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ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

RESULTS

The board (the “Board”) of directors (the “Directors”) of AMCO United Holding Limited (the “Company”) announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2015, together with the comparative figures for the previous year, as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	<i>Notes</i>	2015 HK\$'000	2014 HK\$'000
Revenue	4	72,352	76,470
Cost of sales		<u>(62,006)</u>	<u>(70,507)</u>
Gross profit		10,346	5,963
Other income	5	3,500	1,316
Distribution costs		(559)	(3,256)
Administrative expenses		(31,652)	(33,489)
Impairment losses and write offs	6	–	(13,981)
Loss on change in fair value of convertible notes		–	(4,005)
Finance costs		<u>(6)</u>	<u>(835)</u>

* For identification purposes only

		2015	2014
	Notes	HK\$'000	HK\$'000
Loss before income tax expense	7	(18,371)	(48,287)
Income tax expense	8	<u>(235)</u>	<u>–</u>
Loss for the year		<u>(18,606)</u>	<u>(48,287)</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		–	(214)
Reclassification adjustment for amounts transferred to profit or loss – release of translation reserve upon deregistration of a subsidiary		<u>–</u>	<u>(9)</u>
Other comprehensive income for the year, net of tax		<u>–</u>	<u>(223)</u>
Total comprehensive income for the year		<u>(18,606)</u>	<u>(48,510)</u>
Loss for the year attributable to owners of the Company		<u>(18,606)</u>	<u>(48,287)</u>
Total comprehensive income attributable to owners of the Company		<u>(18,606)</u>	<u>(48,510)</u>
			(restated)
Loss per share	9		
Basic		HK(1.51) cents	HK(6.19) cents
Diluted		<u>N/A</u>	<u>N/A</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	<i>Notes</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	65,703	3,169
Goodwill	11	957	–
Intangible asset	12	2,584	–
Deposits	13	6,264	–
		75,508	3,169
Current assets			
Inventories		11	1,798
Trade and other receivables	13	14,812	12,675
Tax recoverable		–	175
Pledged time deposits		–	1,546
Cash and cash equivalents		184,235	62,580
		199,058	78,774
Current liabilities			
Trade and other payables	14	30,442	31,572
Bank and other borrowings		–	2,169
Obligation under a finance lease		–	16
		30,442	33,757
Net current assets		168,616	45,017
Total assets less current liabilities		244,124	48,186
Non-current liabilities			
Deferred tax liabilities		354	–
Net assets		243,770	48,186
EQUITY			
Share capital	15	12,418	15,324
Reserves		231,352	32,862
Total equity		243,770	48,186

NOTES TO THE 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 registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at 9/F, Fung House, 19-20 Connaught Road Central, Hong Kong.

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

2. Basis of Preparation

The financial statements have been prepared under the historical cost basis.

The financial statements have been prepared on a going concern basis which assumes the realisation of assets and satisfaction of liabilities in the ordinary course of business notwithstanding that the Group has incurred a significant loss of HK\$18,606,000 (2014: HK\$48,287,000) for the year and the net cash outflow from operations of HK\$19,030,000 (2014: HK\$21,865,000).

Notwithstanding these conditions, the going concern basis has been adopted on the basis set out below:

- (i) The Group has strong cash position with cash and bank balances of HK\$184,235,000 (2014: HK\$62,580,000) and no bank and other borrowings as at 31 December 2015 (2014: HK\$2,169,000). This is mainly attributable to the completion of two placing of shares during the year which raised net proceeds of HK\$213,920,000 after share issue expenses. Accordingly, the Group does not have any immediate liquidity issue and will be able to finance its operations and meet its commitments and obligations with the existing funds on hand.
- (ii) Looking forward, management plans to improve the Group’s financial performance by:
 - (a) Taking steps to reduce discretionary expenses and administrative costs;

- (b) The improvements on the performance of the segment of manufacture and sale of plastic moulding products, which, currently, only accepts production orders of mould fabrication and certain products with a relatively higher gross profit margin than the major products used to be produced and sold in the past years. Along with the cost containment program implemented during the year, the loss from this segment decreased by HK\$11,097,000, or 84.1% in the current year, to HK\$2,098,000, as compared to HK\$13,195,000 in 2014.
- (c) Continuous development of the new businesses set up during the year, i.e. the public relations and human resources management services.
- (d) Exploring new businesses which will provide a growing and recurring source of income. Subsequent to the reporting date, the Group has completed the acquisition of ACE Engineering Limited, a company incorporated in Hong Kong with limited liability, which is principally engaged in building construction, building maintenance and improvement works, project management, renovation and decoration works in Hong Kong.

The Directors are confident these measures will improve the financial performance of the Group, provide sufficient liquidity to enable the Group to meet its commitments and obligations as and when they fall due and add to shareholders' value.

Accordingly, the financial statements have been prepared on a going concern basis.

(a) Adoption of new/revised HKFRSs – effective 1 January 2015

In the current year, the Group has applied for the first time the following new amendments and interpretation to HKFRSs (hereinafter collectively referred to as the “new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 January 2015:

HKFRSs (Amendments)	Annual improvements 2010 – 2012 cycle
HKFRSs (Amendments)	Annual improvements 2011 – 2013 cycle

The application of the new and revised HKFRSs in the current year has no material effect on the Group’s financial performance and position for the current year or the disclosures set out in the consolidated financial statements.

(b) Application of new and revised HKFRSs that have been issued but are not yet effective

The following new and revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 1	Disclosure initiative ¹
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ¹
Amendments to HKAS 27 HKFRSs (Amendments)	Equity method in separate financial statements ¹
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Annual improvements 2012 – 2014 cycle ¹
HKFRS 9	Investment entities: applying the consolidation exception ¹
HKFRS 15	Financial Instruments ²
	Revenue from Contracts with Customers ²

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2018

The Group is in the process of making an assessment of the potential impact of these pronouncements but is not yet in a position to state whether the application of these pronouncements would have a significant impact on the Group's financial statements.

(c) New Hong Kong Companies Ordinance provisions relating to the preparation of financial statements

The disclosure requirements of the new Companies Ordinance, Cap. 622, in relation to the preparation of financial statements apply to the Company in this financial year.

The Directors consider that there is no impact on the Group's financial position or performance, however the new Companies Ordinance, Cap. 622, impacts on the presentation and disclosures in the consolidated financial statements.

3. Segment reporting

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has four (2014: two) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

- (1) Manufacture and sale of medical devices products ("Medical Devices Business");
- (2) Manufacture and sale of plastic moulding products ("Plastic Moulding Business");
- (3) Provision of public relations services ("PR Business"); and
- (4) Provision of human resources management services ("HR Business").

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

(a) *Business segments*

For the year ended 31 December 2015

	Medical Devices Business HK\$'000	Plastic Moulding Business HK\$'000	PR Business HK\$'000	HR Business HK\$'000	Total HK\$'000
Revenue from external customers	54,340	16,627	878	507	72,352
Reportable segment revenue	54,340	16,627	878	507	72,352
Reportable segment profit/(loss)	2,151	(2,098)	(510)	(1,504)	(1,961)
Interest income	1	–	–	–	1
Depreciation	(387)	(122)	(10)	(26)	(545)
Gain on disposal of property, plant and equipment	797	–	–	–	797
Reportable segment assets	13,782	750	219	199	14,950
Additions to non-current assets	–	5	69	172	246
Reportable segment liabilities	(9,846)	(4,794)	(298)	(193)	(15,131)

For the year ended 31 December 2014

	Medical Devices Business HK\$'000	Plastic Moulding Business HK\$'000	Total HK\$'000
Revenue from external customers	<u>26,537</u>	<u>49,933</u>	<u>76,470</u>
Reportable segment revenue	<u>26,537</u>	<u>49,933</u>	<u>76,470</u>
Reportable segment loss	<u>(4,732)</u>	<u>(13,195)</u>	<u>(17,927)</u>
Interest income	–	56	56
Depreciation	(1,208)	(322)	(1,530)
Gain on disposal of property, plant, and equipment	50	641	691
Reportable segment assets	5,460	10,381	15,841
Additions to non-current assets	2,382	203	2,585
Reportable segment liabilities	<u>(5,483)</u>	<u>(9,452)</u>	<u>(14,935)</u>

(b) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

	2015 HK\$'000	2014 HK\$'000
Revenue		
Reportable segment revenue	<u>72,352</u>	<u>76,470</u>
Loss before income tax expense		
Reportable segment loss	(1,961)	(17,927)
Loss on change in fair value of convertible notes	–	(4,005)
Impairment losses and write offs	–	(13,981)
Finance costs	(6)	(835)
Unallocated corporate income	2,488	2
Unallocated corporate expenses	<u>(18,892)</u>	<u>(11,541)</u>
Consolidated loss before income tax expense	<u>(18,371)</u>	<u>(48,287)</u>

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Assets		
Segment assets	14,950	15,841
Leasehold land and buildings	62,590	–
Intangible asset	2,584	–
Goodwill	957	–
Pledged time deposits	–	1,546
Cash and cash equivalents	184,235	62,580
Unallocated corporate assets	9,250	1,976
	<u> </u>	<u> </u>
Consolidated total assets	<u>274,566</u>	<u>81,943</u>
Liabilities		
Segment liabilities	15,131	14,935
Bank and other borrowings	–	2,169
Amounts due to related parties	9,200	9,200
Unallocated corporate liabilities	6,465	7,453
	<u> </u>	<u> </u>
Consolidated total liabilities	<u>30,796</u>	<u>33,757</u>

Reportable segment loss represents the loss attributable to each segment without allocation of corporate administrative expenses, loss on changes 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.

All assets are allocated to reportable segments other than leasehold land and buildings, intangible asset, goodwill, 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.

(c) Geographic information

The geographical location of customers is based on the location at which the goods delivered or service provided. The geographical location of the non-current assets is based on the physical and operating location of the assets.

The Group's operations and workforce are mainly located in the PRC (country of domicile), including Hong Kong.

The following table provides an analysis of the Group's revenue from external customers.

	2015 HK\$'000	2014 <i>HK\$'000</i>
Asia		
– PRC including Hong Kong	1,396	227
– other region	9,581	28,795
Europe	3,710	16,880
North and South America	57,665	30,568
	72,352	76,470

The following table provides an analysis of the Group's non-current assets.

	2015 HK\$'000	2014 <i>HK\$'000</i>
Asia		
– PRC including Hong Kong	75,508	3,169

Information about major customers

Revenue from customers contributing over 10% of the total sales of the Group are set out below:

	2015 HK\$'000	2014 <i>HK\$'000</i>
Customer A – manufacture and sale of medical devices products	54,329	26,537
Customer B – manufacture and sale of plastic moulding products	8,634	12,374
Customer C – manufacture and sale of plastic moulding products	N/A (Note)	14,665
Customer D – manufacture and sale of plastic moulding products	N/A (Note)	11,376

The percentage of total revenue on major customers is set out below:

	2015	2014
Customer A – manufacture and sale of medical devices products	75%	35%
Customer B – manufacture and sale of plastic moulding products	12%	16%
Customer C – manufacture and sale of plastic moulding products	N/A (Note)	19%
Customer D – manufacture and sale of plastic moulding products	N/A (Note)	15%

Note: The corresponding revenue did not contribute over 10% of the total sales of the Group.

4. Revenue

Revenue represents the net invoiced value of goods sold or services provided, net of returns and trade discounts.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Sales of goods	70,967	76,470
Provision of services	1,385	—
	<u>72,352</u>	<u>76,470</u>

5. Other income

Analysis of the Group's other income recognised during the year is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Exchange gain, net	12	221
Gain on disposal of property, plant and equipment	797	691
Interest income	7	58
Rental income	5	—
Others	2,679	346
	<u>3,500</u>	<u>1,316</u>

6. Impairment losses and write offs

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Impairment loss on property, plant and equipment (<i>Note 10</i>)	—	2,069
Impairment loss on goodwill (<i>Note 11</i>)	—	11,836
Impairment loss on other deposits, prepayments and other receivables (<i>Note 13</i>)	—	4
Other deposits, prepayments and other receivables written off (<i>Note 13</i>)	—	72
	<u>—</u>	<u>13,981</u>

7. Loss before income tax expense

The Group's loss before income tax expense is arrived at after charging:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Employee costs (including directors' emoluments)		
– Salaries, wages and other benefits	14,984	21,370
– Contribution to defined contribution retirement plan	414	652
	<u>15,398</u>	<u>22,022</u>
Depreciation of property, plant and equipment		
– Owned	1,699	2,511
– Held under a finance lease	331	204
Auditor's remuneration	800	730
Operating lease charges in respect of properties	2,370	2,846
Write-off of inventories*	–	1,247
Cost of inventories recognised as expenses	53,160	57,047
Cost of services	<u>1,724</u>	<u>–</u>

* Included in "cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

8. Income tax expenses

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Deferred tax	<u>235</u>	<u>–</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

No provision for Hong Kong Profits Tax had been made for the current year as the Group had sufficient tax losses brought forward to offset against the assessable profit for the year ended 31 December 2015. For the year ended 31 December 2014, no Hong Kong Profits Tax was provided as the Group did not derive any estimated assessable profits.

9. Loss per share

(a) Basic loss per share

The calculation of the basic loss per share is based on the loss attributable to the owners of the Company of HK\$18,606,000 (2014: HK\$48,287,000) and the weighted average of 1,234,046,809 (2014: 780,698,258 as restated) ordinary shares in issue during the year after the adjustment of the share consolidation, the bonus elements in the shares issued under the share placings as set out in Note 15 and the bonus elements in shares issued under the open offer completed subsequent to the reporting date but before the issuance of these financial statements.

The comparative figures for the basic loss per share for the year ended 31 December 2014 are restated to take into account of the effect of the above share consolidation and the bonus elements arising from the placings completed during the year and open offer completed before the issuance of these financial statements retrospectively as if they had taken place since the beginning of the respective comparative period.

(b) Diluted loss per share

No diluted loss per share has been presented because there was no potential dilutive ordinary shares in issue for the years ended 31 December 2015 and 2014.

The Company's outstanding share options as at 31 December 2014 and the conversion of the convertible notes in 2014 were not taken into account as they had an anti-dilutive effect for the year ended 31 December 2014 which would result in a reduction in the loss per share. There was no outstanding share option as at 31 December 2015.

10. Property, plant and equipment

	Leasehold land and buildings HK\$'000	Plant and machinery HK\$'000	Furniture, fixtures and office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost					
At 1 January 2014	–	17,836	3,018	4,898	25,752
Additions at cost	–	590	64	1,931	2,585
Disposals	–	(7,078)	(420)	(985)	(8,483)
Written off	–	–	(177)	–	(177)
At 31 December 2014 and 1 January 2015	–	11,348	2,485	5,844	19,677
Additions at cost	–	–	1,580	–	1,580
Acquisition of a subsidiary	–	–	419	–	419
Acquisition of asset through acquisition of a subsidiary	62,590	–	–	–	62,590
Disposals	–	(1,284)	(174)	(1,018)	(2,476)
Written off	–	–	(1,124)	–	(1,124)
At 31 December 2015	62,590	10,064	3,186	4,826	80,666

Accumulated depreciation and impairment

	Leasehold land and buildings <i>HK\$'000</i>	Plant and machinery <i>HK\$'000</i>	Furniture, fixtures and office equipment <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2014	–	14,993	2,492	2,258	19,743
Depreciation	–	898	317	1,500	2,715
Impairment loss (<i>Note 6</i>)	–	2,067	2	–	2,069
Disposals	–	(6,610)	(265)	(967)	(7,842)
Written off	–	–	(177)	–	(177)
At 31 December 2014 and 1 January 2015	–	11,348	2,369	2,791	16,508
Depreciation	–	–	391	1,639	2,030
Disposals	–	(1,284)	(149)	(1,018)	(2,451)
Written off	–	–	(1,124)	–	(1,124)
At 31 December 2015	–	10,064	1,487	3,412	14,963
Net book value					
At 31 December 2015	62,590	–	1,699	1,414	65,703
At 31 December 2014	–	–	116	3,053	3,169

The net carrying value of a motor vehicle held under a finance lease of the Group was nil (2014: HK\$102,000). The asset was pledged to secure the Group's obligation under a finance lease as at 31 December 2014.

The building is situated on leasehold land in Hong Kong held under medium term lease.

Impairment loss

For the year ended 31 December 2014, an impairment loss of HK\$2,069,000 on property, plant and equipment that related to the segment of the manufacture and sale of medical devices products was recognised as a result of an impairment assessment made by the management as detailed in Note 11.

11. Goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (“CGU”) that is expected to benefit from that business combination. The carrying amount of goodwill of HK\$957,000 as at 31 December 2015 related to a new business unit acquired during the year, as further explained below.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Cost	68,319	67,362
Less: Accumulated impairment losses	<u>(67,362)</u>	<u>(67,362)</u>
Net book value	<u><u>957</u></u>	<u><u>–</u></u>

Provision for information technology services

At 31 December 2015, goodwill of HK\$957,000 relates to the provision of information technology services business unit acquired as part of the acquisition of Zeed Asia Technology Limited during the year. At each reporting date, the goodwill relating to this CGU is subject to impairment testing.

The recoverable amount of the CGU has been determined using cash flow projections to calculate value in use based on estimates and financial budgets approved by the management. These projections cover a five-year period, and have been discounted using a pre-tax discount rate of 19.68%. The cash flows beyond that five-year period have been extrapolated using a growth rate of 3%.

All of the assumptions and estimations involved in the preparation of the cash flow projection including budgeted gross margin, discount rate and growth rate are determined by the management of the Group based on their experience and expectation for future market development.

The directors of the Company believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the unit to exceed the aggregate recoverable amount of the CGU.

Manufacture and sale of medical devices products

At 31 December 2014, goodwill at cost of HK\$67,362,000 related to the manufacture and sale of medical devices products business unit, which is also a CGU, acquired as part of the acquisition of the Titron Group in 2011. Owing to the significant and continuous losses incurred by this business unit, full impairment of goodwill of HK\$67,362,000 was made as at 31 December 2014.

At 31 December 2014, the recoverable amount of the CGU was determined using cash flow projections to calculate value in use based on estimates and financial budgets approved by the management. These projections cover a five-year period, and were discounted using a pre-tax discount rate of 14.62%. The cash flows beyond that five-year period was extrapolated using a zero growth rate.

All of the assumptions and estimations involved in the preparation of the cash flow projection including budgeted gross margin, discount rate and growth rate were determined by the management of the Group based on past performance, experience and their expectation for future market development.

Based on the assessment in 2014, the recoverable amount of the CGU fell below zero, resulting in an impairment loss of HK\$11,836,000 (Note 6) and HK\$2,069,000 (Note 10) recognised on goodwill and property, plant and equipment respectively during the year ended 31 December 2014. Accordingly, goodwill related to the medical devices operations of the Group was written down to zero as at 31 December 2014.

12. INTANGIBLE ASSET

	In-process research and development project HK\$'000
Cost and carrying value	
At 1 January 2015	–
Acquisition through a business combination	2,202
Additions from development projects	<u>382</u>
At 31 December 2015	<u><u>2,584</u></u>

The intangible asset of in-process research and development project (“in-process R&D”) represented the in-process development of an internet financial platform (the “Platform”) by Zeed Asia Technology Limited, a wholly-owned subsidiary of the Company newly acquired during the year. The development of the Platform is at the final stage for testing and is expected to be completed within the next financial year.

Since the Platform was under development and not ready for use, no amortisation has been recognised during the year ended 31 December 2015. It is tested for impairment annually until it is available for use. Upon completion of the development and successful test for implementation, the Platform will have a finite useful life and will be measured initially at cost and subsequently measured at cost less amortisation and accumulated impairment loss.

Based on the impairment assessment performed by management, the directors of the Company are of the opinion that no impairment on the in-process R&D is considered necessary.

13. Trade and other receivables

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Non-current		
Deposit for acquisition of a subsidiary (<i>Note</i>)	6,150	–
Deposit for purchase of a property, plant and equipment	114	–
	<u>6,264</u>	–
Current		
Trade receivables	10,860	10,067
Other deposits, prepayments and other receivables	3,952	2,612
<i>Less: Impairment loss recognised on other deposits, prepayments and other receivables (Note 6)</i>	–	(4)
	<u>3,952</u>	<u>2,608</u>
Total current portion	<u>14,812</u>	12,675
Total trade and other receivables	<u><u>21,076</u></u>	<u><u>12,675</u></u>

Note: The deposit paid for acquisition of a subsidiary under non-current assets represents deposit paid for the acquisition of a subsidiary, ACE Engineering Limited.

The Group allows an average credit period of 30 to 90 days (2014: 30 to 90 days) to its trade customers. The following is an aged analysis of trade receivables (net of accumulated impairment losses) by invoice date as at the end of the reporting period.

	2015 HK\$'000	2014 <i>HK\$'000</i>
Current	2,156	81
1 to 90 days	4,812	9,895
91 to 180 days	3,798	67
Over 180 days	94	24
Trade receivables	10,860	10,067

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current liability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customers operate. The Group does not hold any collateral over these balances. Receivables that were neither past due nor impaired constitute about 53% (2014: 80%) of total trade receivables, and relate to a wide range of customers for whom there was no recent history of default. The following is an aged analysis of trade receivables (net of accumulated impairment losses) by due date as at the end of the reporting period.

	2015 HK\$'000	2014 <i>HK\$'000</i>
Neither past due nor impaired	5,730	8,066
Less than 3 months past due	1,346	1,977
3 to 6 months past due	3,780	–
Over 6 months past due	4	24
	5,130	2,001
Trade receivables	10,860	10,067

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK\$5,130,000 (2014: HK\$2,001,000) which are past due as at the reporting date for which the Group has not provided any impairment loss. The Group does not hold any collateral over these balances.

Receivables that were past due but not impaired relate to a number of independent customers that have a good repayment record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Movement in the impairment losses of other deposits, prepayments and other receivables

	2015	2014
	HK\$'000	HK\$'000
At 1 January	4	5,287
Written off	(4)	(5,287)
Impairment loss recognised (<i>Note 6</i>)	<u>—</u>	<u>4</u>
At 31 December	<u><u>—</u></u>	<u><u>4</u></u>

As at 1 January 2014, included in other deposits, prepayments and other receivables were refundable earnest monies of approximately HK\$5,359,000 paid to the potential vendors (the "Vendors") for a possible acquisition of a company specialised in clinical studies in various areas of pathology in Germany (the "Investment Project"). A non-legal binding memorandum of understanding was entered into by the Company and the Vendors on 28 September 2012 as per the announcement made by the Company on 2 October 2012. No formal agreement was entered into by the Company and the Vendors as at 31 December 2012. Provision of HK\$4,230,000 was made in 2012 based on management's assessment at that time. During 2013, the management decided to abandon the Investment Project as due diligence revealed that patents of the Vendors had legal title issues. As a result, an additional allowance for impairment of HK\$1,057,000 was recognised for the year ended 31 December 2013 based on an impairment assessment carried out by the management as at 31 December 2013. During the year ended 31 December 2014, the management considered the recovery of the earnest monies was remote and, accordingly, the receivable of HK\$5,359,000 was written off entirely, of which HK\$72,000 was written off directly to profit or loss for the year ended 31 December 2014 (Note 6) and HK\$5,287,000 was written off against the provision brought forward.

14. Trade and other payables

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Trade payables	8,067	5,656
Accruals and other payables	<u>13,175</u>	<u>16,716</u>
	<u>21,242</u>	<u>22,372</u>
Amounts due to related parties	<u>9,200</u>	<u>9,200</u>
	<u>30,442</u>	<u>31,572</u>

As at 31 December 2015 and 2014, included in amounts due to related parties are an amount due to Titron Group Holdings Limited (“TGHL”), in the amount of HK\$1,700,000 (2014: HK\$1,700,000) and the cash consideration of HK\$7,500,000 payable to the Vendors of Titron Group (as defined below) arising from the acquisition of Titron Group in 2011.

TGHL was one of the Vendors in the acquisition of Apex Solution Group Limited, Titron Industries Limited, Titron International Limited, Titron Manufacturing Limited, Titron Precision Limited and its subsidiaries in the PRC (collectively referred as “Titron Group”) in 2011. Titron Group is principal engaged in the Medical Device Business and the Plastic Moulding Business. One of the shareholders of TGHL, Yip Wai Lun, Alvin, the Chairman and Managing Director of the Company, owns shares in the Company.

The amounts due to related parties as at 31 December 2015 and 2014 were 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.

	2015 HK\$'000	2014 <i>HK\$'000</i>
Within 3 months	7,946	5,623
Over 3 months but within 6 months	109	29
Over 6 months	12	4
	<u>8,067</u>	<u>5,656</u>

The average credit period on purchases of goods is 30-90 days (2014: 30-90 days).

15. Share capital

	Number of shares	Amount HK\$'000
<i>Authorised:</i>		
Balance as at 31 December 2014 and 31 December 2015	<u>40,000,000,000</u>	<u>400,000</u>
<i>Issued and fully paid:</i>		
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 (b)	80,087,620	801
Issue of shares in June 2014 (c)	175,160,000	1,752
Issue of shares in November 2014 (d)	<u>226,200,000</u>	<u>2,261</u>
Balance as at 31 December 2014	1,532,431,606	15,324
Share consolidation of every five shares of par value of HK\$0.01 each into one consolidated share of par value HK\$0.05 each; and reduction in par value of each consolidated share from HK\$0.05 to HK\$0.01 (e)	(1,225,945,285)	(12,259)
Issue of shares in July 2015 (f)	61,200,000	612
Issue of shares in November 2015 (g)	<u>874,100,000</u>	<u>8,741</u>
Balance as at 31 December 2015	<u><u>1,241,786,321</u></u>	<u><u>12,418</u></u>

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 placing share, according to a placing agreement under the general mandate signed on 24 March 2014 (“2014 GM Placing Agreement I”). The closing price was HK\$0.265 per share as quoted on the Stock Exchange on the last trading day immediately prior to the 2014 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, were intended to be utilised as to general working capital of the Group. The net proceeds had been utilised as intended.
- (b) During the year ended 31 December 2014, convertible notes amounting to HK\$40,043,810 were converted into 80,087,620 ordinary shares of HK\$0.01 each at the fixed conversion price of HK\$0.5 per share.
- (c) On 30 June 2014, 175,160,000 ordinary shares (the “2014 SM Placing Shares”) of HK\$0.01 each were placed at a price of HK\$0.239 per placing share, according to a placing agreement under specific mandate signed on 24 March 2014 (“2014 SM Placing Agreement”). The closing price was HK\$0.265 per share as quoted on the Stock Exchange on the last trading day immediately prior to the 2014 SM Placing Agreement. 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, were 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 ACE Engineering Limited to facilitate the tender of potential construction projects; and (vi) money lending business as set out in the announcements dated 23 June 2015 and 17 December 2015 regarding the change in use of proceeds. The net proceeds had been utilised as intended.
- (d) On 14 November 2014, 226,200,000 ordinary shares of HK\$0.01 each were placed at a price of HK\$0.118 per placing share, according to a placing agreement under the general mandate signed on 31 October 2014 (“2014 GM Placing Agreement II”). The closing price was HK\$0.144 per share as quoted on the Stock Exchange on the date of the 2014 GM Placing Agreement II. A share premium of approximately HK\$24,430,000 was credited to share premium account. The net proceed of approximately HK\$25,529,000, after deducting commission and placing expenses of approximately HK\$1,163,000, were intended to be utilised as to (i) general working capital of the Group; and (ii) funding for the acquisition of ACE Engineering Limited as set out in the announcement dated 23 June 2015 regarding proposed rights issue and change of use of proceeds. The net proceeds had been utilised as intended.

- (e) 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 of the Company in a special general meeting of the Company on 27 April 2015, the Capital Reorganisation had become effective on 28 April 2015 as details 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, and resulted in share capital being reduced by HK\$12,259,000;
 - (iii) the credits arising from the share capital account of the Company of HK\$12,259,000 was transferred to the accumulated losses of the Company.
- (f) On 24 July 2015, 61,200,000 ordinary shares of HK\$0.01 each were placed at a price of HK\$0.328 per placing share, according to a placing agreement under general mandate signed on 14 July 2015 ("GM Placing Agreement"). The closing price was HK\$0.400 per share as quoted on the Stock Exchange on the date of the GM Placing Agreement. A share premium of approximately HK\$19,462,000 was credited to share premium account. The net proceed of approximately HK\$19,311,000, after deducting commission and placing expenses of approximately HK\$763,000 were intended to be utilised as to (i) general working capital of the Group; and (ii) money lending business. The net proceeds had been utilised as intended.
- (g) On 30 November 2015, 874,100,000 ordinary shares of HK\$0.01 each were placed at a price of HK\$0.23 per placing share ("SM Placing"), according to a placing agreement under specific mandate signed on 14 July 2015 ("SM Placing Agreement") and the supplemental agreement to the SM Placing Agreement signed on 31 August 2015 ("Supplemental SM Placing Agreement"). The closing price was HK\$0.290 per share as quoted on the Stock Exchange on the date of the Supplemental SM Placing Agreement. A share premium of approximately HK\$192,302,000 was credited to share premium account. The net proceed of approximately HK\$194,609,000, after deducting commission and placing expenses of approximately HK\$6,434,000 were intended to be utilised as to (i) business development of ACE Engineering Limited; and (ii) purchasing office premises in Hong Kong.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS, BUSINESS REVIEW AND PROSPECTS

RESULTS

The total revenue of the Group decreased HK\$4.1 million or 5.4%, from HK\$76.5 million last year to HK\$72.4 million for the year ended 31 December 2015 primarily due to the product mix fine-tuning towards higher contribution margin products. Such decrease was driven by the fade out of certain plastic moulding products with low profit margin, partially offset by the rebound in the revenue of the segment of manufacture and sale of medical devices products.

Gross profit of the Group was HK\$10.3 million, representing an increase of 71.7% or HK\$4.3 million as compared to that of 2014. Gross profit margin for the year reached approximately 14.3% (2014: 7.8%), representing an elevation of 6.5 percentage points over the last financial year, as a result of the increase of sale of medical devices products, which contributed a higher gross profit margin.

Other income during the year under review recorded HK\$3.5 million, an increase of 169.2% as compared to HK\$1.3 million in the corresponding year of 2014, which was mainly due to the occurrence of a one-off income for the year.

With the implementation of stringent cost control and streamlining measures, the distribution cost and administrative expenses of the Group declined by HK\$2.7 million and HK\$1.8 million to HK\$0.6 million and HK\$31.7 million respectively (for the year ended 31 December 2014: HK\$3.3 million and HK\$33.5 million respectively), representing a reduction of 81.8% and 5.4% against 2014 respectively.

During the year under review, there were no impairment losses and write-offs and the recognition of loss in fair value upon the conversion of convertible notes through profit and loss, while the amounts recognised for the year of 2014 were HK\$14.0 million and HK\$4.0 million respectively.

Finance costs decreased 99.3% from HK\$0.8 million in 2014 to approximately HK\$6,000 in 2015. This decrease is primarily due to the repayment of bank and other borrowings during the year.

As a result, the loss attributable to owners of the Company was HK\$18.6 million, which shows an improvement of 61.5% as compared to HK\$48.3 million loss in 2014.

BUSINESS REVIEW

Manufacture and sale of medical devices products (“Medical Devices Business”)

For the year ended 31 December 2015, the Medical Devices Business recorded revenue of HK\$54.3 million, increased by 104.9% or HK\$27.8 million as compared to that of HK\$26.5 million in the previous year. This amount represented 75.1% of the Group’s total revenues for the year under review. This increase is caused by the continual recovery of demand after product recall and the steady growth of the U.S. economy. The end-product of our key customer in America experienced a product recall and a subsequent relaunch in 2013, which has unlocked the potential of the product lifecycle and hence triggered a stronger market demand this year after the positive user experience in 2014.

The Group turned HK\$4.7 million segment loss last year into a profit of HK\$2.2 million this year, as a result of economies of scale in production driven by increased sales orders and effective utilization of resources. Revenue growth has also allowed to better leverage the fixed costs as indicated by the year-over-year decrease in distribution costs and administrative expenses as a percentage of revenues.

Manufacture and sale of plastic moulding products (“Plastic Moulding Business”)

The revenue from Plastic Moulding Business decreased by HK\$33.3 million, or 66.7% to HK\$16.6 million for the year under review, which accounts for 23.0% of the Group’s total revenue. Certain plastic moulding products suffered from declining sales orders as relevant customers’ end products have reached the end of their product life cycle. In the first half of 2015, the Group has ceased the production of the majority of the products, which had contributed 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.

The financial performance of this segment is considered to be bounced from the bottom in the financial year of 2014. Along with the improvement in profit margin of 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 year 2015 hence decreased by 84.1% to HK\$2.1 million, as compared to HK\$13.2 million for the year 2014. Comparing to other business segments of the Group, the Plastic Moulding Business is considered to be an underperformer with less momentum to grow, and hence the assets and resources will be progressively shifted to other more profitable business units over time. The Group will closely monitor its on-going performance and continue the operation of the Plastic Moulding Business as long as it still contributes sufficiently to share appropriate portion of the administration and operation cost of the Group.

Provision of public relations services (“PR Business”)

The Group’s PR Business has commenced operation in the first quarter of 2015, which recorded a revenue and segmental loss of HK\$0.9 million and HK\$0.5 million, respectively. The public relations team has been offering public relations services such as image building, brand marketing and media relation management to corporate clients through a series of public relations activities . Profit margin of the PR Business was curtailed by the segment’s initial set-up expenses as the business was only in the start up phase of development, where specific sales and marketing activities had to be done to bolster customer base and market presence. Performance of the PR Business in 2015 was generally in line with management’s planning and expectations.

Provision of human resources management services (“HR Business”)

The Group’s HR Business was another new business segment that began to operate in the first quarter of 2015, where an experienced team of recruitment consultants (“HR Team”) was set up to deliver broad-based human resources solutions for general and investment banks and multi-national corporations. The revenue and segmental loss of HR Business for the year ended 31 December 2015 were HK\$0.5 million and HK\$1.5 million, respectively. The HR team had spent several months to build the talent and job database for recruitment, selection, and various recruitment activities. The HR Team had also approached potential corporate clients and addressed their needs in human resources governance and recruiting talents. The HR Team had developed a set of detailed position descriptions, and conducted job interviews with potential candidates. Though the HR Team had successfully accomplished certain targets and objectives as per the Group’s business plan in the first few months, the HR Business was challenged by the unusual sentiment in the employment market in the fourth quarter of 2015, especially banking sector. Owing to surging compliance and regulatory costs, multibillion-dollar fines for compliance breaches and decreasing earnings, the management of many international and investment banks had made decisions of staff redundant, salary adjustment and were more conservative on hiring. The situation that multi-national and local corporations tightened recruitment budgets had curtailed the revenue growth of HR Business in the second half of 2015.

ACQUISITION OF NEW BUSINESS

Acquisition of building contract works business (“Acquisition of ACE Engineering”)

On 21 May 2015, the Company entered into a memorandum of understanding (“MOU”) with two individuals (the “Prospective Sellers”), the third parties independent of the Company, in relation to the possible acquisition of the entire issued 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 Sellers entered into an addendum to the MOU to extend the expiry date of the exclusivity period to 30 September 2015. On 14 September 2015, Best Reward Global Limited, a wholly-owned subsidiary of the Company, and the Prospective Sellers entered into the acquisition agreement in respect of the acquisition of the entire issued share capital of ACE Engineering Limited (“ACE Engineering”), a company incorporated in Hong Kong with limited liability and is wholly-owned by the Prospective Sellers, at the cash consideration of HK\$20.5 million.

The Board considers that it is beneficial for the Group to lessen its dependence on its existing manufacturing business segment by diversifying its existing business portfolio so as to broaden its revenue streams and generate stable and sustainable income. ACE Engineering has an operating history of over 15 years in its industry and a registered general building contractor and a registered minor works contractor under the Buildings Ordinance. It has also been approved by the Hong Kong Housing Authority under the sub-category of Maintenance Works category of building work in Group M1 with the confirmed status and has been on the List of Building Contractors maintained by the Hong Kong Housing Authority. Therefore, the Board is of the view that the Acquisition of ACE Engineering represents an opportunity for the Group to take the initial step into such business and facilitate the Company with relevant construction specialty to enter into the field of building construction and building maintenance and improvement works. The Board anticipates this new business segment will contribute positive results to the Group since 2016.

The resolution in relation to the Acquisition of ACE Engineering was passed by the shareholders of the Company (the “Shareholders”) at the special general meeting on 21 December 2015. The Acquisition of ACE Engineering was completed on 5 January 2016. Details of the Acquisition of ACE Engineering are set out in the Company’s announcements dated 21 May 2015, 20 August 2015, 14 September 2015, 21 December 2015 and 5 January 2016, and the Company’s circular dated 4 December 2015.

Acquisition of a subsidiary

On 19 November 2015, Constant Gross Limited, a wholly-owned subsidiary of the Company, entered into an agreement with an independent third party to purchase the entire issued share capital of, and shareholder’s loan to, Zeed Asia Technology Limited (“Zeed Asia”), a company incorporated in Hong Kong with limited liability, at a cash consideration of HK\$3.2 million and completion of the acquisition took place on the same date immediately after signing of the agreement. Zeed Asia is principally engaged in provision of information technology services.

During the year under review, this newly acquired business recorded a loss of approximately HK\$0.9 million.

Acquisition of asset through acquisition of a subsidiary

On 6 October 2015, the Company entered into the sale and purchase agreement with GET Holdings Limited (a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on Growth Enterprise Market of the Stock Exchange (Stock Code: 8100)) to acquire the entire issued share capital of Bonus First Group Limited (“BFG”), a company incorporated in the British Virgin Islands with limited liability, at a cash consideration of HK\$62.0 million. The principal business of BFG is investment holding and its principal asset is a commercial property located at Office 503 (also known as Unit 503), 5th Floor, Wing On House, No. 71 Des Voeux Road Central, Hong Kong (the “Property”), which was leased to and occupied as an office by an independent third party up to the end of February 2016. The resolution in relation to the acquisition of BFG was passed by the Shareholders at the special general meeting on 21 December 2015. The acquisition of BFG was completed on 29 December 2015. Details of the acquisition of BFG are set out in the Company’s announcements dated 6 October 2015, 21 December 2015 and 29 December 2015 and the Company’s circular dated 4 December 2015.

The Board considers that the acquisition of BFG enabled the Group to purchase a property which can be used by the Group for self-occupation upon termination of the existing lease and realise the Property for capital gain if there is an increase in the value of the Property in the future.

PROSPECTS

In the coming years, the Board targets to become a diversified corporation through active portfolio management such as acquisitions and setting up new subsidiaries. The acquisition of entire interest in ACE Engineering on 5 January 2016 enabled the Group to expand its footprint into the field of building contract works and further diversify its portfolio of businesses. With all the favorable growing factors including the rising number of ageing building, increasing public awareness of property safety and supportive government policies on building maintenance in Hong Kong, the building contract works segment will become a new driving force for our future sustainable growth.

In the beginning of 2016, global economy has weakened amid increasing financial turbulence and falling asset prices, while strong national policies are expected to propel the global economy to a more prosperous path. Against this backdrop of global economic instability which contains both risks and opportunities, the Company will adhere to its core strategies of efficient capital allocation, consistent portfolio strategy and lean organization structure to build a diversified corporation. Appraisal and evaluation of profitable business segments will be conducted regularly in a constant and dynamic manner to ensure the efficiency of corporate resources allocation to create superior shareholders value.

FINANCIAL REVIEW

Capital structure

As of 31 December 2015, the Group's consolidated net assets was approximately HK\$243.8 million, representing an increase of approximately HK\$195.6 million as compared to that of 2014, arising from the completion of share placing activities and capital reorganisation for the year.

As at 31 December 2015, the Company has 1,241,786,321 shares of HK\$0.01 each in issue.

Capital reorganisation

On 28 April 2015, the Company effected the 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 of 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\$12.3 million was credited to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda.

For details, please refer to the Company's announcements dated 9 March 2015 and 27 April 2015, respectively and the Company's circular dated 1 April 2015.

Rights issue

On 23 June 2015, the Company had entered into 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 ("Rights Issue"). It was considered that the proposed Right Issue would fulfill the financial needs for the business plan, which included (i) the business development of ACE Engineering; (ii) the development of the Group's existing PR Business and HR Business; (iii) the development of money lending business; (iv) purchase of commercial office in Hong Kong Island; and (v) provision of general working capital for the Group. The subscription price of HK\$0.435 per rights share represented (i) a discount of approximately 41.22% to the closing price of HK\$0.74 per share as quoted on the Stock Exchange on 23 June 2015; and (ii) a discount of approximately 39.58% to the average closing price of HK\$0.72 per share for the five consecutive trading days prior to 23 June 2015.

On 6 July 2015, the underwriting agreement was terminated as the parties did not come to any agreement on the revised structure 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.

Placing of new shares under general mandates

On 14 July 2015, the Company and the placing agent (the "Placing Agent") entered into the GM Placing Agreement, pursuant to which the Company has conditionally agreed to offer for subscription and the Placing Agent agreed to procure, failing which, the Placing Agent itself would subscribe for 61,200,000 placing shares (the "GM Placing Shares") to not less than six placees at a price of HK\$0.328 (the "GM Placing Price") per GM Placing Share in order to broaden the shareholders' base and the capital base of the Company (the "GM Placing"). The GM Placing Price of HK\$0.328 per GM Placing Share represented (i) a discount of approximately 18.0% to the closing price of HK\$0.400 per share as quoted

on the Stock Exchange on 14 July 2015, being the date of the GM Placing Agreement; and (ii) a discount of approximately 8.9% to the average closing price of HK\$0.360 per share as quoted on the Stock Exchange for the five consecutive trading days of the Company's shares immediately prior to the date of the GM Placing Agreement. On 24 July 2015, the GM Placing was completed and the total of 61,200,000 new shares with an aggregate nominal value of approximately HK\$0.6 million had been issued upon the Stock Exchange granting the listing of, and permission to deal in, the GM Placing Shares allotted and issued to not less than six placees pursuant to the GM Placing Agreement.

The Company received the net proceeds of approximately HK\$19.2 million from the GM Placing, representing a net issue price of HK\$0.314 per GM Placing Share, of which (i) approximately HK\$9.2 million was used intended for general working capital of the Group; and (ii) approximately HK\$10.0 million was used intended for money lending business.

Placing of new shares under specific mandates

In order to strengthen the financial position of the Group and provide working capital to the Group to meet future development and obligations, the Company and the Placing Agent entered into the SM Placing Agreement on 14 July 2015, pursuant to which, the Company conditionally agreed to place through the Placing Agent on a best endeavour basis, up to 612,900,000 placing shares (the "SM Placing Shares") to not less than six placees at a placing price of HK\$0.328 per SM Placing Share by 30 September 2015 (the "SM Long Stop Date") or such other date as the parties may agree in writing. Taking into consideration that the trading price of the Company's shares on 31 August 2015 closed at HK\$0.290 per share, which was below the original placing price of HK\$0.328 per SM Placing Share, the Company and the Placing Agent entered into the Supplemental SM Placing Agreement, pursuant to which the Company and the Placing Agent agreed to amend the placing price for the SM Placing from HK\$0.328 per SM Placing Share to HK\$0.230 per SM Placing Share (the "New SM Placing Price") to maintain the attractiveness of the SM Placing to the potential investors on 31 August 2015. Given that the Company wishes to maintain the funds to be raised by the Company under the SM Placing, the number of the SM Placing Shares has also been revised from 612,900,000 Shares to 874,100,000 Shares (the "New SM Placing Shares"). The Company and the Placing Agent also agreed to amend the SM Long Stop Date from 30 September 2015 (or such other date as the Company and the Placing Agent may agree in writing) to 31 October 2015 (or such other date as the parties hereto may agree in writing). The New SM Placing Price represented (i) a discount of approximately 20.69% to the closing price of HK\$0.290 per share as quoted on the Stock Exchange on 31 August 2015, being the

date of the Supplemental SM Placing Agreement; (ii) a discount of approximately 19.86% to the average closing price of HK\$0.287 per share as quoted on the Stock Exchange for the five consecutive trading days of the Company's shares prior to the date of the Supplemental SM Placing Agreement; and (iii) a discount of approximately 48.31% to the closing price of HK\$0.445 per share as quoted on the Stock Exchange on 28 October 2015, being the latest practicable date of the circular of the SM Placing dated 2 November 2015. Completion of the new SM Placing was conditional upon (i) the Stock Exchange granting the listing of, and permission to deal in, all of the SM Placing Shares to be placed pursuant to the Supplemental SM Placing Agreement; and (ii) the specific mandate being obtained at the special general meeting of the Company.

On 25 November 2015, all of the conditions were fulfilled and completion took place on 30 November 2015 with a total of 874,100,000 new shares with an aggregate nominal value of approximately HK\$8.7 million issued on the same date. The Company received the net proceed of approximately HK\$194.6 million after deducting commission and placing expenses, of which approximately HK\$110.1 million was used as intended as to (i) approximately HK\$1.2 million for the general working capital of ACE Engineering; (ii) approximately HK\$58.9 million for funding the remaining consideration of the acquisition of BFG; and (iii) approximately HK\$5.0 million for funding the deposit of the acquisition of 40% of the issued capital of Ultimate Elite Investments Limited ("Ultimate Elite") and; (iv) HK\$45.0 million would be utilized for funding the remaining consideration of such acquisition. The remaining net proceeds of approximately HK\$84.4 million allocated for the business development of ACE Engineering had not been utilized and remained in the bank account of the Company.

Details of the GM Placing and the SM Placing are set out in the Company's announcements dated 14 July 2015, 24 July 2015, 31 August 2015, 27 October 2015, 18 November 2015, 30 November 2015 and 17 December 2015, respectively and the Company's circular dated 2 November 2015.

Open Offer

On 20 January 2016, the Company announced its proposal to raise funds by way of an open offer of one offer share for every two shares held by the qualifying shareholders at a subscription price of HK\$0.13 per offer share (“Open Offer”). It was considered that the Group’s long term growth would be financed by way of equity fund raising which would not only strengthen the Group’s capital base but also enhance its financial position without increasing finance costs. The subscription price of HK\$0.13 per offer share represented (i) a discount of approximately 67.5% to the closing price of HK\$0.40 per share as quoted on the Stock Exchange on 20 January 2016; (ii) a discount of approximately 66.9% to the average closing price of HK\$0.393 per share quoted on the Stock Exchange for the five trading days before 20 January 2016; and (iii) a discount of approximately 63.4% to the closing price of HK\$0.355 per share as quoted on the Stock Exchange on 19 February 2016, being the latest practicable date of the prospectus of the Open Offer dated 23 February 2016.

The Open Offer was fully-underwritten by Ample Orient Capital Limited (the “Underwriter”) pursuant to the underwriting agreement dated 20 January 2016 entered into by and between the Company and Underwriter and was completed on 17 March 2016 with a total of 620,893,160 new shares with an aggregate nominal value of approximately HK\$6.2 million issued on the same date, on the basis of 1,241,786,321 shares in issue on 22 February 2016, being the record date of the Open Offer. The estimated net proceeds, after deducting relevant expenses payable in relation to the Open Offer, amounted to approximately HK\$77.4 million. The Board intended to apply the net proceeds from the Open Offer to develop and operate the Group’s money lending business. The net price per offer share after deducting the related expenses of the Open Offer was approximately HK\$0.12. Details of the Open Offer are set out in the Company’s announcements dated 20 January 2016 and 11 February 2016 and the Company’s prospectus dated 23 February 2016.

While it is still the intention of the Board to apply the unutilised balance of the net proceeds of approximately HK\$77.4 million to operate the Group’s money lending business as at the date of this announcement in case the money lending business unit cannot agree on the terms of lending with its potential customers or the demand from customers is not to a level as expected by the management, the Board may apply such unutilised balance, in whole or in part, to invest in company or companies which are principally engaged in money lending and/or related business in Hong Kong. In the event of any such change in use of proceeds, the Company will make an announcement in accordance with the requirements of the Listing Rules.

Use of proceeds from Placing of New Shares under Specific Mandates in 2014 (“2014 SM Placing”)

Pursuant to the 2014 SM Placing Agreement, the Company conditionally agreed to place 2014 SM Placing Shares on a best endeavour basis, to not less than six placees in order to allow the Group to raise new equity without the burden of interest payment and to broaden the shareholders’ base and the capital base of the Company. The 2014 SM Placing price represented (i) a discount of approximately 9.81% to the closing price of HK\$0.265 per share as quoted on the Stock Exchange on 21 March 2014, being the trading day immediately prior to the date of the 2014 SM Placing Agreement; (ii) a discount of approximately 3.32% to the average closing price of HK\$0.2472 per share as quoted on the Stock Exchange for the five consecutive trading days of the Company’s shares immediately prior to the date of the 2014 SM Placing Agreement; and (iii) a discount of approximately 30.72% to the closing price of HK\$0.345 per share as quoted on the Stock Exchange on 30 May 2014, being of the latest practicable date of the circular of the 2014 SM Placing dated 4 June 2014. Completion of the 2014 SM Placing was conditional upon (i) the Stock Exchange granting the listing of, and permission to deal in, all of the 2014 SM Placing Shares to be placed pursuant to the 2014 SM Placing Agreement; and (ii) the specific mandate being obtained at the special general meeting of the Company held on 20 June 2014.

On 30 June 2014, all conditions set out in the 2014 SM Placing Agreement were fulfilled, and completion of the 2014 SM Placing took place. The Company received the net proceeds of approximately HK\$40.1 million which had been used as intended as to (i) approximately HK\$9.4 million for the research, development of medical and/or healthcare products and services; (ii) approximately HK\$2.9 million for the launch of new medical and/or healthcare products and services; (iii) approximately HK\$2.3 million for the set up and development of e-commerce platform; (iv) approximately HK\$5.5 million for the PR Business and the HR Business; (v) approximately HK\$10 million for facilitating the tender of potential construction projects of ACE Engineering; and (vi) approximately HK\$10 million for money lending business.

Details of the 2014 SM Placing are set out in the Company’s announcements dated 24 March 2014, 30 June 2014, 12 January 2015, 23 June 2015 and 17 December 2015, respectively and the Company’s circular dated 4 June 2014.

Debt structure

As at 31 December 2015, the Group's total borrowings from financial institutions was zero (as at 31 December 2014: HK\$2.2 million). The Group's total cash and bank balances amounted to approximately HK\$184.2 million as at 31 December 2015, which increased approximately HK\$121.6 million as compared to that of 2014 (as at 31 December 2014: HK\$62.6 million).

Working capital and liquidity

As at 31 December 2015, both of the Group's current ratio and quick ratio were 6.5 (31 December 2014: 2.3). Inventory turnover on sales decreased to 5 days (31 December 2014: 21 days). Receivable turnover was 53 days (31 December 2014: 49 days).

Contingent liabilities and charges

As at 31 December 2015, the Group had not pledged any assets (31 December 2014: HK\$1.6 million) to secure bank facilities and finance lease obligations. The Group had no material contingent liabilities as at 31 December 2015 and 2014.

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 year, the Group's exposure to the potential foreign currency risk was relatively limited.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2015, the Group's employees number was 38 (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.

FINAL DIVIDEND

No payment of dividends has been proposed by the Board in respect of the year ended 31 December 2015 (2014: Nil).

EVENTS AFTER THE REPORTING PERIOD

Possible acquisition of not more than 30% of issued share capital in a target company which is engaged in the provision of interior design and contracting services (“Possible Acquisition”)

On 5 January 2016, the Company entered into a memorandum of understanding (“MOU”) with Alpha Generator Limited and three individuals in relation to the Possible Acquisition. 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 MOU are set out in the Company’s announcement dated 5 January 2016.

Acquisition of 40% of issued share capital in ultimate holding company of properties

As disclosed in the announcements of the Company dated 15 January 2016 and 22 January 2016, Praiseful Moment Limited (“Praiseful Moment”), a wholly-owned subsidiary of the Company, as the purchaser and Rosy Lane Investments Limited (“Rosy Lane”) as the vendor, entered into a sale and purchase agreement dated 15 January 2016, pursuant to which Praiseful Moment conditionally agreed to acquire, and Rosy Lane conditionally agreed to sell, 8 issued shares in the share capital of Ultimate Elite, representing 40% of its issued share capital at completion, at an aggregate cash consideration of HK\$50.0 million (“Ultimate Elite Acquisition”). Ultimate Elite is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. At completion of such acquisition, Praiseful Moment will hold 40% of the issued share capital of Ultimate Elite and will indirectly hold the properties located at Offices A-H, J-N & P on 21/F. (Whole Floor), “No. 3 On Kwan Street”, Sha Tin, New Territories, Hong Kong. As at the date of this announcement, completion of the Ultimate Elite Acquisition had not yet taken place.

Provision of money lending (“Money Lending Business”)

On 25 August 2015, the Presiding Member, Licencing Court has granted the money lender license (“License”) to Ever Great Finance Limited (“Ever Great”), a wholly-owned subsidiary of the Company, and such money lending business is expected to become a new growth driver for the Group’s revenue. For the year ended 31 December 2015, Ever Great has not conducted any transactions in relation to the Money Lending Business. On 7 January 2016, Ever Great entered into a loan agreement with a borrower, an independent third party, in respect of a loan in the principal amount of HK\$20.0 million, which marked the commencement of the Money Lending Business. Details are set out in the Company’s announcement dated 7 January 2016.

CORPORATE GOVERNANCE

The Company has complied with all code provisions of the Corporate Governance Code (“CG Code”) throughout the year ended 31 December 2015 as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), except for certain deviations disclosed herein.

Code Provision A.1.3

Under this code provision, notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend.

During the year, certain Board meetings were convened with less than 14 days’ notice to enable the Board members to react timely and make expeditious decisions in respect of urgent corporate transaction and general business update which was significant in nature. As a result, the Board meeting was held with a shorter notice period than required with the consent of the Directors. The Board will do its best endeavor to meet the requirement of code provision A.1.3 of the CG Code in the future.

Code Provision A.2.1

Under this code provision, 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 year ended 31 December 2015. During the year under review, the Group has been streamlining its operations, including business development, operation efficiency and financial management. The Board considers that it would be in the best interest of the 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 A.6.7

Under this code provision, 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 annual general meeting held on 30 June 2015 and the special general meeting held on 27 April 2015 due to their other business engagements. Mr. Chan Kam Kwan, Jason, the Independent Non-executive Director, was unable to attend the annual general meeting held on 30 June 2015 due to his other business engagements. Mr. Chang Ngai Sang Kenny and Mr. Li Kwok Fat, the Independent Non-executive Directors, were unable to attend the special general meetings held on 21 December 2015 due to their other business engagements.

Code Provision E.1.2

Under this code provision, 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 held on 30 June 2015 and the special general meetings held on 18 November 2015 and 21 December 2015 due to his other business engagements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (“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 year ended 31 December 2015.

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

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

REVIEW OF FINANCIAL STATEMENTS

The Audit Committee of the Company currently comprises three Independent Non-executive Directors, namely Mr. Wong Siu Ki (Chairman), Mr. Chan Ngai Sang Kenny and Mr. Li Kwok Fat. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including the review of the audited results for the year ended 31 December 2015.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group’s results for the year ended 31 December 2015 have been agreed by the Group’s auditor, BDO Limited, to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on the preliminary announcement.

APPRECIATION

On behalf of the Board, I would like to express appreciation to colleagues for their hard work and dedication in the past year. We will remain committed to achieving better results and maximising returns to our Shareholders.

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

Hong Kong, 29 March 2016

As at the date of this announcement, Mr. Yip Wai Lun, Alvin, 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.