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INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016

The board (the “Board”) of directors (the “Directors”) 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 2016 together with the comparative figures for the corresponding period in 2015, as follows.

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

For the six months ended 30 June 2016

		Six months ended 30 June	
		2016	2015
		Unaudited	Unaudited
			(Re-presented)
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations			
Revenue	3	54,448	35,786
Cost of sales and services		(44,932)	(30,200)
Gross profit		9,516	5,586
Other income and other gains – net	4	2,685	871
Distribution costs		(204)	(573)
Administrative expenses		(19,057)	(14,623)
Finance costs		(120)	(6)
Share of loss of an associate		(1,533)	–
Loss before income tax credit	5	(8,713)	(8,745)
Income tax credit	6	381	–
Loss for the period from continuing operations		(8,332)	(8,745)

* For identification purposes only

		Six months ended 30 June	
		2016	2015
		Unaudited	Unaudited
			(Re-presented)
<i>Notes</i>		HK\$'000	HK\$'000
Discontinued operation			
Loss for the period from discontinued operation		<u>(379)</u>	<u>(262)</u>
Loss and total comprehensive income for the period attributable to owners of the Company		<u>(8,711)</u>	<u>(9,007)</u>
Loss and total comprehensive income for the period attributable to owners of the Company			
– from continuing operations		<u>(8,332)</u>	<u>(8,745)</u>
– from discontinued operation		<u>(379)</u>	<u>(262)</u>
		<u>(8,711)</u>	<u>(9,007)</u>
			(Restated)
Loss per share	8		
Basic			
– from continuing operations		<u>HK(0.48) cents</u>	<u>HK(1.51) cents</u>
– from discontinued operation		<u>HK(0.02) cents</u>	<u>HK(0.05) cents</u>
		<u>HK(0.50) cents</u>	<u>HK(1.56) cents</u>
Diluted			
– from continuing operations		<u>N/A</u>	<u>N/A</u>
– from discontinued operation		<u>N/A</u>	<u>N/A</u>
		<u>N/A</u>	<u>N/A</u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

		30 June 2016 Unaudited HK\$'000	31 December 2015 Audited HK\$'000
	Notes		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		64,914	65,703
Goodwill		10,196	957
Intangible assets		5,959	2,584
Investment in an associate		48,467	–
Available-for-sale financial asset		15,300	–
Trade and other receivables	9	11,000	6,264
Deferred tax asset		69	–
		<u>155,905</u>	<u>75,508</u>
Current assets			
Inventories		11	11
Held-for-trading investment		2,880	–
Trade and other receivables	9	74,811	14,812
Cash and cash equivalents		108,395	184,235
		<u>186,097</u>	<u>199,058</u>
Current liabilities			
Trade and other payables	10	28,283	30,442
Tax payable		4	–
		<u>28,287</u>	<u>30,442</u>
Net current assets		<u>157,810</u>	<u>168,616</u>
Total assets less current liabilities		<u>313,715</u>	<u>244,124</u>
Non-current liabilities			
Deferred tax liabilities		1,175	354
Net assets		<u>312,540</u>	<u>243,770</u>
EQUITY			
Share capital		18,627	12,418
Reserves		293,913	231,352
Total equity		<u>312,540</u>	<u>243,770</u>

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) manufacture and sale of medical devices products; (ii) manufacture and sale of plastic moulding products; (iii) provision of public relations services; (iv) provision of construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works; (v) provision of money lending; and (vi) investment in securities.

2. Basis of preparation and accounting policies

The interim condensed consolidated financial statements for the six months ended 30 June 2016 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 2015, 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, except for certain assets and liabilities that are measured at their fair value, as appropriate.

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 2015.

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 2016. 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 are not yet effective for the current period.

3. Segment information

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 six (30 June 2015: four) 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");
- (4) Provision of construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works ("Building Contract Works Business");
- (5) Provision of money lending ("Money Lending Business"); and
- (6) Investment in securities ("Securities Investment").

During the six months ended 30 June 2016, the Group commenced the Money Lending Business and business of Securities Investment. In addition, the Group acquired the Building Contract Works Business in January 2016.

The business segment for provision of human resources management services ("HR Business") was sold effective from 28 June 2016.

Inter-segment transactions, if any, are priced with reference to prices charged to external parties for similar products. Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments' profit that is used by the chief operating decision-maker for assessment of segment performance.

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

Six months ended 30 June 2016 (Unaudited)

	Continuing operations							Discontinued operation	
	Medical Devices Business HK\$'000	Plastic Moulding Business HK\$'000	Building Contract PR Business HK\$'000	Money Lending Business HK\$'000	Securities Investment HK\$'000	Sub-total HK\$'000	HR Business HK\$'000	Total HK\$'000	
Reportable segment revenue	24,856	1,929	418	25,902	1,448	–	54,553	1,641	56,194
Inter-segment revenue	–	–	–	–	(105)	–	(105)	–	(105)
Revenue from external customers	<u>24,856</u>	<u>1,929</u>	<u>418</u>	<u>25,902</u>	<u>1,343</u>	<u>–</u>	<u>54,448</u>	<u>1,641</u>	<u>56,089</u>
Reportable segment profit/(loss)	<u>1,518</u>	<u>200</u>	<u>(38)</u>	<u>(1,400)</u>	<u>1,297</u>	<u>(201)</u>	<u>1,376</u>	<u>(379)</u>	<u>997</u>

Six months ended 30 June 2015 (Unaudited and re-presented)

	Continuing operations				Discontinued operation	
	Medical Devices Business HK\$'000	Plastic Moulding Business HK\$'000	PR Business HK\$'000	Sub-total HK\$'000	HR Business HK\$'000	Total HK\$'000
Reportable segment revenue	<u>24,153</u>	<u>11,439</u>	<u>194</u>	<u>35,786</u>	<u>153</u>	<u>35,939</u>
Revenue from external customers	<u>24,153</u>	<u>11,439</u>	<u>194</u>	<u>35,786</u>	<u>153</u>	<u>35,939</u>
Reportable segment loss	<u>(84)</u>	<u>(653)</u>	<u>(64)</u>	<u>(801)</u>	<u>(262)</u>	<u>(1,063)</u>

Reportable segment profit/loss represents the profit/loss attributable to each segment without allocation of corporate administrative expenses, share of loss of an associate, finance costs, corporate directors' emoluments, corporate interest income and income tax credit. 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 segments:

Reportable segment assets and liabilities

	Medical Devices Business <i>HK\$'000</i>	Plastic Moulding Business <i>HK\$'000</i>	PR Business <i>HK\$'000</i>	Building Contract Works Business <i>HK\$'000</i>	Money Lending Business <i>HK\$'000</i>	Securities Investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 30 June 2016 (unaudited)							
Reportable segment assets	<u>8,680</u>	<u>637</u>	<u>280</u>	<u>35,393</u>	<u>57,573</u>	<u>2,890</u>	<u>105,453</u>
Reportable segment liabilities	<u>(6,337)</u>	<u>(1,284)</u>	<u>(162)</u>	<u>(9,817)</u>	<u>(4)</u>	<u>–</u>	<u>(17,604)</u>

	Continuing operations				Discontinued operation	
	Medical Devices Business <i>HK\$'000</i>	Plastic Moulding Business <i>HK\$'000</i>	PR Business <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	HR Business <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 31 December 2015 (audited)						
Reportable segment assets	<u>13,782</u>	<u>750</u>	<u>219</u>	<u>14,751</u>	<u>199</u>	<u>14,950</u>
Reportable segment liabilities	<u>(9,846)</u>	<u>(3,094)</u>	<u>(298)</u>	<u>(13,238)</u>	<u>(193)</u>	<u>(13,431)</u>

All assets are allocated to reportable segments other than leasehold land and buildings, investment in an associate, available-for-sale financial asset and cash and cash equivalents.

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

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

	Six months ended 30 June	
	2016	2015
	Unaudited	Unaudited
		(Re-presented)
	HK\$'000	HK\$'000
Revenue		
Reportable segment revenue	56,194	35,939
Inter-segment revenue	(105)	–
Segment revenue from discontinued operation	(1,641)	(153)
Consolidated revenue from continuing operations	54,448	35,786
Loss before income tax credit and discontinued operation		
Reportable segment profit/(loss)	997	(1,063)
Segment loss from discontinued operation	379	262
Finance costs	(120)	(6)
Share of loss of an associate	(1,533)	–
Unallocated corporate income	2,571	3
Unallocated corporate expenses	(11,007)	(7,941)
Consolidated loss before income tax credit from continuing operations	(8,713)	(8,745)

4. Other income and other gains – net

	Six months ended 30 June	
	2016	2015
	Unaudited	Unaudited
		(Re-presented)
	HK\$'000	HK\$'000
Continuing operations		
Exchange gain, net	35	12
Gain on sale of held-for-trading investment	2,562	–
Gain on disposal of a subsidiary	2,291	–
Gain on disposal of property, plant and equipment	118	668
Loss on change in fair value of held-for-trading investment	(2,745)	–
Rental income	232	–
Interest income	134	4
Others	58	187
	2,685	871

5. Loss before income tax credit

	Six months ended 30 June	
	2016	2015
	Unaudited	Unaudited
		(Re-presented)
	HK\$'000	HK\$'000
Loss before income tax credit has been arrived at after charging:		
Continuing operations		
Staff costs (including directors' emoluments)		
Contribution to defined contribution retirement plan	230	77
Salaries, wages and other benefits	6,956	6,101
	7,186	6,178
Amortisation of intangible asset	1,843	–
Depreciation of property, plant and equipment	1,326	997
Cost of inventories recognised as an expense	20,391	26,497
Cost of services	23,545	209
Operating lease charges in respect of properties	969	1,435

6. Income tax credit

	Six months ended 30 June	
	2016	2015
	Unaudited	Unaudited
		(Re-presented)
	HK\$'000	HK\$'000
Continuing operations		
Over-provision of Hong Kong Profits Tax	34	–
Deferred tax – current period	347	–
	381	–

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. For the period ended 30 June 2015, no Hong Kong profits tax was provided as the Group did not derive any assessable profit.

7. Interim dividend

No dividends were paid, declared or proposed during the reporting period. The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2016 and 2015.

8. Loss per share

(a) Basic loss per share

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

	Six months ended 30 June	
	2016	2015
	Unaudited	Unaudited
		(Re-presented)
	HK\$'000	HK\$'000
Basic		
Loss for the period for the purposes of computation of basic loss per share		
– from continuing operations	(8,332)	(8,745)
– from discontinued operation	(379)	(262)
	<u>(8,711)</u>	<u>(9,007)</u>
		(Restated)
	'000	'000
Number of shares		
Weighted average number of ordinary shares in issue (<i>Note</i>)	<u>1,747,774</u>	<u>578,440</u>

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, and the bonus elements in the shares issued under the share placings and open offer.

The comparative figures for the basic loss per share for the period ended 30 June 2015 are restated to take into account of the effect of the above share consolidation and the bonus elements arising from the share placings and open offer completed retrospectively as if they had taken place since the beginning of the comparative period.

(b) Diluted loss per share

No diluted loss per share has been presented because there was no potential dilutive ordinary share in issue for the periods ended 30 June 2016 and 2015.

There were no outstanding share options as at 30 June 2016 and 2015.

9. Trade and other receivables

	30 June 2016 Unaudited HK\$'000	31 December 2015 Audited HK\$'000
Non-current		
Deposit for acquisition of a subsidiary	–	6,150
Deposit for purchase of property, plant and equipment	–	114
Loan receivables	<u>11,000</u>	<u>–</u>
	11,000	6,264
Current		
Trade receivables	15,270	10,860
Retention receivables	6,526	–
Loan receivables	46,573	–
Other deposits, prepayments and other receivables	<u>6,442</u>	<u>3,952</u>
Total current portion	<u>74,811</u>	<u>14,812</u>
Total trade and other receivables	<u>85,811</u>	<u>21,076</u>

The Group allows an average credit period of 30 to 90 days to its trade customers (31 December 2015: 30 to 90 days). The ageing analysis of trade receivables by invoice date is as follows:

	30 June 2016 Unaudited HK\$'000	31 December 2015 Audited HK\$'000
0 to 90 days	13,650	6,968
91 to 180 days	713	3,798
Over 181 days	<u>907</u>	<u>94</u>
	<u>15,270</u>	<u>10,860</u>

As at 30 June 2016, none of the trade receivables are considered impaired (31 December 2015: Nil).

Loan receivables represent outstanding principals and interest receivables arising from the Money Lending Business of the Group. All of the loan receivables are entered with contractual maturity within 2 years. The Group seeks to maintain strict control over its loan receivables in order to minimise credit risk by reviewing the borrowers' financial positions.

The loan receivables are interest-bearing at rates mutually agreed between the contracting parties, ranging from 8% to 13% per annum. As at 30 June 2016, loan receivables of HK\$57,573,000 were unsecured.

Loan receivables were neither past due nor impaired at the end of the reporting period.

Retention receivables are derived from the Building Contract Works Business and are interest-free and recoverable at the end of the retention period of individual construction contracts ranging from 3 months to 1 year.

10. Trade and other payables

	30 June 2016 Unaudited HK\$'000	31 December 2015 Audited HK\$'000
Trade payables	11,416	8,067
Retention payables	2,984	–
Accruals and other payables	4,683	13,175
Amounts due to related parties	9,200	9,200
	<u>28,283</u>	<u>30,442</u>

As at 30 June 2016 and 31 December 2015, 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 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 the 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 to as “Titron Group”) in 2011. Titron Group is principally engaged in the Medical Devices Business and the Plastic Moulding Business. One of the shareholders of TGHL, Mr. 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 30 June 2016 and 31 December 2015 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.

	30 June 2016 Unaudited HK\$'000	31 December 2015 Audited HK\$'000
Within 3 months	9,960	7,946
Over 3 months but within 6 months	713	109
Over 6 months	743	12
	<u>11,416</u>	<u>8,067</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Results, Business Review and Prospects

Results of Continuing Operations

For the six months ended 30 June 2016, the Group are principally engaged in (i) manufacture and sale of medical devices products (“Medical Devices Business”); (ii) manufacture and sale of plastic moulding products (“Plastic Moulding Business”); (iii) provision of public relations services (“PR Business”); (iv) provision of construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works (“Building Contract Works Business”); (v) provision of money lending (“Money Lending Business”); and (vi) investment in securities (“Securities Investment”).

During the period under review, the Group’s revenue generated from continuing operations amounted to HK\$54.4 million, representing an increase of HK\$18.6 million or 52.0% from HK\$35.8 million for the corresponding period last year. Such an increase was mainly attributable to the revenue generated from ACE Engineering Limited (“ACE Engineering”), the Building Contract Works Business newly acquired in January 2016, partially offset by the decrease of revenue from the Plastic Moulding Business.

Gross profit of the Group was HK\$9.5 million, representing an increase of HK\$3.9 million or 69.6% as compared to HK\$5.6 million for the corresponding period last year. Gross profit margin reached 17.5% (30 June 2015: 15.6%), representing an elevation of 1.9 percentage points over the same period of 2015.

During the period under review, the Group recorded other income and other gains in the net amount of HK\$2.7 million, representing an increase of HK\$1.8 million or 200.0% as compared to HK\$0.9 million in the corresponding period last year. Such a growth was mainly attributable to the gain on disposal of a subsidiary.

The distribution costs declined by HK\$0.4 million to HK\$0.2 million during the period (30 June 2015: HK\$0.6 million), representing a reduction of 66.7% against the same period in 2015. The administrative expenses increased by HK\$4.5 million to HK\$19.1 million (30 June 2015: HK\$14.6 million), representing an increase of 30.8% over the corresponding period last year. Such an increase was mainly attributable to the expenses from the Building Contract Works Business.

During the period under review, the Group recorded a share of loss of an associate of HK\$1.5 million which was acquired in April 2016.

As a result, the loss attributable to owners of the Company from continuing operations was HK\$8.3 million, which remained relatively stable as compared to that of HK\$8.7 million for the same period in 2015.

Results of Discontinued Operation

Revenue generated from our business for provision of human resources management services (“HR Business”) was HK\$1.6 million and the HR Business incurred a loss before income tax of HK\$0.6 million for the first half of 2016. Such loss was mainly attributable to the decline in revenue due to reducing demand for recruitment services from various business sectors.

In the first half of 2016, Hong Kong economy was adversely affected by a series of global and local crisis and events such as decline in oil and commodity price, the United States (“U.S.”) interest rate hike uncertainties, sluggish local merchandise trade, weak tourism performance, and the correction of residential property prices. Against this backdrop of this intensified downturn risk in Hong Kong economy, enterprise leaders tended to be conservative and prudent in their business development and expansion plan, and in return reduced labor demand in various industries. Companies including multinational corporations and local small and medium enterprises (“SMEs”) in Hong Kong chose to shut down unprofitable business units and lay off staff to bolster their corporate resilience to the global and local headwinds. Although the unemployment rate of Hong Kong only edged up one-tenth to 3.4% between March and June 2016 compared to the second half of 2015, many headhunters and human resources participants considered the current level of hiring is the worst since the 2008 global financial crisis. A wave of job cuts, layoffs, hiring and salary freeze has been announced in the past few months by international and local bankers, financial institutions, theme park, and SMEs from various business sectors including tourism, retail and trading. Labor market in Hong Kong suffered under this background of business shrinking and corporate battle to cut cost in the first half of 2016.

Having considered that there is no clear potential for material improvement on the performance of the HR Business under the challenging environment described above, the Directors believed that disposal represented a good opportunity for the Group to improve its overall returns and would provide a greater value to the shareholders of the Company (“Shareholders”) by focusing its resources on other profitable business units. As such, on 28 June 2016, the Group disposed the HR Business at a consideration of HK\$0.1 million. Following the disposal of the HR Business, the Group recorded a gain on disposal of approximately HK\$0.2 million and a loss from discontinued operation of HK\$0.4 million.

Business Review

Medical Devices Business

For the six months ended 30 June 2016, the Medical Devices Business recorded a revenue of HK\$24.9 million, representing an increase of 2.9% or HK\$0.7 million as compared to that of HK\$24.2 million in the same period last year, which accounted for 45.8% of the Group's total revenue from continuing operations for the period under review. This increase is caused by the continual recovery of demand in healthcare products after the healthcare and health insurance reforms in America in the recent years. Data from the Center for Disease Control National Health Interview Survey indicates that nearly 16 million fewer Americans were uninsured in early 2015 compared to 2013. Analysts believed that such rapid increase in the number of Americans having health insurance is attributable to the Affordable Care Act's push for coverage expansion, which kicked in almost three years ago. As more people in the U.S. avail themselves of health care as a result of accommodative government policy, the increased utilisation could represent a continued, significant tailwind for the growth in demand of various healthcare products. In the first half of 2016, our customers increased the sales order for the components of its healthcare products, as sales of the respective end-products continued to grow.

Along with the increase in sales orders and effective cost control, the Group turned HK\$84,000 segment loss for the period ended 30 June 2015 into a profit of HK\$1.5 million for the six months ended 30 June 2016.

Plastic Moulding Business

The revenue from the Plastic Moulding Business decreased by 83.3% or HK\$9.5 million to HK\$1.9 million, as compared to HK\$11.4 million in the corresponding period last year, which accounted for 3.5% of the Group's total revenue from continuing operations. A majority of plastic moulding products suffered from declining sales orders as relevant customers' end products have reached the end of their product life cycle, causing significant decline in revenue of the Plastic Moulding Business during the period under review. Since the first half of 2015, the Group has ceased the production of the majority of these products, which had contributed a relatively low gross profit margin. However, the Group has been accepting small number of production orders of mould fabrication and some products, which have a relatively higher gross profit margin.

Along with the improvement in profit margins of sales orders and the reduction of distribution costs and administrative expenses driven by effective cost control, the Group turned HK\$0.7 million segment loss for the period ended 30 June 2015 into a profit of HK\$0.2 million for the period under review. Despite improvement in segment results during the period under review, the Group considered the momentum of the Plastic Moulding Business to grow is limited due to end of product life cycle of the majority of products. As such, the Group has been shifting assets and resources of this segment to other more profitable business units, but will 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.

PR Business

During the period under review, revenue generated from the PR Business was HK\$0.4 million (30 June 2015: HK\$0.2 million) which accounted for 0.7% of the Group's total revenue from continuing operations, and this business recorded a segmental loss of HK\$38,000 (30 June 2015: HK\$64,000). Despite increase in revenue and reduction of segmental loss during the period under review, the Group considered the profit margins of the PR Business have been continually curtailed and the momentum of the PR Business to grow is limited due to lack of customer base and market presence despite continued efforts made by the public relations team in providing public relations activities to a small number of corporate clients. In view of this, the Group will slow down its business plan of development and expansion in respect of this segment.

Building Contract Works Business

Revenue from this newly acquired business was HK\$25.9 million, which contributed 47.6% of the Group's total revenue from continuing operations during the period under review. This business recorded a gross profit of HK\$2.6 million and gross profit margin of 10.0%. Segmental loss of this business during the period under review amounted to HK\$1.4 million which was primarily as a result of amortisation charges of intangible asset acquired as part of the acquisition of the business of HK\$1.8 million which was non-cash item.

As at 30 June 2016, we had 7 building maintenance contracts on hand (including contracts in progress and contracts which are yet to commence) with an aggregate notional or estimated contract value of approximately HK\$93.4 million.

While the Building Contract Works Business succeeded in contributing increase in revenue and gross profit of the Group during the period under review, segment results of this business indicated that market competition of the building construction and maintenance industry is still fierce. The Group will deploy more efforts to facilitate its development and improvement in results.

Money Lending Business

Ever Great Finance Limited (“Ever Great”), a wholly-owned subsidiary of the Company, is a licensed money lender in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). Since January 2016, the Group commenced the Money Lending Business in the name of Ever Great and recorded loan interest income of HK\$1.3 million for the six months ended 30 June 2016, which accounted for 2.4% of the Group’s total revenue from continuing operations. The outstanding principal amount of loan receivables as at 30 June 2016 was HK\$56.3 million. During the period under review, there was no provision of doubtful or bad debt of the Money Lending Business. The Group continue to develop and expand this business by employing prudent credit control procedures and strategies to hold a balance between the business growth and the risk management.

Securities Investment

During the period under review, the Group commenced the business of Securities Investment. For the first half of 2016, the Group recorded realised gain of HK\$2.6 million and unrealised loss of HK\$2.7 million arising on change in fair value of held-for-trading investment of listed equity security in Hong Kong.

As at 30 June 2016, the Group held a listed equity security in Hong Kong with the fair value of approximately HK\$2.9 million. In light of the recent volatile financial market in Hong Kong, the Company will closely monitor the performance of this business. The Group will keep adopting a prudent investment attitude with the aim to improve the capital usage efficiency and generate additional investment returns on the idle funds of the Group.

ACQUISITION AND DISPOSAL OF BUSINESS

Acquisition of Building Contract Works Business

Pursuant to an announcement made by the Company on 5 January 2016, Best Reward Global Limited (“Best Reward”), a wholly-owned subsidiary of the Company, completed the acquisition of ACE Engineering pursuant to the sale and purchase agreement dated 14 September 2015 entered into between Best Reward as the purchaser and two individuals as the vendors to acquire 100% of the issued share capital of ACE Engineering at a cash consideration of HK\$20.5 million. ACE Engineering is principally engaged in the Building Contract Works Business in Hong Kong.

Details of the acquisition of ACE Engineering are set out in the Company’s announcements dated 14 September 2015 and 5 January 2016 respectively and the Company’s circular dated 4 December 2015.

Acquisition of 40% of issued share capital of Ultimate Elite Investment Limited

On 15 January 2016, Praiseful Moment Limited (“Praiseful Moment”), a wholly-owned subsidiary of the Company, as the purchaser entered into a sale and purchase agreement with Rosy Lane Investments Limited as the vendor, in which Praiseful Moment conditionally agreed to acquire, and the vendor agreed to sell, the 8 issued shares in the share capital of Ultimate Elite Investments Limited (“Ultimate Elite”), representing 40% of the issued share capital of Ultimate Elite at completion, at an aggregate cash consideration of HK\$50.0 million. On 11 April 2016, the acquisition has been completed. Praiseful Moment then holds 40% of the issued share capital of Ultimate Elite and indirectly holds the properties located at Offices A-H, J-N & P on 21/F. (Whole Floor), No. 3 On Kwan Street, Shatin, New Territories, Hong Kong (“Shatin Property”). Ultimate Elite then becomes an associate of the Company.

Details of the acquisition of Ultimate Elite are set out in the Company’s announcements dated 15 January 2015, 22 January 2016 and 11 April 2016 respectively.

Subscription of 14% of issued share capital of Alpha Generator Limited

On 18 April 2016, Eternity Riches Limited (“Eternity Riches”), a wholly-owned subsidiary of the Company, as the subscriber entered into a subscription agreement with Alpha Generator Limited (“Alpha Generator”) and three independent third parties as the warrantors in which each of the warrantors being a shareholder of Alpha Generator pursuant to which Eternity Riches agreed to subscribe for and Alpha Generator agreed to allot and issue, the 210 new shares (“Subscription Shares”) at the aggregate subscription price of HK\$15.3 million. The Subscription Shares represent 14% of the enlarged issued share capital of Alpha Generator as enlarged by the allotment and issue of the Subscription Shares. Alpha Generator holds the entire equity interests of OPS Interior Design Consultant Limited which is principally engaged in the provision of interior design, fit out and decoration services. The completion took place immediately after the signing of the subscription agreement and at the same date, Alpha Generator and its subsidiary became available-for-sale investment of the Company.

Details of the subscription are set out in the Company’s announcements dated 5 January 2016 and 18 April 2016 respectively.

Disposal of a subsidiary

As the performance of Zeed Asia Technology Limited (“Zeed Asia”), a company acquired in November 2015, was behind the management’s expectation and has yet to generate revenue since acquisition, the Group decided to dispose of it and focus its resources on other profitable business segments.

On 31 March 2016, the Group completed the disposal of Zeed Asia at the consideration of HK\$6.2 million and recorded a gain on disposal of approximately HK\$2.3 million.

Disposal of the HR Business

It is anticipated that the economic slowdown would possibly lead to a recession in the HR Business caused by freezed hiring and massive layoffs. In view of the unsatisfactory performance of the HR Business in last year and the first half of 2016, the Group decided to dispose of this business and shift its resources into other profitable businesses.

On 28 June 2016, the Group completed the disposal of the HR Business at the consideration of HK\$0.1 million and recorded a gain on disposal of approximately HK\$0.2 million of discontinued operation.

Prospect

The global economy remains challenging with a high level of uncertainty, especially after the United Kingdom referendum to exit from European Union. This causes economic impact in the European market and possibly around the globe in the coming years.

In response to these challenges and the outstanding achievement in the Group's Money Lending Business during the first half of 2016, the Group has decided to actively reallocate its assets, labour force and funding so as to broaden its stable income stream and enhance profitability.

Meanwhile, the Group will proactively explore investment opportunities in listed securities and other investments to meet with the Group's business development. The management will continue their persistent efforts to improve the Group's business portfolio with diversification strategy to maximise the Shareholders' value and return.

Financial Review

Capital structure

As of 30 June 2016, the Group's consolidated net asset was HK\$312.5 million, representing an increase of HK\$68.7 million as compared to that of HK\$243.8 million as at 31 December 2015.

As at 30 June 2016, the Company has 1,862,679,481 shares of HK\$0.01 each in issue.

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 of Hong Kong Limited (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 last practicable date of the prospectus of the Open Offer dated 23 February 2016.

The Open Offer was fully-underwritten by Ample Orient Capital Limited (“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 Company received the net proceeds of approximately HK\$77.4 million after deducting relevant expenses in relation to the Open Offer, representing a net price of HK\$0.12 per offer share. As at 30 June 2016, approximately HK\$41.9 million of the net proceeds from the Open Offer was used as intended to develop and operate the Group’s Money Lending Business and the remaining balance of approximately HK\$35.5 million remains in the bank for intended use.

Details of the Open Offer are set out in the Company’s announcements dated 20 January 2016, 11 February 2016 and 16 March 2016 respectively and the Company’s prospectus dated 23 February 2016.

***Use of Proceeds from placing of new shares under specific mandate in November 2015
("2015 SM Placing")***

The Company and the placing agent entered into a placing agreement under specific mandate ("SM Placing Agreement") and a supplemental agreement to the SM Placing Agreement ("Supplemental SM Placing Agreement") on 14 July 2015 and 31 August 2015 respectively. Pursuant to the Supplemental SM Placing Agreement, the Company conditional agreed to place 874,100,000 new shares ("SM Placing Shares") at a placing price of HK\$0.23 per placing share on a best endeavor basis, to not less than six placees, in order to strengthen the financial position of the Group and provide working capital to the Group to meet future development and obligations.

All conditions set out in the SM Placing Agreement were fulfilled on 25 November 2015, and completion of the 2015 SM Placing took place on 30 November 2015 with a total of 874,100,000 SM Placing Shares with an aggregate nominal value of approximately HK\$8.7 million issued on the same date. The net proceeds received from 2015 SM Placing were approximately HK\$194.5 million ("2015 SM Placing Net Proceeds") after deducting commission and placing expenses.

As at 30 June 2016, the actual use of the 2015 SM Placing Net Proceeds was as follows:

Intended or changed use of the net proceeds	Actual use of the net proceeds as at 30 June 2016
<i>Approximately HK\$69.2 million for the business development of ACE Engineering ("ACEE SM Placing Proceeds")</i>	
(i) Approximately HK\$62.2 million for bidding and underwriting ACE Engineering's construction projects; and	– Had not yet been utilised and remained in the bank; and
(ii) Approximately HK\$7.0 million for general working capital of ACE Engineering.	– Approximately HK\$1.2 million was used as intended and the balance of unutilised proceeds of approximately HK\$5.8 million remained in the bank.

Approximately HK\$15.3 million for funding the subscription price for the subscription of 14% equity interest in Alpha Generator.

– Approximately HK\$15.3 million was used as intended.

Approximately HK\$110.0 million for funding the remaining consideration of the acquisition of Bonus First Group Limited (“BFG”) and purchasing an office in Hong Kong:

(i) Approximately HK\$58.9 million for funding the remaining consideration for the acquisition of 100% of the issued share capital of BFG; and

– Approximately HK\$58.9 million was used as intended.

(ii) Approximately HK\$51.1 million for purchasing an office in Hong Kong.

– Approximately HK\$50.0 million was used for funding the consideration for the acquisition of 40% of issued share capital of Ultimate Elite, which holds the Shatin Property;

– Approximately HK\$0.2 million was used for the legal and professional fees in relation to Ultimate Elite’s acquisition;

– Approximately HK\$0.6 million was used for the legal and professional fees in relation to BFG’s acquisition;

– Approximately HK\$0.1 million was used for the general working capital associated with managing the property located at office 503 (also known as Unit 503), 5th Floor, Wing On House, No. 71 Des Voeus Road Central, Hong Kong (“Central Property”) that is currently held by BFG; and

– The balance of unutilised proceeds of approximately HK\$0.2 million remained in the bank and will be used for paying the recurring associated cost of managing the Central Property.

Details of the 2015 SM Placing and the change of use of proceeds are set out in the Company's announcements dated 14 July 2015, 31 August 2015, 27 October 2015, 18 November 2015, 30 November 2015, 11 April 2016 and 18 April 2016 respectively and the Company's circular dated 2 November 2015.

Debt structure

The Group's total borrowings from financial institutions were zero as at 30 June 2016 and 31 December 2015. The Group's total cash and bank balances amounted to HK\$108.4 million as at 30 June 2016, which decreased by HK\$75.8 million as compared to that of HK\$184.2 million as at 31 December 2015.

Working capital and liquidity

As at 30 June 2016, the Group's current ratio and quick ratio were 7.0 (31 December 2015: 6.5). Inventory turnover on sales of continuing operations during the period under review was 1 day (six months ended 30 June 2015: 5 days). Receivable turnover of continuing operations during the period under review was 44 days (six months ended 30 June 2015: 51 days).

Contingent liabilities and charges

The Group had not pledged any assets to secure bank facilities and finance lease obligations as at 30 June 2016 and 31 December 2015. The Group had no material contingent liabilities as at 30 June 2016 and 31 December 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 under review, the Group's exposure to the potential foreign currency risk was relatively limited.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2016, the Group had 27 (31 December 2015: 38) employees. 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 2016 (2015: nil).

EVENTS AFTER THE REPORTING PERIOD

Possible formation of joint venture

On 22 July 2016, the Company entered into the cooperation framework agreement with 臨沂商城市管理委員會 (in English, for identification purpose only, Linyi Trade City Administrative Commission) in relation to the proposed formation of a joint venture company for the purpose of collaborating to develop the business of logistics software systems and explore investment opportunities. It is contemplated that the Company will contribute RMB100 million as initial investment in the joint venture company. As at the date of this announcement, the parties to the framework agreement are still negotiating for the possible cooperation. Further announcement in relation to the framework agreement will be made by the Company as and when appropriate. Details of the framework agreement are set out in the Company's announcement dated 22 July 2016.

Change in Use of Proceeds

As disclosed in the section headed "Use of Proceeds from placing of new shares under specific mandate in November 2015", the remaining balance of ACEE SM Placing Proceeds of approximately HK\$68.0 million remain unutilised ("Unutilised ACEE SM Placing Proceeds").

In light of the above and taking into account of the growth of the money lending industry in Hong Kong, the Board has resolved to allocate, out of the Unutilised ACEE SM Placing Proceeds, approximately HK\$41.0 million for expansion of the Group's Money Lending Business and/or potential acquisitions of equity interests in companies that are principally engaged in money lending business as and when opportunity arises and approximately HK\$27.0 million for general working capital of the Group.

Details of the Unutilised ACEE SM Placing Proceeds are set out in the Company's announcement dated 12 July 2016.

CORPORATE GOVERNANCE

The Company has complied with all code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for the six months ended 30 June 2016, 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 2016. 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 May 2016 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 (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 2016.

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

During the six months ended 30 June 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises three Independent Non-executive Directors, namely Mr. Wong Siu Ki (Chairman of the Audit Committee), 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 financial reporting matters including the review of the unaudited interim results for the six months ended 30 June 2016.

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

Hong Kong, 29 August 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.