form 10QSB  
August 13, 2007

**U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10QSB**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the period ended June 30, 2007**

**COMMISSION FILE NUMBER 000-30426**

**LARGO VISTA GROUP, LTD**  
(Name of Small Business Issuer in Its Charter)

**Nevada**  
(State of Incorporation)

**76-0434540**  
(IRS Employer Identification No.)

**4570 Campus Drive Newport Beach, CA 92660**  
(Address of Principal Executive Offices)

**(949) 252-2180**  
ISSUER'S TELEPHONE NUMBER

Indicate by checking the box below, whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act.

Yes [ ] No [ X ]

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [ X ] No [ ]

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 296,916,668 shares of Common Stock (\$.001 par value) as of August , 2007.

**LARGO VISTA GROUP, LTD.**

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**LARGO VISTA GROUP, LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

|                                                                                                                                                                                       | <b>(unaudited)</b><br><b>June 30, 2007</b> | <b>December 31, 2006</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------|
| <b>ASSETS</b>                                                                                                                                                                         |                                            |                          |
| Current assets:                                                                                                                                                                       |                                            |                          |
| Cash and cash equivalent                                                                                                                                                              | \$ 22,191                                  | \$ 53,992                |
| Accounts receivable, net                                                                                                                                                              | 130,509                                    | 187,965                  |
| Employee advances                                                                                                                                                                     | 30,062                                     | 10,734                   |
| Inventories, at cost (Note B)                                                                                                                                                         | 20,413                                     | 21,078                   |
| Prepaid expenses and other                                                                                                                                                            | 22,258                                     | 11,672                   |
| Total current assets                                                                                                                                                                  | 225,433                                    | 285,441                  |
| Property and equipment, at cost                                                                                                                                                       | 17,017                                     | 17,017                   |
| Less: accumulated depreciation                                                                                                                                                        | 16,634                                     | 15,703                   |
|                                                                                                                                                                                       | 383                                        | 1,314                    |
| Deposits                                                                                                                                                                              | 755                                        | 755                      |
| Total assets                                                                                                                                                                          | \$ 226,571                                 | \$ 287,510               |
| <b>LIABILITIES AND DEFICIENCY IN STOCKHOLDERS' EQUITY</b>                                                                                                                             |                                            |                          |
| Current Liabilities:                                                                                                                                                                  |                                            |                          |
| Accounts payable and accrued liabilities                                                                                                                                              | \$ 765,107                                 | \$ 606,927               |
| Notes payable to related parties                                                                                                                                                      | 482,773                                    | 529,473                  |
| Due to related parties                                                                                                                                                                | 205,103                                    | 197,617                  |
| Total Current Liabilities                                                                                                                                                             | 1,452,983                                  | 1,334,017                |
| Commitment and contingencies                                                                                                                                                          | -                                          | -                        |
| Deficiency in stockholders' equity:                                                                                                                                                   |                                            |                          |
| Preferred stock, \$0.001 par value;<br>25,000,000 shares authorized, none<br>issued and outstanding (Note C)                                                                          | -                                          | -                        |
| Common stock, \$0.001 par value;<br>400,000,000 shares authorized,<br>291,737,357 and 288,829,354 shares<br>issued and outstanding at June 30, 2007<br>and December 31, 2006 (Note C) | 291,737                                    | 288,829                  |
| Additional paid-in capital                                                                                                                                                            | 15,653,485                                 | 15,614,393               |
| Subscription payable                                                                                                                                                                  | -                                          | 30,000                   |
| Accumulated deficit                                                                                                                                                                   | (17,174,189)                               | (16,983,232)             |
| Accumulated other comprehensive<br>income:                                                                                                                                            |                                            |                          |
| Foreign currency translation adjustment                                                                                                                                               | 2,555                                      | 3,503                    |
| Total deficiency in stockholders' equity                                                                                                                                              | (1,226,412)                                | (1,046,507)              |
|                                                                                                                                                                                       | \$ 226,571                                 | \$ 287,510               |

Total liabilities and deficiency in  
stockholders' equity

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**LARGO VISTA GROUP, LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(unaudited)

|                                                                               | For the three months ended June 30, |             | For the six months ended June 30, |              |
|-------------------------------------------------------------------------------|-------------------------------------|-------------|-----------------------------------|--------------|
|                                                                               | 2007                                | 2006        | 2007                              | 2006         |
| Revenue                                                                       | \$ 100,197                          | \$ 103,779  | \$ 184,427                        | \$ 210,625   |
| Cost of sales                                                                 | 86,982                              | 95,751      | 156,437                           | 196,276      |
| Gross profit                                                                  | 13,215                              | 8,028       | 27,990                            | 14,349       |
| Operating expenses:                                                           |                                     |             |                                   |              |
| Selling general and administrative                                            | 64,172                              | 53,392      | 200,537                           | 128,052      |
| Depreciation                                                                  | 260                                 | 792         | 982                               | 1,575        |
|                                                                               | 64,432                              | 54,184      | 201,519                           | 129,627      |
| Loss from operations                                                          | (51,217)                            | (46,156)    | (173,529)                         | (115,278)    |
| Other income (expenses):                                                      |                                     |             |                                   |              |
| Interest (expense), net                                                       | (8,644)                             | (11,196)    | (17,428)                          | (19,944)     |
| Total other (expenses)                                                        | (8,644)                             | (11,196)    | (17,428)                          | (19,944)     |
| Loss from operations before income taxes                                      | (59,861)                            | (57,352)    | (190,957)                         | (135,222)    |
| Provision for income taxes                                                    | -                                   | -           | -                                 | -            |
| Net loss                                                                      | (59,861)                            | (57,352)    | (190,957)                         | (135,222)    |
| Other comprehensive income (loss): foreign currency translation income (loss) | 2,444                               | 1,320       | (948)                             | 611          |
| Comprehensive (loss)                                                          | \$ (57,417)                         | \$ (56,032) | \$ (191,905)                      | \$ (134,611) |
| Loss per common share (basic and assuming diluted)                            | \$ (0.00)                           | \$ (0.00)   | \$ (0.00)                         | \$ (0.00)    |
| Weighted average shares outstanding                                           | 291,697,797                         | 285,415,264 | 290,403,213                       | 281,546,825  |

**LARGO VISTA GROUP, LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(unaudited)

**For the six months ended June 30,**  
**2007** **2006**

**CASH FLOWS FROM OPERATING  
ACTIVITIES:**

|                                                                                             |    |              |    |                 |
|---------------------------------------------------------------------------------------------|----|--------------|----|-----------------|
| Net (loss) from operations                                                                  | \$ | (190,957)    | \$ | (135,222)       |
| Adjustments to reconcile net (loss) to net cash provided by (used in) operating activities: |    |              |    |                 |
| Depreciation                                                                                |    | 982          |    | 1,575           |
| Common stock issued in exchange for services rendered                                       |    | 6,000        |    | 9,000           |
| Changes in assets and liabilities:                                                          |    |              |    |                 |
| Accounts receivable                                                                         |    | 57,456       |    | (231)           |
| Inventories                                                                                 |    | 665          |    | (3,289)         |
| Employee advances                                                                           |    | (19,328)     |    | (19,176)        |
| Prepaid expenses and other                                                                  |    | (10,586)     |    | (25,466)        |
| Accounts payable and other liabilities                                                      |    | 164,180      |    | (2,329)         |
| Customer Deposits                                                                           |    | -            |    | 78,261          |
| <b>NET CASH PROVIDED BY (USED IN)<br/> OPERATING ACTIVITIES</b>                             |    | <b>8,412</b> |    | <b>(96,877)</b> |

**NET CASH PROVIDED BY (USED IN)  
INVESTING ACTIVITIES:**

|                                                    |  |          |  |              |
|----------------------------------------------------|--|----------|--|--------------|
| Purchase of property and equipment                 |  | -        |  | (399)        |
| <b>NET CASH USED IN INVESTING<br/> ACTIVITIES:</b> |  | <b>-</b> |  | <b>(399)</b> |

**CASH FLOWS FROM FINANCING  
ACTIVITIES:**

|                                                                            |  |                 |  |               |
|----------------------------------------------------------------------------|--|-----------------|--|---------------|
| Sale of commons stock and common stock subscription                        |  | -               |  | 122,440       |
| Capital contributions from related parties (Note C)                        |  | -               |  | -             |
| Payments for related parties advances and notes payable to related parties |  | (40,412)        |  | (65,245)      |
| <b>NET CASH (USED IN)PROVIDED BY<br/> FINANCING ACTIVITIES</b>             |  | <b>(40,412)</b> |  | <b>57,195</b> |
| Effect of exchange rates on cash                                           |  | 199             |  | 32            |

**NET DECREASE IN CASH AND CASH  
EQUIVALENTS**

|                                                          |    |          |    |          |
|----------------------------------------------------------|----|----------|----|----------|
|                                                          |    | (31,801) |    | (40,049) |
| Cash and cash equivalents at the beginning of the period |    | 53,992   |    | 75,642   |
| Cash and cash equivalents at the end of the period       | \$ | 22,191   | \$ | 35,593   |

Supplemental Disclosures of Cash Flow  
Information

|                                                                           |    |        |    |        |
|---------------------------------------------------------------------------|----|--------|----|--------|
| Cash paid during the period for interest                                  | \$ | -      | \$ | -      |
| Income taxes paid                                                         |    | -      |    | -      |
| Common stock issued in exchange for debt and expenses paid by shareholder |    |        |    | -      |
| Common stock issued for service rendered                                  |    | 6,000  |    | 9,000  |
| Common stock issued in exchange for due to related parties                |    | -      |    | 4,084  |
| Common stock issued in exchange for common stock subscription             |    | 30,000 |    | 25,000 |
| Common stock issued in exchange for accrued services fees                 |    | 6,000  |    | 78,000 |

**LARGO VISTA GROUP, LTD.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
**JUNE 30, 2007**  
**(UNAUDITED)**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

General

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Accordingly, the results from operations for the three and six month period ended June 30, 2007 are not necessarily indicative of the results that may be expected for the year ended December 31, 2007. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated December 31, 2006 financial statements and footnotes thereto included in the Company's SEC Form 10-KSB.

Business and Basis of Presentation

Largo Vista Group, Ltd. (the "Company") was incorporated under the laws of the State of Nevada. The Company is principally engaged in the distribution of liquid petroleum gas (LPG) in the retail and wholesale markets in South China and in the purchase of petroleum products for delivery to the Far East.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Largo Vista, Inc., Largo Vista Construction, Inc., and Largo Vista International Corp. Largo Vista, Inc. is formed under the laws of the State of California and is inactive. Largo Vista Construction, Inc. is formed under the laws of the State of Nevada and is inactive. Largo Vista International Corp. is formed under the laws of Panama and is inactive. The Company also has a controlling financial interest in Zunyi Jiahong Gas Co., Ltd. ("Jiahong") through a DBA (Doing Business As) agreement that results in consolidation (see Note H). Jiahong is registered under the Chinese laws in the Peoples Republic of China.

All significant intercompany balances and transactions have been eliminated in consolidation. All amounts in these consolidated financial statements and notes thereto are stated in United States dollars unless otherwise indicated.

Stock Based Compensation

Prior to the January 1, 2006 adoption of the Financial Accounting Standards Board ("FASB") Statement No. 123(R), "Share-Based Payment" ("SFAS 123R"), the Company accounted for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Accordingly, because the stock option grant price equaled the market price on the date of grant, and any purchase discounts under the Company's stock purchase plans were within statutory limits, no compensation expense was recognized by the Company for stock-based compensation. As permitted by SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), stock-based compensation was included as a pro forma disclosure in the notes to the consolidated financial statements.



Effective January 1, 2006, the beginning of the Company's first fiscal quarter of 2006, the Company adopted the fair value recognition provisions of SFAS 123R, using the modified-prospective transition method. Under this transition method, stock-based compensation expense was recognized in the consolidated financial statements for granted, modified, or settled stock options. Compensation expense recognized included the estimated expense for stock options granted on and subsequent to January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS 123R, and the estimated expense for the portion vesting in the period for options granted prior to, but not vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of SFAS 123. Results for prior periods have not been restated, as provided for under the modified-prospective method.

SFAS 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. In the Company's pro forma information required under SFAS 123 for the periods prior to fiscal 2006, the Company accounted for forfeitures as they occurred.

**LARGO VISTA GROUP, LTD.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
**JUNE 30, 2007**  
**(UNAUDITED)**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES (Continued)**

Stock Based Compensation (Continued)

Upon adoption of SFAS 123(R), the Company is using the Black-Scholes option-pricing model as its method of valuation for share-based awards granted beginning in fiscal 2006, which was also previously used for the Company's pro forma information required under SFAS 123. The Company's determination of fair value of share-based payment awards on the date of grant using an option-pricing model is affected by the Company's stock price as well as assumptions regarding a number of highly complex and subjective variables. These variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, and certain other market variables such as the risk free interest rate.

The Company had no employee stock options issued and outstanding at June 30, 2007. All prior awards of stock options were vested at the time of issuance in prior years.

Revenue Recognition

For revenue from product sales, the Company recognizes revenue in accordance with Staff Accounting Bulletin No. 104, REVENUE RECOGNITION ("SAB104"), which superseded Staff Accounting Bulletin No. 101, REVENUE RECOGNITION IN FINANCIAL STATEMENTS ("SAB101"). SAB 101 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectibility is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectibility of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue for which the product has not been delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

SAB 104 incorporates Emerging Issues Task Force 00-21 ("EITF 00-21"), MULTIPLE-DELIVERABLE REVENUE ARRANGEMENTS. EITF 00-21 addresses accounting for arrangements that may involve the delivery or performance of multiple products, services and/or rights to use assets. The effect of implementing EITF 00-21 on the Company's consolidated financial position and results of operations was not significant.

The Company generally recognizes revenue upon delivery of LPG to the customer. Revenue associated with shipments of petroleum products is recognized when title passes to the customer. There are no significant credit transactions.

In February 2002, the Company entered into an agreement ("Agreement") with Zunyi Municipal Government ("Government") to design and install LPG pipeline systems in residential areas in the city of Zunyi, China on behalf of Government. In exchange for installing the pipeline, the Agreement provides for the Company to be the sole LPG supplier for those households. Pursuant to the Agreement, Government had paid to the Company 50% of the total contracted installation fees, and the Company has to collect the remaining 50% of contract price directly from the customers. The Company substantially completed the installation of the LPG pipeline as of December 31, 2002 and recognized revenues in the amount of fees collected from Government. The Company's management has determined that the collectibility and length of time to collect the amount due from customers can not be reasonably assured.

Accordingly, revenues are recognized as collected in connection with the portion of the contracted price to be collected from customers.

In May 2003, the Company entered into its Second Agreement (“Second Agreement”) with Government to design and install more LPG pipeline systems in residential areas in the city of Zunyi, China on behalf of Government. In exchange for installing the pipeline, the Second Agreement provides for the Company to be the sole LPG supplier for those households. Pursuant to the Second Agreement, Government is obligated to pay to the Company 50% of the total contracted installation price, and the Company has to collect the remaining 50% of contracted price directly from the customers. During the year ended December 31, 2003, the Company did not receive any payments from Government and thus delayed the installation of pipelines. During the year ended December 31, 2004, the Company received 50% of the total contracted price from Government and substantially completed the installation project. The Company recognized revenues in the amount of fees collected from Government during the year ended December 31, 2004. The Company management has determined that the collectibility and length of time to collect the remaining contracted price due from customers can not be reasonably assured. Accordingly, revenues will be recognized as collected in connection with the portion of contracted price to be collected from customers.

**LARGO VISTA GROUP, LTD.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
**JUNE 30, 2007**  
**(UNAUDITED)**

**NOTE A - SUMMARY OF ACCOUNTING POLICIES (Continued)**Reclassifications

Certain reclassifications have been made in prior year's financial statements to conform to classifications used in the current year.

New Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." SFAS 159 permits entities to choose to measure many financial instruments, and certain other items, at fair value. SFAS 159 applies to reporting periods beginning after November 15, 2007. The adoption of SFAS 159 is not expected to have a material impact on the Company's financial condition or results of operations.

**NOTE B - INVENTORIES**

Inventories are stated at the lower of cost or market determined by the first-in, first-out (FIFO) method. Inventories consist primarily of liquid petroleum gas available for sale to contract clients and the public. Components of inventories as of June 30, 2007 and December 31, 2006 are as follows:

|                      | <b>June 30,<br/>2007</b> | <b>December 31,<br/>2006</b> |
|----------------------|--------------------------|------------------------------|
| Liquid petroleum gas | \$ 8,590                 | \$ 9,545                     |
| Packaging bottles    | 10,776                   | 10,511                       |
| Supplies             | 1,047                    | 1,022                        |
| Total                | \$ 20,413                | \$ 21,078                    |

**NOTE C - CAPITAL STOCK**

The Company has authorized 25,000,000 shares of Series A Preferred Stock, with a par value of \$.001 per share. As of June 30, 2007 and December 31, 2006, the Company has no Series A Preferred Stock issued and outstanding. The company has authorized 400,000,000 shares of common stock, with a par value of \$.001 per share. As of June 30, 2007 and December 31, 2006, the Company has 291,737,357 and 288,829,354 shares of common stock issued and outstanding, respectively.

During the six months ended June 30, 2007, the Company issued an aggregate of 2,400,000 shares of its common stock for \$30,000 of common stock subscribed during the year ended December 31, 2006. The Company issued an aggregate of 508,003 shares of its common stock to a consultant in exchange for service fees of \$6,000 and accrued services fees of \$6,000. All valuations of common stock issued for services were based upon the value of the services rendered, which did not differ materially from the fair value of the Company's common stock during the period the services were rendered.

**NOTE D - AGREEMENT TO SELL STOCK TO SHANGHAI OFFSHORE OIL GROUP**

On March 18, 2005, the Company signed an Agreement and Assignment of Certain Contractual Rights and Benefits (the "Agreement"), with Shanghai Offshore Oil Group (HK) Co., Ltd. ("Shanghai Oil"). Under the Agreement, Shanghai Oil assigned to the Company all of its rights to receive payments under a prior contract with Asiacorp Investment Holding Ltd. ("Asiacorp"), under which Shanghai Oil would purchase from Asiacorp fuel oil produced in Russia and deliver it to entities in The People's Republic of China at a rate of thirty thousand (30,000) metric tons per month for three (3) months and continue for the following thirty-three (33) months at a rate of two hundred thousand (200,000) metric tons per month, for a total of six million, six hundred ninety thousand (6,690,000) metric tons (the "Asiacorp Contract"). The Agreement states that deliveries under the Asiacorp Contract were to begin no later than May 18, 2005.

**LARGO VISTA GROUP, LTD.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
**JUNE 30, 2007**  
**(UNAUDITED)**

**NOTE D - AGREEMENT TO SELL STOCK TO SHANGHAI OFFSHORE OIL GROUP (continued)**

The Agreement provides that the Company will receive all of the profit realized by Shanghai Oil from the sale of fuel oil it acquires under the Asiacorp Contract, after the deduction of costs associated with the purchase, transportation and sale of the fuel oil, with a minimum payment of two dollars (\$2.00) per metric ton. In exchange for the assignment of the Asiacorp contract and subject to the receipt of payment(s) from Shanghai Oil, the Company agreed to issue to Shanghai Oil one hundred million (100,000,000) shares of the Company's common stock, deliverable in three equal increments over the term of the Agreement, which amounts may be reduced based upon the amount, if any, of Shanghai Oil's actual payments from its sale of the fuel oil. However, the Company has not received any payments from Shanghai Oil under the Agreement, and cannot give absolute assurances that any fuel oil will be delivered under the Asiacorp Contract.

Payments received by The Company based upon Shanghai Oil's sale of the fuel oil, if any, will be accounted for as a capital transaction as The Company's transaction with Shanghai Oil represents, in substance, a stock subscription under which the Company would receive approximately \$0.13 per share if the total projected amount of fuel oil is sold and the minimum guaranteed profit margin is paid to the Company.

During June of 2005, Shanghai Oil notified the Company that it had not received any fuel oil under the Asiacorp Contract. As the Company had not received any payments from Shanghai Oil, it did not release any of its shares of common stock to Shanghai Oil. On or about July 1, 2005, The Company sent Shanghai Oil a written "Demand to Cure Delayed-Performance" giving Shanghai Oil until July 18, 2005, later extended to August 31, 2005, to make its first payment to the Company under the Agreement. Although Shanghai Oil has indicated to the Company that it intends to deliver payment pursuant to the Agreement, either through performance under the Asiacorp Contract or through another contract in its place, investors should understand that delivery is far from certain. As of June 30, 2007, the Company has not received any payments from Shanghai Oil nor has it released any of the shares deliverable to Shanghai Oil.

Resolution with Shanghai Oil remains highly uncertain, and the Company does not foresee any economic benefit materializing from the Agreement. While the Company has reserved its rights to pursue all available remedies it may have against Shanghai Oil, pursuing these remedies may be prohibitively expensive. On December 22, 2005, the Company's board of directors unanimously adopted a resolution to cancel the 97,364,597 shares that the Company agreed to issue to Shanghai Oil under the Agreement; none of these shares were released to Shanghai Oil prior the cancellation of shares on December 22, 2005.

**NOTE E - NOTES PAYABLE TO RELATED PARTIES**

Notes payable to related parties at June 30, 2007 and December 31, 2006 consists of the following:

|                                                                                                                   | <b>June 30,<br/>2007</b> | <b>December 31,<br/>2006</b> |
|-------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|
| Notes payable on demand to Company's Chairman; interest payable monthly at 7% per annum; unsecured                | \$ 416,628               | \$ 463,328                   |
| Notes payable on demand to Company's Chief Financial Officer; interest payable monthly at 7% per annum; unsecured | 9,400                    | 9,400                        |

|                                                                                                       |           |           |
|-------------------------------------------------------------------------------------------------------|-----------|-----------|
| Notes payable on demand to Company shareholders; interest payable monthly at 10% per annum; unsecured | 10,000    | 10,000    |
| Notes payable on demand to Company shareholders; interest payable monthly at 7% per annum; unsecured  | 46,745    | 46,745    |
| Total:                                                                                                | 482,773   | 529,473   |
| Less:                                                                                                 |           |           |
| Current portion                                                                                       | (482,773) | (529,473) |
| Long term portion                                                                                     | \$ - 0 -  | \$ - 0 -  |

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**LARGO VISTA GROUP, LTD.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
**JUNE 30, 2007**  
**(UNAUDITED)**

**NOTE F - RELATED PARTY TRANSACTIONS**

In addition to notes payable to related parties described in Note E, a consultant (shareholder and former employee) of the Company has advanced funds to the Company as working capital of its Vietnam representative office. No formal repayment terms or arrangements exist. The net amount of advances due the consultant at June 30, 2007 and December 31, 2006 was \$29,081.

The Company's Chief Financial Officer has advanced funds to the Company for working capital purpose. No formal repayment terms or arrangements exist. The net amount of advances due the Chief Financial Officer at June 30, 2007 and December 31, 2006 was \$2,631 and \$1,875, respectively.

The Company's Chairman has advanced funds to the Company for working capital purposes. No formal repayment terms or arrangements exist. The net amount of advances due the Company's Chairman at June 30, 2007 and December 31, 2006 was \$173,391 and \$166,661, respectively.

**NOTE G - LITIGATION**

In August 2005, the staff of the Los Angeles office of the Securities and Exchange Commission advised the Company that it had initiated a formal, non-public inquiry. The Company and its officers have received document subpoenas seeking documents related to the previously announced contract between the Company and Shanghai Oil (Note D) and trading in the securities of the Company, among other things.

While the Company is confident in its practices, there is a risk that an enforcement proceeding will be recommended by the staff of the Commission as a result of this formal investigation. An enforcement proceeding could include allegations by the SEC that the Company and/or its officers violated, among others, the anti-fraud and books and records provisions of federal securities laws, and the rules hereunder. It cannot be predicted with certainty what the nature of such enforcement proceeding would be, the type of sanctions that might be sought, or what the likelihood would be of reaching settlement. The Company has been and expects to continue to cooperate with the ongoing SEC investigation.

On March 20, 2007, Largo Vista Group, Ltd. (the "Company"), received a Wells Notice letter from the staff of the U.S. Securities and Exchange Commission (the "SEC" or "Commission") flowing from a formal investigation conducted by the SEC. The Company disclosed on August 22, 2005 that the SEC commenced a non-public, formal investigation against the Company.

The Wells Notice to the Company indicates that the staff is considering recommending that the Commission bring a civil injunctive action against the Company for alleged violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 13(a) of the Securities and Exchange Act of 1934 and Rules 10b-5, 12b-20, 13a-1, 13a-11, 13a-13, 13a-14 and 13b2-2 thereunder.

The Wells Notice also indicates that the Commission may seek injunction, civil penalty and disgorgement (including prejudgment interest) against the Company.

The Company has been informed that Shan Deng, a Director, President and Chief Executive Officer of the Company and Albert Figueroa, a Director and Secretary of the Company, have also received Wells Notice letters from the SEC



indicating that the staff is considering recommending that the Commission bring a civil injunctive action against both of them for alleged violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b) of the Securities and Exchange Act of 1934 and Rules 10b-5 thereunder and aiding and abetting violations of Section 13(a) and Rules 12b-20, 13a-1, 13a-11, 13a-13, 13a-14 and 13b2-2 thereunder. Mr. Deng's Wells Notice indicates that the Commission may seek a permanent injunction, disgorgement (with prejudgment interest) a civil penalty and an officer and director bar against Mr. Deng. Mr. Figueroa's Wells Notice indicates that the Commission may seek a permanent injunction, a civil penalty and an officer and director bar against Mr. Figueroa.

Under the SEC procedures, a Wells Notice from the SEC affords recipients an opportunity to present information and defenses in response to the SEC's Division of Enforcement staff prior to the staff making its formal recommendation to the Commission on whether any action should be authorized. There can be no assurance that the SEC will not bring a civil enforcement action against the Company or its officers.

**LARGO VISTA GROUP, LTD.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL INFORMATION**  
**JUNE 30, 2007**  
**(UNAUDITED)**

**NOTE G – LITIGATION (continued)**

The Company continues to cooperate fully with the SEC investigation relating to this matter. The Company is unable to predict the extent of its ultimate liability with respect to any and all future securities matters. The costs and other effects of any future litigation, government investigations, legal and administrative cases and proceedings, settlements, judgments and investigations, claims and changes in this matter could have a material adverse effect on the Company's financial condition and operating results.

The Company is subject to other legal proceedings and claims, which arise in the ordinary course of its business. Although occasional adverse decisions or settlements may occur, the Company believes that the final disposition of such matters will not have a material adverse effect on its financial position, results of operations, or liquidity.

**NOTE H - DBA AGREEMENT**

The Company has a controlling financial interest in Zunyi Jiahong Gas Co., Ltd. ("Jiahong") through a DBA (Doing Business As) agreement that results in consolidation. The original agreement was entered into in August 2002 and in March 2007, the Company and Jiahong extended the DBA agreement through August 2017. The agreement is not terminable by Jiahong and the Company has exclusive authority of all decision-making of ongoing operations of Jiahong. The Company agreed to pay Jiahong annual fees, at the option of the Company, in the amount of RMB 50,000 (approximately US\$6,300), or 20% of the distributable net profit generated from Jiahong operations. As of June 30, 2007 and December 31, 2006, no fees were due Jiahong in connection with the DBA agreement.

**NOTE I - GOING CONCERN MATTERS**

The accompanying unaudited condensed consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the unaudited condensed consolidated financial statements, during the six months ended June 30, 2007 and 2006, the Company incurred net losses of \$190,957 and \$135,222, respectively. The Company had accumulated deficit of \$17,174,189 as of June 30, 2007. The Company's current liabilities exceeded its current assets by \$1,227,550 as of June 30, 2007. These factors among others may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

The Company's existence is dependent upon management's ability to develop profitable operations and resolve its liquidity problems. Management anticipates the Company will attain profitable status and improve its liquidity through the continued developing, marketing and selling of its products and additional equity investment in the Company. The accompanying unaudited condensed consolidated financial statements do not include any adjustments that might result should the Company be unable to continue as a going concern.

In order to improve the Company's liquidity, the Company is actively pursuing additional equity financing through discussions with investment bankers and private investors. There can be no assurance the Company will be successful in its effort to secure additional equity financing.

If operations and cash flows continue to improve through these efforts, management believes that the Company can continue to operate. However, no assurance can be given that management's actions will result in profitable operations or the resolution of its liquidity problems.



## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

The following discussion should be read in conjunction with the Company's Unaudited Condensed Consolidated Financial Statements and Notes thereto, included elsewhere within this Report.

Management's discussion and analysis of results of operations and financial condition are based on our financial statements. These statements have been prepared in accordance with accounting principles generally accepted in the United States of America. These principles require management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates based on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. References to "we", "our", "us" or the "Company" are to Largo Vista Group, Ltd. and its subsidiaries.

### **DESCRIPTION OF THE COMPANY**

Largo Vista Group, Ltd. ("Largo Vista" or the "Company") was formed under the laws of the State of Nevada on January 16, 1987 under the name, "The George Group". On January 9, 1989, The George Group acquired Waste Service Technologies, Inc. ("WST"), an Oregon corporation, and filed a name change in Nevada and changed its name to WST, listed its stock, and began trading on OTC bulletin Board.

On April 15, 1994, WST acquired Largo Vista, Inc., a California corporation, and filed a name change in Nevada to change WST's name to Largo Vista Group, Ltd., OTC bulletin Board symbol "LGOV". Largo Vista originally planned to develop housing in China, but after shipping two factory built homes to China, never fully implemented plans due to unanticipated financing, environmental and regulatory complications.

Unless the context otherwise requires, all references to the Company include its wholly-owned subsidiaries, Largo Vista, Inc., an inactive California corporation, Largo Vista Construction, Inc., an inactive Nevada corporation, and Largo Vista International, Corp., an inactive Panama corporation. Largo Vista also has operations through Doing Business As ("DBA") agreement first with Zunyi Shilin Xinmao Petrochemical Industries Co. Ltd, ("Zunyi") and later with Jiahong Gas Co., Ltd. ("Jiahong"), both registered under the Chinese laws in the Peoples Republic of China, Guizhou Province.

Through DBA agreements with Jiahong, Largo Vista is engaged in the business of purchasing and reselling liquid petroleum gas ("LPG") in the retail and wholesale markets to both residential and commercial consumers. Largo Vista operated a storage depot and has an office headquarters in the City of Zunyi. Largo Vista has found the storage depot operations to be unprofitable; and therefore has terminated those operations in order to concentrate its resources on supplying LPG in bottles and through pipelines.

In February 2002, Largo Vista's China operations entered into an agreement with the Zunyi Municipal Government to design and install LPG pipeline systems in residential areas in the city of Zunyi. In exchange for installing the pipeline, the agreement provides for the Largo Vista to be the sole LPG supplier for those households for 40 years. Largo Vista substantially completed the installation of the LPG pipeline in 2002 and continues to operate the pipeline.

In May 2003, Largo Vista's China operations entered into its second agreement with Zunyi Municipal Government to design and install more LPG pipeline systems in residential areas in the city of Zunyi, China. The pipeline project was substantially completed in December of 2004. These two pipelines currently serve approximately 733 customers. When natural gas becomes available to the area, these pipelines will be in place to deliver that commodity to the same

customers.

In addition, Largo Vista has contracted with a private developer to construct four additional pipelines in the same area. Pipeline Number 3 will serve 42 condominiums and was completed July, 2005. Pipeline Number 4 will serve 60 condominiums. Construction schedules are still pending. Pipeline Number 5 will serve 1,067 condominiums and the original plan was to build 16 buildings, housing 1,067 residences. 15 buildings containing 994 residences were completed during fiscal year 2006. The developer is awaiting government approval to proceed with the 16<sup>th</sup> building of 73 residences. Pipeline Number 6 will serve 5,000 condominiums but the developer is slow in civil engineering. Pipeline Number 7 completed during fiscal year 2006 will serve 74 condominiums. Pipeline Number 8 will serve 242 condominiums. Pipeline Number 9 will serve 150 condominiums. Pipeline Number 10 will serve 1,000 condominiums. All of these pipelines will be operated by Largo Vista under long term supply contracts.

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The contracts that Largo Vista Group, Ltd. (the “Company”) has with the Zunyi Municipal Government granted to the Company the exclusive right to supply liquid petroleum gas (LPG) to project buildings through pipeline systems. These project buildings are similar to large apartment or condominium complexes in the United States. The Company contracts with independent third parties for all of the design and construction of the pipelines. Generally, a central supply station will be built close to the buildings to be served. LPG will be stored in this facility and gasified before entering the pipeline system. The Company operates these central supply stations and manages the relationships with the individual customers in the buildings.

The Zunyi Municipal Government (“Zunyi”) agreed in its contracts with the Company to reimburse the Company for the costs of constructing the LPG pipelines, fifty percent (50%) after the signing of each contract and the remaining fifty percent (50%) upon completion of each pipeline project. Zunyi did pay the Company the first fifty percent (50%); but failed to pay the Company the remaining fifty percent (50%) upon completion of the first two (2) pipeline projects. Zunyi took the position that the Company should collect the balance from the customers as they subscribe for LPG delivery. The Company has been collecting that amount as a connection or subscription fee and accounting for that revenue as it is received.

For pipeline agreements with private developers and all other LPG sales, the Company collects payments from developers and customers pursuant to sales agreements, and recognizes revenues when services was provided or products are delivered, as the collectibility can be reasonably assured.

Largo Vista still seeks for the opportunities to supply petroleum products into Vietnam.

In addition, Largo Vista had two representative offices in the Far East area, one in Wuhan, China and another in Ho Chi Minh City, Vietnam, to supervise LPG and gas oil trading operations in China and Vietnam respectively. Largo Vista closed its rep office in Vietnam at the end of December 2005.

### **Agreement To Sell Stock To Shanghai Offshore Oil Group**

On March 18, 2005, Largo Vista signed an Agreement and Assignment of Certain Contractual Rights and Benefits (the “Agreement”), with Shanghai Offshore Oil Group (HK) Co., Ltd. (“Shanghai Oil”). Under the Agreement, Shanghai Oil assigned to Largo Vista all of its rights to receive payments under a prior contract with Asiacorp Investment Holding Ltd. (“Asiacorp”), under which Shanghai Oil would purchase from Asiacorp fuel oil produced in Russia and deliver it to entities in The People’s Republic of China at a rate of thirty thousand (30,000) metric tons per month for three (3) months and continue for the following thirty-three (33) months at a rate of two hundred thousand (200,000) metric tons per month, for a total of six million, six hundred ninety thousand metric tons (the “Asiacorp Contract”). The Agreement states that deliveries under the Asiacorp Contract were to begin no later than May 18, 2005.

The Agreement provides that Largo Vista will receive all of the profit realized by Shanghai Oil from the sale of fuel oil it acquires under the Asiacorp Contract, after the deduction of costs associated with the purchase, transportation and sale of the fuel oil, with a minimum payment of two dollars (\$2.00) per metric ton. In exchange for the receipt of payment from Shanghai Oil, Largo Vista agreed to issue to Shanghai Oil one hundred million (100,000,000) shares of Largo Vista’s common stock, deliverable in three equal increments over the term of the Agreement, which amounts may be reduced based upon the amount, if any, of Shanghai Oil’s actual payments from its sale of the fuel oil. However, Largo Vista has not received any payments from Shanghai Oil under the Agreement, and cannot give absolute assurances that any fuel oil will be delivered under the Asiacorp Contract.

Payments received by Largo Vista based upon Shanghai Oil’s sale of the fuel oil, if any, will be accounted for as a capital transaction as Largo Vista’s transaction with Shanghai Oil represents, in substance, a stock subscription under which Largo Vista would receive approximately \$0.13 per share if the total projected amount of fuel oil is sold and the minimum guaranteed profit margin is paid to Largo Vista.



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During June of 2005, Shanghai Oil notified Largo Vista that it had not received any fuel oil under the Asiacorp Contract. As Largo Vista had not received any payments from Shanghai Oil, it did not release any of its shares of common stock to Shanghai Oil. On approximately July 1, 2005, Largo Vista sent Shanghai Oil a written "Demand to Cure Delayed-Performance" giving Shanghai Oil until July 18, 2005, later extended to August 31, 2005, to make its first payment to Largo Vista under the Agreement. Although Shanghai Oil has indicated to Largo Vista that it intends to deliver payment pursuant to the Agreement, either through performance under the Asiacorp Contract or through another contract in its place, investors should understand that delivery is far from certain. As of the date of filing of this Amendment, Largo Vista has not received any payments from Shanghai Oil nor has it released any of the shares deliverable to Shanghai Oil.

Resolution with Shanghai Oil remains highly uncertain, and Largo Vista does not foresee any economic benefit materializing from the Agreement. While Largo Vista has reserved its rights to pursue all available remedies it may have against Shanghai Oil, actually pursuing these remedies may be prohibitively expensive. On December 22, 2005, Largo Vista's board of directors unanimously adopted a resolution to cancel the 97,364,597 shares that were issued Shanghai Oil under the Agreement and to return those shares to Largo Vista's reserve of authorized but unissued shares of capital stock.

**FORWARD LOOKING STATEMENTS**

This Form 10-QSB contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements included Herein that address activities, events or developments that the Corporation expects, believes, estimates, plans, intends, projects or anticipates will or may occur in the future, are forward-looking statements. Actual events may differ materially from those anticipated in the forward-looking statements. Important risks that may cause such a difference include: general domestic and international economic business conditions, increased competition in the Company's markets and products. Other factors may include, availability and terms of capital, and/or increases in operating and supply costs. Market acceptance of existing and new products, rapid technological changes, availability of qualified personnel also could be factors. Changes in the Company's business strategies and development plans and changes in government regulation could adversely affect the Company. Although the Company believes that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate. There can be no assurance that the forward-looking statements included in this filing will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company that the objectives and expectations of the Company would be achieved.

**RESULTS OF OPERATIONS**

**REVENUE**

During the quarter ended June 30, 2007 the Company realized \$100,197 of revenue compared to \$103,779 for the same period in the prior year, a 3.45% decrease. During the six months ended June 30, 2007 revenues from operations were \$184,427 as compared with \$210,625 for the same period last year. The decrease of 12.44% in revenue in the quarter ended June 30, 2007 compared with the same period last year

The decrease of revenue in the 2<sup>nd</sup> quarter is due to a decrease of bottled customers and is partially offset by an increase of pipeline operations. The decrease in the six-month period ended June 30, 2007 of 12.44% compared with the six month ended June 30, 2006 is primarily attributable to less revenue created by the pipeline project than the same period of the year 2006.

**COSTS AND EXPENSES**



The Company incurred costs of sales of \$86,982 in connection with the LPG revenues during three months ended June 30, 2007, compared to \$95,751 for the three months ended June 30, 2006; a decrease of \$8,769 or 9.16%. Cost of sales for the six month period ended June 30, 2007 is \$156,437; a decrease of \$39,839 or 20.30% as compared with the same period last year \$196,276.

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The decrease in cost of sales during the quarter ended June 30, 2007 is the result of a decrease in related sales of LPG in this quarter. The six-month decrease in cost of sales of \$39,839 from June 30, 2007 as compared with the same last year is primarily attributable to the decrease in related revenues.

During the quarter ended June 30, 2007 the Company incurred \$64,432 of total operating expenses compared to \$54,184 for the same period in the prior year; a \$10,248 or 18.91% increase. For the six-month period ended June 30, 2007 operating expenses is \$201,519 compared with \$129,627 for the same period last year; an increase of \$71,892 or 55.46%. The main reasons for the increase of operating expenses during the six-months of 2007 are the increase in professional, consulting and other related administrative services.

**LIQUIDITY AND CAPITAL RESOURCES**

As of June 30, 2007, we had a deficiency in working capital of \$1,227,550. Our cash flow from operations was \$8,412 during the six months ended June 30, 2007. This was a result of our net loss, adjusted principally for \$982 of depreciation, \$6,000 of common stock issued in exchange for services rendered, \$28,207 of decrease in assets, and \$164,180 of increase in accrued and other liabilities. We repaid \$40,412 of related party advances and loans. Our net cash decreased from \$53,992 at December 31, 2006 to \$22,191 at June 30, 2007, for a net decrease of \$31,801.

In the past we have raised capital to meet our working capital requirements. Additional financing may be required if the contract agreement stated previously does not materialize.

The effect of inflation on the Company's revenue and operating results was not significant. The Company's operations are located in Mainland China and there are no seasonal aspects that would have a material effect on the Company's financial condition or results of operations.

The Company's independent certified public accountant has stated in his report included in the Company's December 31, 2006 Form 10-KSB, that the Company has incurred operating losses in the last two years, and that the Company is dependent upon management's ability to develop profitable operations.

**Inflation**

We do not believe that inflation has had a material effect on our business, financial condition or results of operations. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could adversely affect our business, financial condition and results of operations.

**Off-Balance Sheet Arrangements**

We have not had, and at June 30, 2007 do not have, any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

## **CAUTIONARY FACTORS THAT MAY AFFECT FUTURE RESULTS**

Our annual report on Form 10-KSB for the year ended December 31, 2006 includes a detailed list of cautionary factors that may affect future results. Management believes that there have been material changes to the factors so listed, and as such should reflect positively on future results. That annual report can be accessed in the EDGAR section of the SEC website.

## **ITEM 3. CONTROLS AND PROCEDURES**

As of June 30, 2007, our management carried out an evaluation, under the supervision of our Chief Executive Officer and Chief Financial Officer of the effectiveness of the design and operation of our system of disclosure controls and procedures pursuant to the Securities and Exchange Act, Rule 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure.

## **PART II OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

See Item 5.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

During the quarter ended June 30, 2007, the Company issued an aggregate of 300,000 shares of its common stock in exchange for services fees of \$6,000. These transactions were exempt from registration pursuant to Section 4(2) of the Securities Act of 1933.

**ITEM 5. OTHER INFORMATION**

In August 2005, the staff of the Los Angeles office of the Securities and Exchange Commission advised Largo Vista that it had initiated a formal, non-public inquiry. Largo Vista and its officers have received document subpoenas seeking documents related to the previously announced contract between Largo Vista and Shanghai Oil and trading in the securities of Largo Vista, among other things.

While the Company is confident in its practices, there is a risk that an enforcement proceeding will be recommended by the staff of the Commission as a result of this formal investigation. An enforcement proceeding could include allegations by the SEC that the Company and/or its officers violated, among others, the anti-fraud and books and records provisions of federal securities laws, and the rules thereunder. It cannot be predicted with certainty what the nature of such enforcement proceeding would be, the type of sanctions that might be sought, or what the likelihood would be of reaching settlement. The Company has been and expects to continue to cooperate with the ongoing SEC investigation.

On March 20, 2007, Largo Vista Group, Ltd. (the "Company"), received a Wells Notice letter from the staff of the U.S. Securities and Exchange Commission (the "SEC" or "Commission") flowing from a formal investigation conducted by the SEC. The Company disclosed on August 22, 2005 that the SEC commenced a non-public, formal investigation against the Company.

The Wells Notice to the Company indicates that the staff is considering recommending that the Commission bring a civil injunctive action against the Company for alleged violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b) and 13(a) of the Securities and Exchange Act of 1934 and Rules 10b-5, 12b-20, 13a-1, 13a-11, 13a-13, 13a-14 and 13b2-2 thereunder.

The Wells Notice also indicates that the Commission may seek injunction, civil penalty and disgorgement (including prejudgment interest) against the Company.

The Company has been informed that Shan Deng, a Director, President and Chief Executive Officer of the Company and Albert Figueroa, a Director and Secretary of the Company, have also received Wells Notice letters from the SEC indicating that the staff is considering recommending that the Commission bring a civil injunctive action against both of them for alleged violations of Section 17(a) of the Securities Act of 1933 and Sections 10(b) of the Securities and Exchange Act of 1934 and Rules 10b-5 thereunder and aiding and abetting violations of Section 13(a) and Rules 12b-20, 13a-1, 13a-11, 13a-13, 13a-14 and 13b2-2 thereunder. Mr. Deng's Wells Notice indicates that the Commission may seek a permanent injunction, disgorgement (with prejudgment interest) a civil penalty and an officer and director bar against Mr. Deng. Mr. Figueroa's Wells Notice indicates that the Commission may seek a permanent injunction, a civil penalty and an officer and director bar against Mr. Figueroa.

Under the SEC procedures, a Wells Notice from the SEC affords recipients an opportunity to present information and defenses in response to the SEC's Division of Enforcement staff prior to the staff making its formal recommendation to the Commission on whether any action should be authorized. There can be no assurance that the SEC will not bring a civil enforcement action against the Company or its officers.

The Company continues to cooperate fully with the SEC investigation relating to this matter. The Company is unable to predict the extent of its ultimate liability with respect to any and all future securities matters. The costs and other effects of any future litigation, government investigations, legal and administrative cases and proceedings, settlements, judgments and investigations, claims and changes in this matter could have a material adverse effect on the Company's financial condition and operating results.



**ITEM 6. EXHIBITS**

- 3.1\* Articles of Incorporation of Largo Vista Group, Limited (filed Form 10SB, 11/2/99)
- 3.2\* Bylaws of Largo Vista Group, Limited (filed Form 10SB, 11/2/99)
- 3.3\* Articles of Incorporation of Largo Vista Inc. (filed Form 10SB, 11/2/99)
- 3.4\* Bylaws of Largo Vista Inc. (filed Form 10SB, 11/2/99)
- 3.5\* Articles of Incorporation of Everlasting International Limited (filed Form 10SB, 11/2/99)
- 3.6\* Bylaws of Everlasting International Limited (filed Form 10SB, 11/2/99)
- 3.7\* Articles of Incorporation of Kunming Xinmao Petrochemical Industry Co., Ltd. (filed Form 10SB, 11/2/99)
  
- 10 Material Contracts
  
- 10.1\* Contract. Largo Vista Group, Ltd. and Sentio Corporation, December 28, 1998, (filed Form 10SB, 11/2/99)
- 10.2\* Contract. Hong Kong De Xiang Tuo Yi Industrial Company, August 28, 1992 (filed Form 10SB, 11/2/99)
- 10.3\* Plan and Agreement of Reorganization between Largo Vista Group, Ltd., Proton Technology Corporation, Ltd. and Everlasting International, December 21, 1996 (filed Form 10SB, 11/2/99)
- 10.4\* Joint Venture Agreement of Kunming Xinmao Petrochemical Industry Co., Ltd., August 8, 1992 (filed Form 10SB, 11/2/99)
- 10.5\* Approval Certificate of Enterprise with Foreign Investment in the People's Republic of China (filed Form 10SB, 11/2/99)
- 10.6\* Business License of Enterprise in the Peoples Republic of China (filed Form 10SB, 11/2/99)
- 10.7\* Business Permit to Engage in LPG Business in Yunnan Province (filed Form 10SB, 11/2/99)
- 10.8\* Notice of Subsidiaries of the Agriculture Bank of China, Yunnan Provincial Branch, Acting as Agents for Collection and Receipt of Payment for Kunming Xinmao Petrochemical Industry Co., Ltd. (filed Form 10SB, 11/2/99)
- 10.9\* Agreement of Supply of Liquefied Petroleum Gas, March 18, 1996 (filed Form 10SB, 11/2/99)
- 10.10\* Method of Insurance for LPG Credit, August 26, 1997 (filed Form 10SB, 11/2/99)
- 10.11\* Memorandum of Understanding Kunming Xinmao Petrochemical Industry Co., Ltd. and Wuhan Minyi Fuel Gas Petrochemical Company Limited, March 14, 1999 (filed Form 10SB, 11/2/99)
- 10.12\* Memorandum of Understanding Kunming Xinmao Petrochemical Industry Co., Ltd. and Guilin Municipal Garden Fuel Gas Pipelines Limited, March 29, 1999 (filed Form 10SB, 11/2/99)
- 10.13\* Approval Certificate of Enterprises with Foreign Investment in the Peoples Republic of China, August 21, 1992 (filed Form 10SB, 11/2/99)
- 10.14\* Contract. Enterprise Ownership Transfer Agreement "Ten Year Leasing Contract", Seller Chen Mao Tak, Purchaser Everlasting International, Ltd., third party Kunming Fuel General Company, November 8, 1995 (filed Form 10SB-A1, 1/14/2000 as EX-10.D)
- 10.15\* Joint Venture Agreement. , Largo Vista with the United Arab Petroleum Corporation ("UAPC"), known as Largo Vista/UAPC Partners (filed Form 10SB-A1, 1/14/2000 as EX-10.F)
- 10.16\* Memorandum of Association Limited Liability Company. Largo Vista Group, Ltd., LLC, Dubai, UAE, October 12, 1999, Largo Vista Group, Ltd., UAPC, and Sheik Al Shabani, named Largo Vista Group Limited, Limited Liability Company of the UAE (filed Form 10SB-A1, 1/14/2000 as EX-10.G)
- 10.17\* Contract: Mekong Petroleum Joint Venture Co., Ltd. (PETROMEKONG) Buyer, and United Arab Petroleum Corporation Seller, November 25, 1999 (filed Form 10SB-A1, 1/14/2000 as EX-10.H)
- 10.18\*

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Contract: Mekong Petroleum Joint Venture Co., Ltd. (PETROMEKONG), Buyer, and United Arab Petroleum Corporation Seller, December 18, 1999 (filed Form 10SB-A1, 1/14/2000 as EX-10.H)

- 10.19\* Employment Agreement Daniel J. Mendez 1999 (filed Form 10SB-A1 as Ex-3.iv, 1/14/2000)
- 10.20\* Consultant Agreement Deng Shan 1999 (filed Form 10SB-A1, as Ex-3.v 1/14/2000)
- 10.21\* Contract. "Enterprise Ownership Transfer Agreement", November 8, 1995, new translation (filed Form 10SB-A2, 3/20/2000 as EX-10.E.1)
- 10.22\* Contract. "Agreement on Payment", November 8, 1995 (filed Form 10SB-A2, 3/20/2000 as EX-10.E.2)
- 10.23\* Contract. "Agreement on Supply of Liquefied Petroleum Gas", March 18, 1996 (filed Form 10SB-A2, 3/20/2000 as EX-10.E.3)
- 10.24\* Employment Agreement Albert N. Figueroa 1999 (filed as Ex-3.vi 3/21/2000)
- 10.25\* Agreement on Zunyi Pipeline Project No.1 Largo Vista Group, Ltd - Proton Enterprise (Wuhan) LTD., China (Agent Agreement)
- 10.26\* Zunyi Pipeline #1 Contract Proton Enterprise (Wuhan) LTD. & Construction Headquarters of Zunyi Municipal Government, Dated February 2, 2002
- 10.27\* Gas Supply Contract Between Proton Enterprise (Wuhan) LTD. and Zunyi Government Administration Construction Team, Dated October 15, 2002 40 Years Exclusive Right
- 10.28\* Zunyi Jiahong Gas Co., Ltd. & Largo Vista Group, Ltd. Lease Agreement No.JHLGOV0802 Dated August 27, 2002
- 10.29\* Policy Statement on Business Ethics and Conflicts of Interest
- 10.30\* Agreement and Assignment of Certain Contractual Rights and Benefits between Largo Vista Group, Ltd. and Shanghai Offshore Oil Group (HK) Co., Ltd.
  - 21\* Subsidiaries of Largo Vista Group, Ltd.
- 31.1\*\* Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Chief Executive Officer.
- 31.2\*\* Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Chief Financial Officer
- 32.1\*\* Certification of Deng Shan Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2\*\* Certification of Denise Deng Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

\* Previously filed with the Securities and Exchange Commission

\*\*Filed herewith

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LARGO VISTA GROUP, LTD.

Date: August 13, 2007

By: /s/ DENG SHAN  
CHIEF EXECUTIVE OFFICER