AMCO
United Holding Limited
雋泰控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 630)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

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 2017 together with the comparative figures for the corresponding period in 2016, as follows.

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

For the six months ended 30 June 2017

		Six months ended 30 June	
		2017	2016
		Unaudited	Unaudited
			(Re-presented)
	Notes	***HK$'000***	*HK$'000*
Continuing operations			
Revenue	*3*	**41,869**	54,030
Cost of sales and services		**(32,212)**	(44,694)
Gross profit		**9,657**	9,336
Other income and other gains or losses	*4*	**(142,243)**	2,685
Distribution costs		**(170)**	(204)
Administrative expenses		**(21,412)**	(18,839)
Finance costs		**–**	(120)
Share of loss of an associate		**–**	(1,533)
Loss before income tax	*5*	**(154,168)**	(8,675)
Income tax credit	*6*	**17**	381
Loss for the period from continuing operations		**(154,151)**	(8,294)
Discontinued operations			
Loss for the period from discontinued operations		**(71)**	(417)
Loss and total comprehensive income for the period attributable to owners of the Company		**(154,222)**	(8,711)

* *For identification purposes only*

	Notes	Six months ended 30 June **2017** **Unaudited** ***HK$'000***	2016 Unaudited (Re-presented) *HK$'000*
Loss and total comprehensive income for the period attributable to owners of the Company			
– from continuing operations		**(154,151)**	(8,294)
– from discontinued operations		**(71)**	(417)
		(154,222)	(8,711)
Loss per share	*8*		
Basic and diluted			
– from continuing operations		**HK(8.3) cents**	HK(0.48) cent
– from discontinued operations		**–**	HK(0.02) cent
		HK(8.3) cents	HK(0.50) cent

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Notes	**30 June 2017 Unaudited** *HK$'000*	31 December 2016 Audited *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**2,140**	2,652
Goodwill		**10,196**	10,196
Intangible assets		**5,120**	5,297
Available-for-sale financial asset		**–**	15,300
		17,456	33,445
Current assets			
Inventories		**105**	11
Held-for-trading investments		**23,248**	166,311
Trade and other receivables	*9*	**137,087**	103,758
Cash and cash equivalents		**39,022**	30,479
		199,462	300,559
Current liabilities			
Trade and other payables	*10*	**60,393**	30,260
Tax payable		**40**	28
		60,433	30,288
Net current assets		**139,029**	270,271
Total assets less current liabilities		**156,485**	303,716
Non-current liabilities			
Deferred tax liabilities		**845**	874
Net assets		**155,640**	302,842
EQUITY			
Share capital		**18,627**	18,627
Reserves		**137,013**	284,215
Total equity		**155,640**	302,842

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 construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works; (iv) provision of money lending; and (v) investment in securities.

2. Basis of preparation and accounting policies

The interim condensed consolidated financial statements for the six months ended 30 June 2017 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 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 2016, 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 2016.

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 2017. 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 early 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 2016: seven) 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 2017, the business segment for the PR Business was discontinued effective from 1 April 2017.

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 2017 (Unaudited)

	Continuing operations						Discontinued operation	
	Medical Devices Business *HK$'000*	**Plastic Moulding Business** *HK$'000*	**Building Contract Works Business** *HK$'000*	**Money Lending Business** *HK$'000*	**Securities Investment** *HK$'000*	**Sub-total** *HK$'000*	**PR Business** *HK$'000*	**Total** *HK$'000*
Reportable segment revenue	**16,124**	**1,540**	**21,733**	**2,472**	**–**	**41,869**	**–**	**41,869**
Revenue from external customers	**16,124**	**1,540**	**21,733**	**2,472**	**–**	**41,869**	**–**	**41,869**
Reportable segment profit/(loss)	**631**	**29**	**(103)**	**2,249**	**(146,342)**	**(143,536)**	**(71)**	**(143,607)**

Six months ended 30 June 2016 (Unaudited and re-presented)

	Continuing operations						Discontinued operations			
	Medical Devices Business *HK$'000*	Plastic Moulding Business *HK$'000*	Building Contract Works Business *HK$'000*	Money Lending Business *HK$'000*	Securities Investment *HK$'000*	Sub-total *HK$'000*	PR Business *HK$'000*	Provision of human resources management services *HK$'000*	Sub-total *HK$'000*	Total *HK$'000*
Reportable segment revenue	24,856	1,929	25,902	1,448	–	54,135	418	1,641	2,059	56,194
Inter-segment revenue	–	–	–	(105)	–	(105)	–	–	–	(105)
Revenue from external customers	24,856	1,929	25,902	1,343	–	54,030	418	1,641	2,059	56,089
Reportable segment profit/(loss)	1,518	200	(1,400)	1,297	(201)	1,414	(38)	(379)	(417)	997

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 *HK$'000*	**Plastic Moulding Business** *HK$'000*	**Building Contract Works Business** *HK$'000*	**Money Lending Business** *HK$'000*	**Securities Investment** *HK$'000*	**Total** *HK$'000*
As at 30 June 2017 (Unaudited)						
Reportable segment assets	**3,056**	**2,217**	**39,422**	**100,901**	**30,027**	**175,623**
Reportable segment liabilities	**(7,144)**	**(1,342)**	**(12,293)**	**(28,806)**	**(19)**	**(49,604)**

	Continuing operations						Discontinued operation	
	Medical Devices Business *HK$'000*	Plastic Moulding Business *HK$'000*	Building Contract Works Business *HK$'000*	Money Lending Business *HK$'000*	Securities Investment *HK$'000*	Sub-total *HK$'000*	PR Business *HK$'000*	Total *HK$'000*
As at 31 December 2016 (audited)								
Reportable segment assets	2,577	578	41,698	74,557	166,311	285,721	45	285,766
Reportable segment liabilities	(4,243)	(660)	(13,948)	–	(19)	(18,870)	(4)	(18,874)

All assets are allocated to reportable segments other than 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	
	2017	2016
	Unaudited	Unaudited
		(Re-presented)
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**41,869**	56,194
Inter-segment revenue	**–**	(105)
Segment revenue from discontinued operations	**–**	(2,059)
Consolidated revenue from continuing operations	**41,869**	54,030
Loss before income tax and discontinued operations		
Reportable segment (loss)/profit	**(143,607)**	997
Segment loss from discontinued operations	**71**	417
Finance costs	**–**	(120)
Share of loss of an associate	**–**	(1,533)
Unallocated corporate income	**3,650**	2,571
Unallocated corporate expenses	**(14,282)**	(11,007)
Consolidated loss before income tax from continuing operations	**(154,168)**	(8,675)

4. Other income and other gains or losses

	Six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Continuing operations		
Exchange gain, net	**16**	35
(Loss)/gain on sale of held-for-trading investments	**(59,097)**	2,562
Gain on disposal of a subsidiary	**–**	2,291
Gain on disposal of available-for-sale financial asset	**3,360**	–
Gain on disposal of property, plant and equipment	**430**	118
Loss on change in fair value of held-for-trading investments	**(87,155)**	(2,745)
Rental income	**–**	232
Interest income	**3**	134
Others	**200**	58
	(142,243)	2,685

5. Loss before income tax

	Six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
		(Re-presented)
	HK$'000	*HK$'000*
Loss before income tax has been arrived at after charging:		
Continuing operations		
Staff costs (including directors' emoluments)		
Contribution to defined contribution retirement plan	**145**	221
Salaries, wages and other benefits	**5,444**	6,777
	5,589	6,998
Amortisation of intangible asset	**177**	1,843
Depreciation of property, plant and equipment	**516**	1,319
Share-based payment expenses	**7,020**	–
Cost of inventories recognised as expenses	**13,139**	20,391
Cost of services	**19,122**	23,307
Operating lease charges in respect of properties	**1,017**	810

6. Income tax credit

	Six months ended 30 June	
	2017	2016
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Continued operations		
Hong Kong Profits Tax		
– tax for the period	**(12)**	–
– over-provision in prior period	**–**	34
Deferred tax – current period	**29**	347
	17	381

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. For the period ended 30 June 2016, 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 of directors of the Company does not recommend the payment of an interim dividend for the six months ended 30 June 2017 and 2016.

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	
	2017	2016
	Unaudited	Unaudited
		(Re-presented)
	HK$'000	*HK$'000*
Loss		
Loss for the period for the purposes of computation of basic loss per share		
– from continuing operations	**(154,151)**	(8,294)
– from discontinued operations	**(71)**	(417)
	(154,222)	(8,711)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue *(Note)*	**1,862,679**	1,747,774

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. For the six months ended 30 June 2016, the weighted average number of ordinary shares in issue during the period has been adjusted for the bonus element in the shares issued under the open offer completed during the period as if it had taken place since the beginning of the period.

(b) Diluted loss per share

Diluted loss per share was the same as basic loss per share because there was no potential dilutive ordinary share in issue for the periods ended 30 June 2017 and 2016.

The Company's outstanding share options as at 30 June 2017 were not taken into account as they had an anti-dilutive effect for the period ended 30 June 2017 which would result in a reduction in the loss per share. There were no outstanding share options as at 30 June 2016.

9. Trade and other receivables

	30 June 2017 Unaudited ***HK$'000***	31 December 2016 Audited *HK$'000*
Trade receivables	**9,962**	11,779
Retention receivables	**8,595**	8,197
Loan receivables	**89,579**	74,557
Amounts due from customers for contract work	**361**	355
Other deposits, prepayments and other receivables	**28,590**	8,870
Total trade and other receivables	**137,087**	103,758

The Group allows an average credit period of 30 to 90 days (31 December 2016: 30 to 90 days) to its trade customers. The ageing analysis of trade receivables by invoice date is as follows:

	30 June 2017 Unaudited ***HK$'000***	31 December 2016 Audited *HK$'000*
0 to 90 days	**8,009**	10,459
91 to 180 days	**986**	353
Over 181 days	**967**	967
Trade receivables	**9,962**	11,779

As at 30 June 2017, none of the trade receivables are considered impaired (31 December 2016: Nil).

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.

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 12 months. 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 6% to 8% per annum. All of the loan receivables were unsecured as at 30 June 2017 and 31 December 2016.

Loan receivables were neither past due nor impaired as at 30 June 2017 and 31 December 2016.

10. Trade and other payables

	30 June 2017	31 December 2016
	Unaudited	Audited
	HK$'000	*HK$'000*
Trade payables	**12,903**	11,553
Retention payables	**4,581**	4,280
Accruals and other payables	**42,909**	5,227
Amounts due to related parties	**–**	9,200
	60,393	30,260

As at 31 December 2016, included in amounts due to related parties are an amount due to Titron Group Holdings Limited ("TGHL"), in the amount of approximately HK$1,700,000 and the cash consideration of HK$7,500,000 payable to the Vendors of Titron Group (as defined and detailed in the Company's circular dated 12 August 2011) arising from the acquisition of Titron Group in 2011.

TGHL was the one of the vendors in the acquisition of Titron Group in 2011. Titron Group is principally engaged in the Medical Devices Business and the Plastic Moulding Business. Mr. Yip Wai Lun, Alvin ("Mr. Yip"), a shareholder and the Chairman and Managing Director of the Company as at 31 December 2016, is one of the beneficial owners of TGHL. As at 30 June 2017, the amounts due to TGHL and the Vendors of Titron Group are included in "Accruals and other payables" because the directors of the Company considered TGHL and the Vendors of Titron Group were not related parties of the Group following resignation of Mr. Yip as the Chairman and Managing Director of the Company on 31 January 2017.

The amounts due to related parties as at 31 December 2016 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 2017	31 December 2016
	Unaudited	Audited
	HK$'000	*HK$'000*
Within 3 months	**10,897**	10,578
Over 3 months but within 6 months	**1,589**	493
Over 6 months	**417**	482
	12,903	11,553

MANAGEMENT DISCUSSION AND ANALYSIS

Results, Business Review and Prospects

Results of Continuing Operations

For the six months ended 30 June 2017, 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 construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works ("Building Contract Works Business"); (iv) provision of money lending ("Money Lending Business"); and (v) investment in securities ("Securities Investment").

During the period under review, the Group's revenue generated from continuing operations amounted to HK$41.9 million, representing a decrease of HK$12.1 million or 22.4% from HK$54.0 million for the corresponding period last year. Such a decrease was mainly attributable to the decrease in revenue from the Medical Devices Business.

Gross profit of the Group was HK$9.7 million, representing an increase of HK$0.4 million or 4.3% as compared to HK$9.3 million for the corresponding period last year. Gross profit margin reached 23.2% (30 June 2016: 17.2%), representing an elevation of 6.0 percentage points over the same period of 2016, primarily as a result of gross profit margin contributed from the Money Lending Business.

During the period under review, the Group recorded a significant amount of other losses, net of other income and other gains, of HK$142.2 million, as compared to the other income and other gains, net of other losses, of HK$2.7 million recorded in the corresponding period last year. Such significant loss was mainly attributable to the realised and unrealised losses recorded on change in fair value of held-for-trading investments arising from the Securities Investment during the period under review.

The distribution costs amounted to HK$0.2 million, which remained relatively the same as that for the corresponding period last year. The administrative expenses increased by HK$2.6 million to HK$21.4 million (30 June 2016: HK$18.8 million), representing an increase of 13.8% over the corresponding period last year. Such an increase was mainly attributable to the share-based payment expenses incurred during the period.

As a result, the loss attributable to owners of the Company from continuing operations for the period was HK$154.1 million, which increased significantly by HK$145.8 million as compared to HK$8.3 million loss for the same period in 2016.

Results of Discontinued Operations

No revenue was generated from our business for the provision of public relations services ("PR Business") (30 June 2016: HK$0.4 million) and the PR Business incurred a loss before income tax of HK$0.07 million (30 June 2016: HK$0.04 million) for the first half of 2017. Such loss was primarily attributable to the 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. Having considered that there is no clear potential for material improvement on the performance of the PR Business, the Directors resolved to cease the operation of the PR Business with effect from 1 April 2017, in order to focus its resources on other profitable business units. As a result, the Group recorded a loss from discontinued operation for the period of HK$0.07 million (30 June 2016: HK$0.42 million), representing a decrease of HK$0.35 million or 83.3% over the corresponding period last year. Such decrease was mainly attributable to the absence of the loss from the Group's business for the provision of human resources management services which was sold and discontinued by the Group during the same period in 2016.

Business Review

Medical Devices Business

For the six months ended 30 June 2017, the Medical Devices Business recorded a revenue of HK$16.1 million, representing a decrease of 35.3% or HK$8.8 million as compared to that of HK$24.9 million in the same period last year, which accounted for 38.4% of the Group's total revenue from continuing operations for the period under review. In the first half of 2017, the economy of the United States of America ("America") has remained uncertain, and the Medical Devices Business has continued to suffer from decline in sales order from our key customer in America. Along with one of the medical devices product reached the end of its product life cycle, revenue of the Medical Devices Business has decreased over the same period in 2016.

Segment profit of the Medical Devices Business amounted to HK$0.6 million for the six months ended 30 June 2017, representing a decrease of HK$0.9 million or 60.0% as compared to that of HK$1.5 million in the corresponding period last year. The decrease in segment profit was primarily as a result of decline in sales order and end of product life cycle of one of the medical devices product which has a relatively higher profit margin. Facing the challenge of fluctuating sales order, the Group is persisting to deploy business strategies of streamlining and outsourcing of business processes, implementing stringent cost control and ensuring effective utilisation of resources with an aim to maintain its long-term sustainable competitive advantages in the business segment.

Plastic Moulding Business

The revenue from the Plastic Moulding Business decreased by HK$0.3 million or 15.8% to HK$1.6 million for the six months ended 30 June 2017, as compared to HK$1.9 million in the corresponding period last year, which accounted for 3.8% of the Group's total revenue from continuing operations for the period under review. 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 continuous decline in revenue of the Plastic Moulding Business during the period under review. In view of this, the Group has ceased the production of the majority of those products which contributed a relatively low gross profit margin, and has only been accepting small number of production orders of mould fabrication and some products, which have a relatively higher gross profit margin.

Despite persistent efforts in the improvement in profit margins of sales orders and cost control in the reduction of distribution costs and administrative expenses, segment profit decreased HK$0.17 million or 85.0% to HK$0.03 million for the six months ended 30 June 2017, as compared to HK$0.20 million for the corresponding period last year, primarily due to the continuous decline in sale orders. As such, assets and resources of this segment have been shifted to other more profitable business units, but the Group 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.

Building Contract Works Business

For the six months ended 30 June 2017, revenue from the Building Contract Works Business generated by ACE Engineering Limited ("ACE Engineering"), a wholly-owned subsidiary of the Company, amounted to HK$21.7 million, representing a decrease of HK$4.2 million or 16.2% as compared to HK$25.9 million for the corresponding period last year, which contributed 51.8% of the Group's total revenue from continuing operations for the period under review. The decrease in revenue was primarily attributable to substantial completion of several significant private contracts during the same period in 2016. This business recorded a gross profit of HK$2.6 million (30 June 2016: HK$2.6 million) and gross profit margin of 12.0% (30 June 2016: 10.0%). The increase in gross profit margin was primarily attributable to decrease in subcontracting costs as a result of continued efforts in controlling and managing the costs. Segment loss of this business decreased by HK$1.3 million or 92.9% to HK$0.1 million for the six months ended 30 June 2017, as compared to HK$1.4 million loss for the corresponding period last year, primarily as a result of reduction in amortisation charges of intangible asset acquired as part of the acquisition of the business which was non-cash item and amounted to HK$0.2 million for the period under review (30 June 2016: HK$1.8 million).

As at 30 June 2017, ACE Engineering had undertaken (i) five building maintenance and/or renovation projects from private sector with the contract sums ranging from approximately HK$2.2 million to HK$15.4 million and the aggregate contract sum of approximately HK$49.0 million; and (ii) two building repair projects from the Hong Kong Housing Society with the aggregate contract sum of approximately HK$6.7 million. Hence, the aggregate contract sums from private sector and the Hong Kong Housing Society amounted to approximately HK$55.7 million and the aggregate estimated paid and payable subcontracting fee of those seven existing construction projects undertaken by ACE Engineering was approximately HK$49.5 million. As at 30 June 2017, approximately HK$17.7 million of the aggregate contract sums was still outstanding and those seven construction projects were pending to be completed within next year.

Despite reduction in segment loss of the business during the period under review, the slow growth in segment revenue and results of this business indicated that market competition of the building construction and maintenance industry is still fierce. The Group will continue to deploy its efforts to facilitate improvement in results of this business in the second half of the year.

Money Lending Business

For the six months ended 30 June 2017, the Group recorded loan interest income of HK$2.5 million from its Money Lending Business, representing an increase of HK$1.2 million or 92.3% as compared to HK$1.3 million for the corresponding period last year, which accounted for 6.0% of the Group's total revenue from continuing operations for the period under review. Segment profit of the Money Lending Business amounted to HK$2.2 million (30 June 2016: HK$1.3 million). The outstanding principal and interest amount of loan receivables as at 30 June 2017 was HK$89.6 million. During the period under review, there was no provision of doubtful or bad debt of the Money Lending Business (30 June 2016: nil). The Group will continue to develop this business by employing prudent credit control procedures and strategies to hold a balance between the business growth and the risk management.

Securities Investment

Due to the volatile stock market in Hong Kong, the Group recorded a significant amount of realised loss of HK$59.1 million (30 June 2016: realised gain of HK$2.6 million) and unrealised loss of HK$87.2 million (30 June 2016: HK$2.7 million) arising on change in fair value of held-for-trading investments of listed equity securities in Hong Kong for the six months ended 30 June 2017. No dividend income was received from the held-for-trading investments during the period under review (30 June 2016: nil). Segment loss of the Securities Investment amounted to HK$146.3 million (30 June 2016: HK$0.2 million).

The Group's realised loss on held-for-trading investments disposed of during the six months ended 30 June 2017 was represented as follows:

Company Name/Stock Code	**Realised loss for the period ended 30 June 2017**	**Sale proceeds during the period ended 30 June 2017**	**Carrying amount as at 31 December 2016**
	HK$'000	*HK$'000*	*HK$'000*
Securities listed in Hong Kong			
China Jicheng Holdings Limited ("China Jicheng") (1027) *(Note (i))*	(38,173)	3,974	42,147
Luen Wong Group Holdings Limited ("Luen Wong") (8217) *(Note (ii))*	(20,924)	2,820	23,744
	(59,097)	6,794	65,891

Notes:

(i) China Jicheng is principally engaged in the manufacturing and sale of umbrella.

(ii) Luen Wong is principally engaged in the provision of civil engineering works and investment holding.

As at 30 June 2017, the Group held 8 listed equity securities in Hong Kong with the fair value of HK$23.2 million. In light of the recent volatile financial market in Hong Kong, the Group intends to diversify its investment portfolio in order to reduce the relevant concentration and investment risks and will closely monitor the performance of this business. The Group will keep adopting a prudent investment attitude and develop its investment strategy with the aim to improve the capital usage efficiency and generate additional investment returns on the idle funds of the Group.

Details of the Group's top two held-for-trading investments, in terms of fair value as at 30 June 2017, are as follows:

Company Name/Stock Code	% of shareholding as at 30 June 2017	Fair value loss for the period ended 30 June 2017	Fair value as at 30 June 2017	% of total assets of the Group as at 30 June 2017
		HK$'000	*HK$'000*	
Securities listed in Hong Kong				
China e-Wallet Payment Group Limited ("China e-Wallet") (802) *(Note (a))*	2.037%	(26,010)	7,140	3.29%
WLS Holdings Limited ("WLS") (8021) *(Note (b))*	1.529%	(41,200)	3,710	1.71%
Others *(Note (c))*		(19,945)	12,398	5.72%
		(87,155)	23,248	10.72%

Notes:

(a) China e-Wallet is principally engaged in the provision of biometric and radio frequency identification products and solution services, internet and mobile application and related services. As disclosed in the annual report of China e-Wallet for the year ended 31 December 2016, it recorded audited net loss attributable to its owners of HK$176.8 million for the year ended 31 December 2016. With regards to the future prospects of China e-Wallet, the Directors noted that China e-Wallet continues to believe that the internet and mobile's application and related accessories segment is a key growth area, is in-line with the rapid growth of the mobile and gaming industry and in particular in application development for merchants, online gaming and utilities applications for iOS and Androids and mass advertising.

(b) WLS is principally engaged in the provision of scaffolding and fitting out services, management contracting services and other services for construction and buildings work, money lending business, securities brokerage and margin financing and securities investment business. As disclosed in the annual report of WLS for the year ended 30 April 2017, it recorded audited net loss attributable to its owners of HK$16.0 million for the year ended 30 April 2017. With regards to the future prospects of WLS, the Directors noted that WLS is prudently optimistic about its prospects and expects a busy time for the construction industry. WLS will continue to promote the use of the "Pik Lik" brand scaffolding system to help improve overall efficiency while boosting the revenue and market share of its scaffolding services division. WLS also plans to continue expanding those business segments with higher profit margins and growth potential, such as the money lending business and securities investment business as well as securities brokerage and margin financing operations, in order to generate significant returns for its shareholders.

(c) None of these investments represented more than 5% of the total assets of the Group as at 30 June 2017.

Looking ahead, the Directors believe that the future performance of the above investments held by the Group will be volatile and substantially affected by overall economic environment, equity market conditions, investor sentiment and the business performance and development of the investee companies. Accordingly, the Group will continue to maintain a diversified portfolio of investment of various industries to minimise the possible financial risks. Also, the Directors will cautiously assess the performance progress of the investment portfolio from time to time.

DISCLOSEABLE TRANSACTION

Disposal of 14% of issued share capital of Optumus Group Limited

On 18 April 2016, Eternity Riches Limited ("Eternity Riches"), a wholly-owned subsidiary of the Company, completed the subscription of 14% of the enlarged issued share capital of Alpha Generator Limited ("Alpha Generator") as enlarged by the allotment and issue of the subscription shares, at the aggregate subscription price of HK$15.3 million. Alpha Generator and its subsidiary is principally engaged in the provision of interior design, fit out and decoration services. Immediately after completion, Alpha Generator and its subsidiary became available-for-sale investment of the Group. Details of the subscription are set out in the Company's announcements dated 5 January 2016 and 18 April 2016 respectively.

In January 2017, the shareholders of Alpha Generator agreed to undertake an internal reorganisation pursuant to which all shareholders of Alpha Generator (or their respective nominees, where appropriate) sold their respective shares in Alpha Generator to Optumus Group Limited ("Optumus Group"), a company incorporated in the Cayman Islands with limited liability, and then such shareholders (or their respective nominees, where appropriate) became the shareholders of Optumus Group in the same shareholding proportion.

On 29 May 2017, Eternity Riches as the vendor and three independent third parties as the purchasers, each being a shareholder of Optumus Group, entered into the sale and purchase agreement, pursuant to which Eternity Riches agreed to sell and the purchasers agreed to acquire the sale shares, representing 14% of the issued share capital of Optumus Group, at the aggregate cash consideration of HK$18.66 million. Taking into account the consideration represented a premium of approximately 21.96% over the investment cost of the Group and the remaining shareholders of Optumus Group wished to consolidate their shareholding in Optumus Group, the Directors considered it a good opportunity to realise its investment in Optumus Group and its subsidiaries at a reasonable price. Completion took place immediately after signing of the sale and purchase agreement. Immediately after completion, Optumus Group and its subsidiaries ceased to be an available-for-sale investment of the Group, and the Group ceased to hold any equity interests in Optumus Group and its subsidiaries. The Group recorded a gain arising from the disposal of the available-for-sale investment of HK$3.36 million. The net proceeds from the disposal after deducting the expenses directly attributable thereto of approximately HK$0.10 million was approximately HK$18.56 million, which had been used as to (i) approximately HK$13.00 million to develop and operate the Group's Money Lending Business; (ii) approximately HK$5.00 million for Securities Investment by the Group; and (iii) approximately HK$0.56 million for general working capital of the Group.

Details of the disposal of the investment in Optumus Group are set out in the Company's announcement dated 29 May 2017.

PROSPECT

The year of 2017 will remain challenging facing a high level of uncertainty of the economy and the volatile financial market in Hong Kong and globally. The Group will closely monitor and appraise its business and investment performance especially for its Securities Investment and will cautiously adjust its business and investment portfolio by effectively allocating its capital in response to the ever-changing business and market environment and to stabilise any downturn impact.

Building on a diversified business portfolio, the Group will persistently bolster its efforts on modifying its investment and business strategies to promote business development of its business segments, especially business segments with higher profit margins and growth potential such as the Money Lending Business. As the economy is still uncertain and the investment market is still volatile, the Group will strive to maintain its liquidity and effectively manage its working capital and make concerted efforts to achieve effective cost control, while continue to leverage its lean organisation structure and enhance operation efficiency.

Looking ahead, the Group will continue to optimise its business portfolio by exploring potentially profitable business opportunity to exploit new growth potentials so as to improve shareholders' value and return and maintain sustainable growth in its future development.

FINANCIAL REVIEW

Capital structure

As of 30 June 2017, the Group's consolidated net asset was approximately HK$155.6 million, representing a decrease of approximately HK$147.2 million as compared to that of HK$302.8 million as at 31 December 2016.

As at 30 June 2017, the Company has 1,862,679,481 ordinary shares of HK$0.01 each in issue.

Debt structure

The Group's total borrowings from financial institutions were zero as at 30 June 2017 and 31 December 2016. The Group's total cash and bank balances amounted to approximately HK$39.0 million as at 30 June 2017, which increased approximately HK$8.5 million as compared to that of HK$30.5 million as at 31 December 2016.

Working capital and liquidity

As at 30 June 2017, the Group's current ratio and quick ratio were 3.3 (31 December 2016: 9.9). Inventory turnover on sales of continuing operations remained at 0 day (six months ended 30 June 2016: 0 day). Receivable turnover of continuing operations during the period under review was 47 days (six months ended 30 June 2016: 44 days).

Contingent liabilities and charges

The Group had not pledged any assets to secure bank facilities and finance lease obligations as at 30 June 2017 and 31 December 2016. The Group had no material contingent liability as at 30 June 2017 and 31 December 2016.

Foreign currency exposure

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

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2017, the Group had 26 (31 December 2016: 32) 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 2017 (30 June 2016: nil).

EVENTS AFTER THE REPORTING PERIOD

Grant of share options

On 26 July 2017, the Company had granted share options to the eligible participants to subscribe for a total of 186,200,000 ordinary shares of HK$0.01 each in the capital of the Company at the exercise price of HK$0.123 per share for a validity period from 26 July 2017 to 25 July 2022 pursuant to the share option scheme adopted by the Company on 30 June 2015. Details of the grant of share options are set out in the Company's announcement dated 26 July 2017.

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 of Hong Kong Limited (the "Listing Rules") for the six months ended 30 June 2017, 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. Zhang Hengxin 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 2017. During the period 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 of the Company (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. Zhang Hengxin as the Chairman and the Managing Director of the Company during the period under review. The Company will review the current structure when and as it becomes appropriate.

Rule 3.10(1) of the Listing Rules provides that every board of directors of a listed issuer must include at least three independent non-executive directors. Moreover, Rule 3.21 of the Listing Rules provides that the audit committee of a listed issuer must comprise a minimum of three members. Further, Rule 3.25 of the Listing Rules provides that a listed issuer must establish a remuneration committee which comprises a majority of independent non-executive directors.

Subsequent to the resignation of Mr. Chan Ngai Sang Kenny ("Mr. Chan") as an Independent Non-Executive Director, the chairman of the remuneration committee of the Company (the "Remuneration Committee") and a member of the audit committee of the Company (the "Audit Committee") with effect from 1 August 2017, the number of Independent Non-executive Directors and the members of the Audit Committee fell below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules and the required composition of the Remuneration Committee fell below the requirements under Rule 3.25 of the Listing Rules. The Company is endeavouring to identify suitable candidate to fill the vacancy as soon as practicable, with the relevant appointment(s) to be made within three months from the effective date of Mr. Chan's resignation as required under Rules 3.11, 3.23 and 3.27 of the Listing Rules.

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 2017.

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

During the six months ended 30 June 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDIT COMMITTEE

During the period from 1 January 2017 to 31 July 2017, the Audit Committee comprised 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. With effect from 1 August 2017, Mr. Chan Ngai Sang Kenny resigned as an Independent Non-executive Director and a member of the Audit Committee so that the Audit Committee comprises two Independent Non-executive Directors, namely Mr. Wong Siu Ki (chairman of the Audit Committee) 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 2017.

By order of the Board
AMCO United Holding Limited
ZHANG Hengxin
Chairman and Managing Director

Hong Kong, 30 August 2017

As at the date of this announcement, Mr. Zhang Hengxin, Mr. Peng Shiyuan and Mr. Jia Minghui are the Executive Directors; and Mr. Wong Siu Ki and Mr. Li Kwok Fat are the Independent Non-executive Directors.