AMCO
United Holding Limited
雋泰控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 630)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

The Board of Directors (the "Board") of AMCO United Holding Limited (the "Company") announces the unaudited interim consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015 together with comparative figures for the previous period as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Six months ended 30 June	
		2015	2014
		Unaudited	Unaudited
	Notes	***HK$'000***	*HK$'000*
Turnover	*3*	**35,939**	34,441
Cost of sales and services		**(30,463)**	(30,779)
Gross profit		**5,476**	3,662
Other income	*4*	**871**	413
Distribution costs		**(595)**	(1,390)
Administrative expenses		**(14,753)**	(18,900)
Impairment losses and write offs		**–**	(4,004)
Loss on change in fair value of convertible notes		**–**	(4,005)
Finance costs		**(6)**	(697)
Loss before income tax expense	*5*	**(9,007)**	(24,921)
Income tax expense	*6*	**–**	–
Loss for the period		**(9,007)**	(24,921)

* *For identification purposes only*

	Notes	Six months ended 30 June **2015** **Unaudited** ***HK$'000***	2014 Unaudited *HK$'000*
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**–**	(37)
Total comprehensive income for the period		**(9,007)**	(24,958)
Loss for the period attributable to the owners of the Company		**(9,007)**	(24,921)
Total comprehensive income for the period attributable to the owners of the Company		**(9,007)**	(24,958)
Loss per share	*8*		(Restated)
Basic		**HK(2.94) cents**	HK(12.78) cents
Diluted		**N/A**	N/A

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	30 June 2015 Unaudited HK$'000	31 December 2014 Audited HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**3,707**	3,169
Goodwill		**–**	–
		3,707	3,169
Current assets			
Inventories		**188**	1,798
Trade and other receivables	*9*	**12,536**	12,675
Tax recoverable		**–**	175
Pledged time deposits		**–**	1,546
Cash and cash equivalents		**53,435**	62,580
		66,159	78,774
Current liabilities			
Trade and other payables	*10*	**30,687**	31,572
Bank and other borrowings		**–**	2,169
Obligation under finance leases		**–**	16
Convertible notes		**–**	–
		30,687	33,757
Net current assets		**35,472**	45,017
Total assets less current liabilities and net assets		**39,179**	48,186
EQUITY			
Capital and reserve			
Share capital	*11*	**3,065**	15,324
Reserves		**36,114**	32,862
Total equity		**39,179**	48,186

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

AMCO United Holding Limited (the "Company") was incorporated in Bermuda with limited liability on 19 August 1994 as an exempted company under the Companies Act 1981 of Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 28 November 1996.

The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are principally engaged in (i) the manufacture and sale of medical devices products; (ii) the manufacture and sale of plastic moulding products; (iii) the provision of public relations services; and (iv) the provision of human resources management services.

2. Basis of preparation and accounting policies

The interim condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The interim condensed consolidated financial statements are unaudited but have been reviewed by the Company's audit committee.

The interim condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim condensed consolidated financial statements have been prepared on historical cost basis.

The accounting policies adopted and methods of computation used in the interim condensed consolidated financial statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has adopted all the new and revised standards, amendments and interpretations (the "new and revised HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2015. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies and amounts reported for the current and prior accounting period.

The Group has not applied any new and revised HKFRSs that is not yet effective for the current period.

3. Segment information

During the six months ended 30 June 2015, the Group has four reportable segments (30 June 2014: two segments). The following summary describes the operations in each of the Group's reportable segments:

(1) Manufacture and sale of medical devices products;

(2) Manufacture and sale of plastic moulding products;

(3) Provision of public relations services; and

(4) Provision of human resources management services.

The following is an analysis of the Group's revenue and results by reportable and operating segment:

For the period ended 30 June 2015 (Unaudited)

	Manufacture and sale of medical devices products *HK$'000*	Manufacture and sale of plastic moulding products *HK$'000*	Provision of public relations services *HK$'000*	Provision of human resources management services *HK$'000*	Total *HK$'000*
Revenue from external customers	24,153	11,439	194	153	35,939
Reportable segment revenue	24,153	11,439	194	153	35,939
Reportable segment loss	(84)	(653)	(64)	(262)	(1,063)

For the period ended 30 June 2014 (Unaudited)

	Manufacture and sale of medical devices products *HK$'000*	Manufacture and sale of plastic moulding products *HK$'000*	Total *HK$'000*
Revenue from external customers	8,239	26,202	34,441
Reportable segment revenue	8,239	26,202	34,441
Reportable segment loss	(2,936)	(7,300)	(10,236)

Reportable segment loss represents the loss attributable to each segment without allocation of corporate administrative expenses, loss on change in fair value of convertible notes, impairment losses and write offs, finance costs, corporate directors' emoluments, corporate interest income and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Manufacture and sale of medical devices products ***HK$'000***	**Manufacture and sale of plastic moulding products** ***HK$'000***	**Provision of public relations services** ***HK$'000***	**Provision of human resources management services** ***HK$'000***	**Total** ***HK$'000***
Reportable segment assets and liabilities					
As at 30 June 2015 (unaudited)					
Reportable segment assets	**10,181**	**2,844**	**232**	**316**	**13,573**
Reportable segment liabilities	**8,939**	**4,216**	**10**	**63**	**13,228**
As at 31 December 2014 (audited)					
Reportable segment assets	5,460	10,381	–	–	15,841
Reportable segment liabilities	5,483	9,452	–	–	14,935

All assets are allocated to reportable segments other than pledged time deposits, and cash and cash equivalents.

All liabilities are allocated to reportable segments other than bank and other borrowings and amounts due to related parties.

The following is the Group's reconciliation of reportable segment revenues and profit and loss:

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**35,939**	34,441
Loss before income tax expense		
Reportable segment loss	**(1,063)**	(10,236)
Loss on change in fair value of convertible notes	**–**	(4,005)
Impairment losses and write offs	**–**	(4,004)
Finance costs	**(6)**	(697)
Unallocated corporate income	**3**	1
Unallocated corporate expenses	**(7,941)**	(5,980)
Consolidated loss before income tax expense	**(9,007)**	(24,921)

4. Other income

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Exchange gain, net	**12**	121
Interest income	**4**	35
Gain on disposal of property, plant and equipment	**668**	159
Other income	**187**	98
	871	413

5. Loss before income tax expense

	Six months ended 30 June	
	2015	2014
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Loss before income tax expense has been arrived at after charging:		
Staff costs (including directors' emoluments)		
Contribution to defined contribution retirement plan	**81**	358
Termination benefit	**–**	2,543
Salaries, wages and other benefits	**6,190**	11,552
	6,271	14,453
Depreciation of property, plant and equipment	**1,006**	1,668
Cost of inventories recognised as an expense	**26,497**	20,723
Cost of services recognized as an expenses	**472**	–
Operating lease charges in respect of properties	**1,435**	1,647
Impairment loss on goodwill	**–**	4,000
Impairment loss on other deposits, prepayments and other receivables	**–**	4

6. Income tax expense

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for both periods. Hong Kong profits tax has not been provided as there is no assessable profit arising in or derived from Hong Kong during the financial period.

Under the law of the People's Republic of China ("PRC") on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

No income tax expense for the six months ended 30 June 2015 (six months ended 30 June 2014: Nil) has been provided on the estimated assessable profit derived from the PRC.

7. Interim dividend

No dividends were paid, declared or proposed during the reporting period. The directors do not recommend the payment of an interim dividend (2014: Nil).

8. Loss per share

(a) Basic loss per share

The calculation of the basic loss per share attributable to the ordinary equity holders of the Company is based on the following data:

	30 June 2015	30 June 2014
	Unaudited	Unaudited
Basic		
Loss for the period for the purposes of computation of basic loss per share *(HK$'000)*	**(9,007)**	(24,921)
Number of shares		
		(Restated)
Weighted average number of ordinary shares in issue *(Note)*	**306,486,321**	194,995,642

Note:

The calculation of basic loss per share for the period is based on the consolidated loss for the period attributable to owners of the Company and on the weighted average number of ordinary shares in issue during the period after the adjustment of the share consolidation as set out in note 11(d).

(b) Diluted loss per share

Diluted loss per share has not been presented for the period ended 30 June 2015 and 30 June 2014 as there were no potentially dilutive shares outstanding.

9. Trade and other receivables

	30 June 2015 Unaudited *HK$'000*	31 December 2014 Audited *HK$'000*
Trade receivables	**10,237**	10,067
Other deposits, prepayments and other receivables	**2,299**	2,612
Less: Impairment loss recognised on other deposits, prepayments and other receivables	**–**	(4)
	2,299	2,608
	12,536	12,675

The Group allows an average credit period of 30 to 90 days to its trade customers (31 December 2014: 30 to 90 days). The ageing analysis of trade receivables is as follows:

	30 June 2015 Unaudited *HK$'000*	31 December 2014 Audited *HK$'000*
Current	**173**	81
1 to 90 days	**10,036**	9,895
91 to 180 days	**4**	67
Over 181 days	**24**	24
	10,237	10,067

10. Trade and other payables

	30 June 2015	31 December 2014
	Unaudited	Audited
	HK$'000	*HK$'000*
Trade payables	**8,581**	5,656
Accruals and other payables	**12,906**	16,716
Amounts due to related parties	**9,200**	9,200
	30,687	31,572

As at 30 June 2015 and 31 December 2014, included in amounts due to related parties is an amount due to Titron Group Holdings Limited ("TGHL"), in amount of HK$1,700,000 (31 December 2014: HK$1,700,000). TGHL was the one of the vendors in the acquisition of Titron Group in 2011. All of the shareholders of TGHL own shares in the Company, and include Mr. Yip Wai Lun, Alvin, the Chairman and Managing Director of the Company. This amount was unsecured, interest-free and repayable on demand.

The remaining balance of amounts due to related parties were also unsecured, interest-free and repayable on demand.

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	30 June 2015	31 December 2014
	Unaudited	Audited
	HK$'000	*HK$'000*
Within 3 months	**8,581**	5,623
Over 3 months but within 6 months	**–**	29
Over 6 months	**–**	4
	8,581	5,656

11. Share capital

	Notes	Number of shares	Share capital
			HK$'000
Authorised:			
Balance as at 31 December 2014 and 30 June 2015		40,000,000,000	400,000
Issued and fully paid:			
Balance as at 1 January 2014		875,823,986	8,758
Issue of shares in April 2014	*(a)*	175,160,000	1,752
Issue of shares on conversion of convertible notes		80,087,620	801
Issue of shares in June 2014	*(b)*	175,160,000	1,752
Issue of shares in November 2014	*(c)*	226,200,000	2,261
Balance as at 31 December 2014		1,532,431,606	15,324
Share consolidation of every 5 shares of par value of HK$0.01 each into 1 consolidated share of par value of HK$0.05 each; and reduction par value of each consolidated share from HK$0.05 to HK$0.01	*(d)*	(1,225,945,285)	(12,259)
Balance as at 30 June 2015		306,486,321	3,065

Notes:

(a) On 7 April 2014, 175,160,000 ordinary shares of HK$0.01 each were placed at a price of HK$0.239 per GM Placing Share I. The closing price was HK$0.265 per share as quoted on the Stock Exchange on 21 March 2014, being the last trading day immediately prior to the GM Placing Agreement I. A share premium of approximately HK$40,111,500 was credited to share premium account. The net proceed of approximately HK$40,318,000, after deducting commission and placing expenses of approximately HK$1,545,000, are intended to be utilised as general working capital of the Group. The net proceeds has been utilised as intended. Details of the GM Placing Agreement I are set out in the Company's announcements dated 24 March 2014 and 7 April 2014, respectively.

(b) On 30 June 2014, 175,160,000 ordinary shares of HK$0.01 each were placed at a price of HK$0.239 per SM Placing Share I. A share premium of approximately HK$40,111,500 was credited to share premium account. The net proceed of approximately HK$40,292,000, after deducting commission and placing expenses of approximately HK$1,571,000, are intended to be utilised as to (i) research and development of new medical and/or healthcare products and services; (ii) launch of new medical and/or healthcare products and service; (iii) set up and development of e-commerce platform; (iv) establishment of new public relations and new human resources agencies; and (v) provision of financial assistance for the target company to facilities the tender of potential construction projects.

Details of the SM Placing Agreement I and the use of proceeds are set out in the Company's announcements dated 24 March 2014, 30 June 2014, 12 January 2015 and 23 June 2015, respectively, and the Company's circular dated 4 June 2014.

(c) On 14 November 2014, 226,200,000 ordinary shares of HK$0.01 each were placed at a price of HK$0.118 per GM Placing Share II. The closing price was HK$0.144 per share as quoted on the Stock Exchange on 31 October 2014, being the date of the GM Placing Agreement II. A share premium of approximately HK$40,111,500 was credited to share premium account. The net proceed of approximately HK$40,318,000, after deducting commission and placing expenses of approximately HK$1,545,000, are intended to be utilised as (i) general working capital of the Group; and (ii) funding for the Possible Acquisition, if the Possible Acquisition materialised. Details of the GM Placing Agreement II and the use of proceeds are set out in the Company's announcements dated 31 October 2014 and 23 June 2015, respectively.

(d) Save as disclosed in the Company's circular dated 31 March 2015 in respect of a proposed capital reorganisation ("Capital Reorganisation") which was approved by the shareholders in a special general meeting of the Company on 27 April 2015, the Capital Reorganisation has become effective on 28 April 2015 as detailed below.

(i) Every five existing shares of HK$0.01 each in the issued share capital of the Company were consolidated into one consolidated share of HK$0.05 each;

(ii) The issued share capital was reduced by cancelling of HK$0.04 of the paid-up capital on each issued consolidated share so that the par value of each issued consolidated share be reduced from HK$0.05 to HK$0.01;

(iii) The entire amount standing to the credit of the share premium account of the Company was cancelled; and

(iv) The credit arising from the share premium account of the Company was transferred to the contributed surplus account of the Company to be applied to set off against the accumulated losses of the Company.

12. Events After the Reporting Date

On 14 July 2015, the Company and the Placing Agent I entered into a placing agreement under general mandate (the "GM Placing Agreement III"), pursuant to which the Company has conditionally agreed to offer for subscription and the Placing Agent I agreed to procure, failing which, the Placing Agent I itself would subscribe for 61,200,000 placing shares (the "GM Placing Shares III") at a price of HK$0.328 per GM Placing Share III (collectively, the "GM Placing III"). The closing price of the Company's shares quoted on the Stock Exchange on 14 July 2015, being the date of the GM Placing Agreement III was HK$0.400 per share. On 24 July 2015, the GM Placing III was completed. The Company received the net proceeds of approximately HK$19.2 million from the GM Placing III, representing a net issue price of HK$0.314 per GM Placing Share III, would be used as general working capital of the Group. As at the date of this announcement, the entire net proceeds has not been utilised and remains in the bank for intended use.

On the same date, the Company and the Placing Agent I also entered into another placing agreement (the "SM Placing Agreement II") under a specific mandate, pursuant to which, the Company conditionally agreed to place through the Placing Agent I on a best endeavour basis, up to 612,900,000 placing shares (the "SM Placing Shares II") to not less than six placees at a placing price HK$0.328 per SM Placing Share II by 30 September 2015 or such other date as the parties may agree in writing (collectively, the "SM Placing II"). The net proceed of approximately HK$194.5 million after deducting commission and placing expenses, are intended to be utilised as to (i) approximately HK$84.5 million for the business development of the Possible Acquisition, in which HK$77.5 million for bidding and underwriting construction projects from Hong Kong Housing Authority and private developers and HK$7.0 million for general working capital of the Possible Acquisition; and (ii) approximately HK$110.0 million for purchasing an office in Hong Kong for the Group.

Details of the GM Placing III and the SM Placing II are set out in the Company's announcements dated 14 July 2015 and 24 July 2015, respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

Results, Business Review and Prospects

Results

For the six months ended 30 June 2015, the Company and its subsidiaries (collectively referred to as the "Group") principally engaged in (i) the manufacture and sale of medical devices products (the "Medical Devices Business"); (ii) the manufacture and sale of plastic moulding products (the "Plastic Moulding Business"); (iii) the provision of public relations services (the "PR Business"); and (iv) the provision of human resources management services (the "HR Business").

During the period under review, turnover of the Group amounted to HK$35.9 million, representing an increase of HK$1.5 million or 4.3% from HK$34.4 million of the same period last year. The increase in revenue was mainly attributable to the rebound in demand of medical devices products, partially offset by the decreasing production orders due to certain plastic moulding products discontinued.

Benefited from improving profit margin of sales orders by effectively adjusting product mix between medical devices and plastic moulding products, gross profit of the Group increased by 49.5% or HK$1.8 million to HK$5.5 million, as compared to HK$3.7 million for the corresponding period of 2014. Gross profit margin increased by 4.6 percentage points to 15.2% (30 June 2014: 10.6%).

Other income amounted to HK$0.9 million, recorded an increase of 111.0% as compared to HK$0.4 million in the corresponding period of 2014. Such growth was mainly attributable to the gain on disposal of property, plant and equipment in Plastic Moulding Business.

With the implementation of stringent cost control and streamlining measures, the distribution costs and administrative expenses of the Group declined by HK$0.8 million and HK$4.1 million to HK$0.6 million and HK$14.8 million respectively (30 June 2014: HK$1.4 million and HK$18.9 million respectively), which represent a reduction of 57.2% and 21.9% against the corresponding period of 2014 respectively.

During the period under review, there was no impairment loss incurred for goodwill and the recognition of loss in fair value upon the conversion of convertible notes through profit and loss, while the amounts recognised for the corresponding period of 2014 were HK$4.0 million and HK$4.0 million respectively.

As a result, the Group's overall loss attributable to owners of the Group was HK$9.0 million, which shows a decrease of 63.9% as compared to HK$24.9 million loss in the corresponding period of 2014.

Business Review

Medical Devices Business

For the six months ended 30 June 2015, the Medical Devices Business recorded a revenue of HK$24.2 million, representing an increase of 193.1% or HK$16.0 million as compared to HK$8.2 million in the same period last year. This amount represented 67.2% of the Group's total revenue for the period under review. The increase of revenue was mainly due to the increase in sales orders from its key customer in America as a result of the strong demand of customer's end product. Such growth in demand was attributable to the sustainable recovery from the ultimate customer's product recall in 2013 and the rebound of market demand for certain medical devices products from sluggish retail environment over the past few years.

After the end-product relaunched in the fourth quarter of 2013 and the respective inventory consumed in the following months, sales orders was on the track to resume normal from the second half of 2014. The increase in sales orders began to drive profitability relief from the short-term production inefficiency which was triggered by the product recall in the last two years. As a result, segmental loss has been narrowed to HK$84,000, representing a decrease of approximately HK$2.8 million or 97.1% compared to a loss of HK$2.9 million in the same period last year.

Plastic Moulding Business

As disclosed in the announcement of the Company dated 12 January 2015, the Group would cease the operation of the Plastics Moulding Business by the end of the first quarter of 2015. As further updated by the Company in its announcement dated 14 July 2015, in the first half year of 2015, the Group has ceased the production of majority of the products, which contributed to a relatively low gross profit margin. However, the Group has been accepting production orders of mould fabrication and some products, which have a relatively higher gross profit margin. As a result, the revenue from this segment decreased by HK$14.8 million, or 56.3%, to HK$11.4 million, as compared to HK$26.2 million for the corresponding period of 2014, which accounts for 31.8% of the Group's total revenue. As at the date of this announcement, the Company has not yet ceased the operation of Plastic Moulding Business. The Group will closely monitor the business condition of the business segment and will update the shareholders of the Company as and when appropriate.

Along with the improvement in profit margin of the sales orders, the cost containment program including outsourcing of certain manufacturing processes and relocation of production plant also contributed to the enhanced financial performance of this segment. As the reduction of distribution costs and administrative expenses driven by the effect of cost savings and the upfront expenses of out-sourcing and plant relocation were mainly absorbed in last year, the segmental loss for the period under review hence decreased by 91.2% to HK$0.7 million, as compared to HK$7.3 million for the same period of 2014.

PR Business and HR Business ("New Businesses")

The Group has been continuously looking for opportunities to diversify its income and asset base with a view to lessen the reliance on its existing businesses. By maintaining a diversified and balanced portfolio of products and services, the Group considers the New Businesses will enable corporate growth and generate stable income from different business sectors as recurrent sources of revenue.

The Group realised that to many organisations, managing the relationships between organisations and service providers has become increasingly complex, while larger organisations were more likely to have consultation services. The growth in outsourcing, in particular of public relations ("PR") services and human resource ("HR") activities, has been triggered by the enduring efforts of organisations to reduce costs, to focus on strategic issues, and to improve services to the employees. Therefore, the Group took this opportunity to penetrate the PR and HR services sectors so as to further diversify its business and source of income flow. In April 2015, the Group has set up an office for both PR Business and HR Business in Central, Hong Kong.

PR Business

The Group has recently recruited a team of PR consultants, who provide PR services to corporate, to assist clients in building up and maintaining their corporate image and marketing the corporations to the public and media through a series of corporate functions. During the period under review, the revenue contribution to the Group and segmental loss of PR Business were HK$0.2 million and HK$64,000 respectively.

HR Business

The Group also set up a team of eight recruitment consultants and three staff members to operate the HR Business and started to deliver broad-based human resources solutions for general and investment banks and multi-national corporations, providing customers a "one stop-shop" to fulfill their staffing needs from professional services and consulting to clerical positions. The recruitment consultants have approached several banking and non-banking clients to obtain the job descriptions of the soliciting staff. The recruitment consultants have also conducted interviews with a number of potential candidates to identify their capabilities. Meanwhile, a database for potential candidates has been set up for staff searching and matching purposes. During the period under review, the segmental revenue and loss of HR Business were HK$0.2 million and HK$0.3 million respectively.

Prospect

2015 will be a year of achieving various milestones for the strategic transformation of the Group including sustained cost saving, effective product mix fine-tuning and diversified business development. The implementation of cost saving program since 2013 successfully has maintained the production cost at relatively low level and contribute to overcome short-term headwinds for sustainable growth in the past two years.

In addition, the Group has bolstered effort to effectively adjust the product mix towards higher profit margin sales orders and hence has further enhanced corporate profitability. As the preparation work for the New Businesses has completed in the first half of 2015, leveraging on the rising awareness of corporate communications functions and the increasing demand for human resources management, the New Businesses are believed to become a thrust for the growth of the Group's revenue.

Furthermore, as disclosed in the announcements of the Company dated 12 January 2015 and 23 June 2015, the Group is currently exploring the opportunities of the business in provision of money lending ("Money Lending Business") and other financial related services. Also as disclosed in the announcement of the Company dated 21 May 2015, the Company signed a non-binding memorandum of understanding with a target company, which is operating in the industry of building construction, building maintenance and improvement work ("Engineering Business"). Details of these projects are set out as below respectively.

Money Lending Business

The Group is currently exploring the opportunities of the Money Lending Business and other financial related services. During the period under review, the Group lodged an application for obtaining a money lenders licence ("Licence") to the Registrar of Money Lenders pursuant to the Money Lender Ordinance (Chapter 163 of the Laws of Hong Kong). On 25 August 2015, the Licence has been granted and the according business is expected to become a new growth driver for the Group's revenue.

Possible acquisition of Engineering Business ("Possible Acquisition")

On 21 May 2015, the Company entered into a memorandum of understanding ("MOU") with two individuals (the "Prospective Seller") in relation to the possible acquisition of the entire equity interest of a company principally engaged in building construction, building maintenance and improvement works, project management, renovation and decoration works in Hong Kong. On 20 August 2015, the Company and the Prospective Seller entered into an addendum to the MOU to extend the expiry date of the exclusivity period to 30 September 2015. As at the date of this announcement, the parties to the MOU are still in discussion on the terms of the Possible Acquisition. Further announcement in relation to the MOU will be made by the Company as and when appropriate. Details of the Possible Acquisition are set out in the Company's announcements dated 21 May 2015 and 20 August 2015, respectively.

Financial Review

Capital structure

As of 30 June 2015, the Group's consolidated net asset was approximately HK$39.2 million, representing a decrease of approximately HK$9 million as compared to HK$48.2 million that of 31 December 2014.

As at 30 June 2015, the Company has 306,486,321 shares of HK$0.01 each in issue. On 28 April 2015, the Company effected a capital reorganisation, which included:

(i) share consolidation of every five issued and unissued shares of par value HK$0.01 each into one consolidated share of par value HK$0.05 each. The total number of consolidated shares in the issued share capital of the Company immediately following the share consolidation was rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which might arise from the share consolidation;

(ii) capital reduction of the par value of each issued consolidated share from HK$0.05 to HK$0.01 by cancellation of HK$0.04 of the paid-up capital on each issued consolidated share; and

(iii) the credits arising in the books of the Company from the capital reduction of approximately HK$12,259,452.85 was credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda.

On 24 March 2014, the Company and a placing agent (the "Placing Agent I") entered into a placing agreement under the general mandate (the "GM Placing Agreement I"), pursuant to which the Company conditionally agreed to offer for subscription and the Placing Agent I agreed to procure, failing which, the Placing Agent I itself would subscribe for 175,160,000 placing shares (the "GM Placing Shares I") at a price of HK$0.239 per GM Placing Share I (collectively, the "GM Placing I"). The closing price of the Company's shares quoted on the Stock Exchange on 21 March 2014, being the last trading day immediately prior to the date of the GM Placing Agreement I was HK$0.265 per share. On 7 April 2014, the GM Placing I was completed. The Company issued a total of 175,160,000 GM Placing Shares I at a price of HK$0.239 each to not less than six independent places. The Company received the net proceeds of approximately HK$40.3 million from the GM Placing I, representing a net issue price of HK$0.2298 per GM Placing Share I, of which (i) approximately HK$10.3 million was used for repayment of short term loan and accrued loan interest; (ii) approximately HK$15.8 million was used for repayment of amount due to a Director; and (iii) approximately HK$14.2 million was used for payment of general corporate expenses.

On the same date, the Company and the Placing Agent I also entered into another placing agreement (the "SM Placing Agreement I") under a specific mandate, pursuant to which, the Company conditionally agreed to place through the Placing Agent I on a best endeavor basis, up to 175,160,000 placing shares (the "SM Placing Shares I") to not less than six placees at a placing price HK$0.239 per SM Placing Share I by 30 June 2014 or such other date as the parties may agree in writing (collectively, the "SM Placing I"). Pursuant to an ordinary resolution passed by the Shareholders at the special general meeting on 20 June 2014 and all of the conditions as set out in the Company's circular dated 4 June 2014 was fulfilled, the Company issued a total of 175,160,000 SM Placing Shares I at a price of HK$0.239 each to not less than six independent placees. The Company received the net proceeds of approximately HK$40.1 million from the SM Placing I, representing a net issue price of HK$0.2289 per SM Placing Share I, of which HK$14.6 million was used as intended as to (i) approximately HK$8.3 million for the research and development of new medical and/or healthcare products and services; (ii) approximately HK$1.3 million for the launch of new medical and/or healthcare products and service; (iii) approximately HK$1.2 million for the set up and development of e-commence platform; and (iv) approximately HK$3.8 million for the development of the provision of public relations services and human resources management services. The remaining net proceeds of approximately HK$25.5 million had not yet been utilised and remains in the bank for intended use.

Details of the GM Placing I and the SM Placing I are set out in the Company's announcements dated 24 March 2014, 7 April 2014, 30 June 2014, 12 January 2015 and 23 June 2015, respectively and the Company's circular dated 4 June 2014.

On 31 October 2014, the Company and another placing agent (the "Placing Agent II") entered into a placing agreement under the general mandate (the "GM Placing Agreement II"), pursuant to which the Company conditionally agreed to offer for subscription and the Placing Agent II agreed to procure, failing which, the Placing Agent II itself will subscribe for 226,200,000 placing shares (the "GM Placing Shares II") at a price of HK$0.118 per GM Placing Share II (collectively, the "GM Placing II"). The closing price of the Company's shares quoted on the Stock Exchange on 31 October 2014, being the date of the GM Placing Agreement II was HK$0.144 per share. On 14 November 2014, the GM Placing II was completed. The Company received the net proceeds of approximately HK$25.4 million from the GM Placing II, representing a net issue price of HK$0.112 per GM Placing Share II, of which approximately HK$4.0 million was used as general working capital and the unutilised net proceeds of approximately HK$21.4 million was placed at the bank for intended use. Details of the GM Placing II are set out in the Company's announcements dated 31 October 2014, 14 November 2014 and 23 June 2015, respectively.

On 23 June 2015, the Company had entered an underwriting agreement with an underwriter, in relation to proposed rights issue of 919,458,963 shares at HK$0.435 per rights share on the basis of three rights shares for every one share in issue. On 6 July 2015, the underwriting agreement was terminated as the parties did not come to any agreement on the revised structured of the proposed rights issue and in light of the market sentiment. Details of the proposed rights issue were disclosed in the Company's announcements dated 23 June 2015 and 6 July 2015, respectively.

On 14 July 2015, the Company and the Placing Agent I entered into a placing agreement under the general mandate (the "GM Placing Agreement III"), pursuant to which the Company has conditionally agreed to offer for subscription and the Placing Agent I agreed to procure, failing which, the Placing Agent I itself would subscribe for 61,200,000 placing shares (the "GM Placing Shares III") at a price of HK$0.328 per GM Placing Share III (collectively, the "GM Placing III"). The closing price of the Company's shares quoted on the Stock Exchange on 14 July 2015, being the date of the GM Placing Agreement III was HK$0.400 per share. On 24 July 2015, the GM Placing III was completed. The Company received the net proceeds of approximately HK$19.2 million from the GM Placing III, representing a net issue price of HK$0.314 per GM Placing Share III, would be used as general working capital of the Group. As at the date of this announcement, the entire net proceeds has not been utilised and remains in the bank for intended use.

On the same date, the Company and the Placing Agent I also entered into another placing agreement (the "SM Placing Agreement II") under a specific mandate, pursuant to which, the Company conditionally agreed to place through the Placing Agent I on a best endeavour basis, up to 612,900,000 placing shares (the "SM Placing Shares II") to not less than six placees at a placing price of HK$0.328 per SM Placing Share II by 30 September 2015 or such other date as the parties may agree in writing (collectively, the "SM Placing II"). The SM Placing Shares II will be allotted and issued pursuant to the specific mandate be obtained at the special general meeting of the Company. The net proceed of approximately HK$194.5 million after deducting commission and placing expenses, are intended to be utilised as to (i) approximately HK$84.5 million for the business development of the Possible Acquisition, in which HK$77.5 million for bidding and underwriting construction projects from Hong Kong Housing Authority and private developers and HK$7.0 million for general working capital of the Possible Acquisition; and (ii) approximately HK$110.0 million for purchasing an office in Hong Kong for the Group.

Details of the GM Placing III and the SM Placing II are set out in the Company's announcements dated 14 July 2015 and 24 July 2015, respectively.

Debt structure

As at 30 June 2015, the Group's total borrowing from financial institution was zero (as at 31 December 2014: HK$2.2 million). The Group's total cash and bank balances amounted to approximately HK$53.4 million at the end of the period under review, which was about HK$9.2 million less than the position of HK$62.6 million at 31 December 2014.

Working capital and liquidity

As at 30 June 2015, the Group's current ratio and quick ratio were 2.2 and 2.1 respectively (30 June 2014: 1.9 and 1.8 respectively). Inventory turnover on sales decreased to 5 days (30 June 2014: 27 days). Receivable turnover of continuing operations was 51 days (30 June 2014: 54 days).

Contingent liabilities and charges

As at 30 June 2015, the Group had no assets pledged (31 December 2014: HK$1.6 million) to secure bank facilities and finance lease obligations. The Group had no material contingent liabilities at 30 June 2015.

Foreign Currency Exposure

The Group's monetary assets, liabilities and transactions are mainly denominated in United States dollars, Renminbi and Hong Kong dollars. Since Hong Kong dollars are pegged to United States dollars and the exchange rate of Renminbi to Hong Kong dollars was relatively stable during the period, the Group's exposure to the potential foreign currency risk is relatively limited.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group's employee number was 34 (31 December 2014: 36). The Group's employees are remunerated largely based on their performance and experience, alongside with the current industry practices. Remuneration packages of employees include salaries, insurance, mandatory provident fund and share option scheme. Other employee benefits include medical cover, housing allowance and discretionary bonuses.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015 (2014: Nil).

CORPORATE GOVERNANCE

The Company has complied with all code provisions of the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") for the six months ended 30 June 2015, save as disclosed as follows.

Code provision A.2.1 of the CG Code requires the roles of chairman and the chief executive should be separate and should not be performed by the same individual.

Mr. Yip Wai Lun, Alvin was the Chairman and Managing Director of the Company (the Company regards the role of its managing director to be the same as that of chief executive under the CG Code) during the six months ended 30 June 2015. The Board considers that it would be in the best interest of its shareholders that the roles of the Chairman and the

Managing Director of the Company be combined to enable a strong and dedicated leadership to reposition the Company and implement effective measures to improve shareholders' value. In this light, the Company has maintained Mr. Yip Wai Lun, Alvin as the Chairman and the Managing Director of the Company. The Company will review the current structure when and as it becomes appropriate.

Code provision E.1.2 of the CG Code requires the chairman of the board should attend the annual general meeting. Mr. Yip Wai Lun, Alvin, the Chairman of the Company, was unable to attend the annual general meeting of the Company held on 30 June 2015 due to his other business engagements.

Code provision A.6.7 of the CG Code requires all independent non-executive directors and non-executive directors should attend general meetings of listed issuers. Mr. Leung Ka Kui, Johnny and Mr. Lau Man Tak, the Independent Non-executive Directors, were unable to attend the special general meeting of the Company held on 27 April 2015 due to their other business engagements. Mr. Leung Ka Kui, Johnny, Mr. Chan Kam Kwan, Jason and Mr. Lau Man Tak, the Independent Non-executive Directors, and Ms. Leung Mei Han, an Executive Director, were unable to attend the annual general meeting of the Company held on 30 June 2015 due to their other business engagements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the six months ended 30 June 2015.

AUDIT COMMITTEE

During the period, the members of the audit committee of the Company (the "Audit Committee") comprised of all the Independent Non-executive Directors as set out below:

Mr. Wong Siu Ki	*Appointed as the chairman and a member of Audit Committee on 30 June 2015*
Mr. Chan Ngai San, Kenny	*Appointed as a member of Audit Committee on 30 June 2015*
Mr. Li Kwok Fat	*Appointed as a member of Audit Committee on 30 June 2015*
Mr. Chan Kam Kwan, Jason	*Ceased to be the chairman and a member of Audit Committee on 30 June 2015*
Mr. Leung Ka Kui, Johnny	*Ceased to be a member of Audit Committee on 30 June 2015*
Mr. Lau Man Tak	*Ceased to be a member of Audit Committee on 30 June 2015*

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group, and discussed financial reporting matters including the review of the unaudited interim results for the six months ended 30 June 2015. The Group's independent auditors, BDO Limited, have been engaged to review the condensed consolidated financial statements. On the basis of their review, nothing has come to their attention that causes them to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

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

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board
AMCO United Holding Limited
Yip Wai Lun, Alvin
Chairman and Managing Director

Hong Kong, 27 August 2015

As at the date of this announcement, Mr. Yip Wai Lun, Alvin, Ms. Leung Mei Han, Mr. Cheng Kin Chor and Mr. Leung Kelvin Ming Yuen are the executive Directors; and Mr. Wong Siu Ki, Mr. Chan Ngai Sang Kenny and Mr. Li Kwok Fat are the independent non-executive Directors.