AMCO
United Holding Limited
雋泰控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code : 630)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2017

RESULTS

The board (the "Board") of directors (the "Directors") of AMCO United Holding Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2017, together with the comparative figures for the previous year, as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	**2017** ***HK$'000***	2016 *HK$'000* (Re-presented)
Continuing operations			
Revenue	*3, 4*	**87,932**	98,400
Cost of sales and services		**(67,579)**	(81,444)
Gross profit		**20,353**	16,956
Other income and other gains or losses	*5*	**(128,203)**	5,180
Distribution costs		**(299)**	(282)
Administrative expenses		**(39,757)**	(38,492)
Finance costs		**–**	(120)
Share of loss of an associate		**–**	(1,612)
Loss before income tax	*6*	**(147,906)**	(18,370)
Income tax credit	*7*	**47**	426
Loss for the year from continuing operations		**(147,859)**	(17,944)
Discontinued operations			
Loss for the year from discontinued operations		**(71)**	(465)
Loss and total comprehensive income for the year attributable to owners of the Company		**(147,930)**	(18,409)

* *For identification purposes only*

	Note	2017 HK$'000	2016 HK$'000 (Re-presented)
Loss and total comprehensive income for the year attributable to owners of the Company			
– from continuing operations		**(147,859)**	(17,944)
– from discontinued operations		**(71)**	(465)
		(147,930)	(18,409)
Loss per share	*8*		
Basic and diluted			
– from continuing operations		**HK(7.94) cents**	HK(0.99) cent
– from discontinued operations		**–**	HK(0.03) cent
		HK(7.94) cents	HK(1.02) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Notes	**2017** **HK$'000**	2016 *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*9*	**2,087**	2,652
Goodwill	*10*	**10,196**	10,196
Intangible assets	*11*	**5,056**	5,297
Available-for-sale financial asset	*12*	**–**	15,300
		17,339	33,445
Current assets			
Inventories		**111**	11
Held-for-trading investments	*13*	**35,223**	166,311
Trade and other receivables	*14*	**149,184**	103,758
Tax recoverable		**78**	–
Cash and cash equivalents		**26,276**	30,479
		210,872	300,559
Current liabilities			
Trade and other payables	*15*	**61,675**	30,260
Tax payable		**19**	28
		61,694	30,288
Net current assets		**149,178**	270,271
Total assets less current liabilities		**166,517**	303,716
Non-current liability			
Deferred tax liability		**834**	874
Net assets		**165,683**	302,842
EQUITY			
Share capital	*16*	**18,627**	18,627
Reserves		**147,056**	284,215
Total equity		**165,683**	302,842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

AMCO United Holding Limited (the "Company") was incorporated in Bermuda with limited liability on 19 August 1994 as an exempted company under the Companies Act 1981 of Bermuda with its shares listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 28 November 1996. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company is located at Unit 1104, Crawford House, 70 Queen's Road Central, Central, Hong Kong.

The Company and its subsidiaries (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

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is a collective term for all individual HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations, and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments which are measured at their fair value.

(a) Adoption of new and revised HKFRSs – effective 1 January 2017

In the current year, the Group has applied for the first time the following new amendments and interpretation to HKFRSs (hereinafter collectively referred to as "new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2017:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle

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

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

The following new and revised HKFRSs have been issued, but are not yet effective and have not been early adopted by the Group.

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers (and the related Clarifications)[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle[2]
IFRIC 22	Foreign Currency Transactions and Advance Consideration[1]
IFRIC 23	Uncertainty over Income Tax Treatments[2]

[1] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

[2] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted

[3] Effective for annual periods beginning on or after a date to be determined

The directors of the Company ("Directors") anticipate that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

HKFRS 9 – Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income ("FVTOCI") if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit and loss.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at fair value through profit or loss replacing the incurred loss model in HKAS 39 "Financial Instruments: Recognition and Measurement" and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

The Directors anticipate that the adoption of HKFRS 9 may have an impact on the Group's results and financial position, including the classification categories, the measurement of financial assets and the disclosures. For instance, the Group will be required to replace the incurred loss impairment model in HKAS 39 with an expected loss impairment model that will apply to the Group's financial assets measured at amortised cost with various exposures to credit risk. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until a detailed review has been completed.

HKFRS 15 – Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and related interpretations.

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to each performance obligation

Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The Directors consider that the performance obligations in respect of the Group's revenue are similar to the current identification of separate revenue components under HKAS 18 or HKAS 11, and the timing of revenue recognition of these performance obligations are also expected to be consistent with current practice. Furthermore, the Directors consider that the method currently used to measure the progress towards complete satisfaction of the performance obligations will continue to be appropriate under HKFRS 15. Apart from providing more disclosures on the Group's revenue transactions, the Directors do not anticipate that the application of HKFRS 15 will have a material impact on the Group's results and financial position.

HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 "Leases", introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liabilities, and also classifies cash payments of the lease liability into a principal portion and an interest portion and presents them in the consolidated statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly differently from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its lease as operating leases or finance leases, and to account for these two types of leases differently.

As at 31 December 2017, the Group has non-cancellable operating lease commitments of approximately HK$4,132,000. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. The application of the new requirements may result in changes in the measurement, presentation and disclosure of the Group's leases as indicated above which may have an impact on the Group's results and financial position. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed.

3. Segment reporting

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

The Group has six (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 year ended 31 December 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/loss 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:

(a) Business segments

For the year ended 31 December 2017

	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	**38,023**	**1,938**	**41,848**	**6,123**	**–**	**87,932**	**–**	**87,932**
Revenue from external customers	**38,023**	**1,938**	**41,848**	**6,123**	**–**	**87,932**	**–**	**87,932**
Reportable segment profit/(loss)	**2,941**	**(326)**	**(117)**	**5,758**	**(134,371)**	**(126,115)**	**(71)**	**(126,186)**
Reportable segment assets	**3,434**	**890**	**43,645**	**110,170**	**42,002**	**200,141**	**–**	**200,141**
Reportable segment liabilities	**(7,379)**	**(610)**	**(14,827)**	**(28,799)**	**(19)**	**(51,634)**	**–**	**(51,634)**
Amounts included in the measure of segment profit/(loss) or segment assets								
Interest income	**–**	**1**	**–**	**2**	**–**	**3**	**–**	**3**
Depreciation and amortisation	**(2)**	**(397)**	**(407)**	**–**	**–**	**(806)**	**(3)**	**(809)**
Gain on disposal of property, plant and equipment	**170**	**–**	**65**	**–**	**–**	**235**	**–**	**235**
Additions to non-current assets	**–**	**–**	**493**	**–**	**–**	**493**	**–**	**493**

For the year ended 31 December 2016 (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	38,761	2,540	53,650	3,554	–	98,505	479	1,641	2,120	100,625
Inter-segment revenue	–	–	–	(105)	–	(105)	–	–	–	(105)
Revenue from external customers	38,761	2,540	53,650	3,449	–	98,400	479	1,641	2,120	100,520
Reportable segment profit/(loss)	1,186	347	(1,611)	2,765	2,410	5,097	(86)	(379)	(465)	4,632
Reportable segment assets	2,577	578	41,698	74,557	166,311	285,721	45	–	45	285,766
Reportable segment liabilities	(4,243)	(660)	(13,948)	–	(19)	(18,870)	(4)	–	(4)	(18,874)
Amounts included in the measure of segment profit/(loss) or segment assets										
Interest income	–	1	196	5	2	204	–	–	–	204
Depreciation and amortisation	(2)	(397)	(2,633)	–	–	(3,032)	(14)	(16)	(30)	(3,062)
Gain/(loss) on disposal of property, plant and equipment	–	128	(7)	–	–	121	–	–	–	121
Additions to non-current assets	–	–	525	–	–	525	–	11	11	536

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

	2017	2016
	HK$'000	*HK$'000*
		(Re-presented)
Revenue		
Reportable segment revenue	**87,932**	100,625
Inter-segment revenue	**–**	(105)
Segment revenue from discontinued operations	**–**	(2,120)
Consolidated revenue from continuing operations	**87,932**	98,400
Loss before income tax and discontinued operations		
Reportable segment (loss)/profit	**(126,186)**	4,632
Segment loss from discontinued operations	**71**	465
Finance costs	**–**	(120)
Share of loss of an associate	**–**	(1,612)
Unallocated corporate income	**5,376**	1,530
Unallocated corporate expenses	**(27,167)**	(23,265)
Consolidated loss before income tax from continuing operations	**(147,906)**	(18,370)
Assets		
Segment assets	**200,141**	285,766
Available-for-sale financial asset	**–**	15,300
Cash and cash equivalents	**26,276**	30,479
Unallocated corporate assets	**1,794**	2,459
Consolidated total assets	**228,211**	334,004
Liabilities		
Segment liabilities	**51,634**	18,874
Amounts due to related parties	**–**	9,200
Unallocated corporate liabilities	**10,894**	3,088
Consolidated total liabilities	**62,528**	31,162

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/expense. This is the measure reported to the chief operating decision-maker for the purposes of resource allocation and performance assessment.

All assets are allocated to reportable segments other than available-for-sale financial asset and cash and cash equivalents.

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

(c) Geographic information

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

The Group's operations and workforce are mainly located in Hong Kong.

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

	Continuing operations		**Discontinued operations**		**Total**	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Re-presented)		(Re-presented)		
Asia						
– Hong Kong	**48,025**	57,099	**–**	2,120	**48,025**	59,219
– other region	**94**	858	**–**	–	**94**	858
Europe	**776**	1,394	**–**	–	**776**	1,394
North and South America	**39,037**	39,049	**–**	–	**39,037**	39,049
	87,932	98,400	**–**	2,120	**87,932**	100,520

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

	Continuing operations		**Discontinued operations**		**Total**	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(Re-presented)		(Re-presented)		
Asia						
– Hong Kong	**17,339**	33,400	**–**	45	**17,339**	33,445

(d) Information about major customers

Revenue from customers contributing over 10% of the total revenue of the Group for both continuing operations and discontinued operations are set out below:

	2017		2016	
	HK$'000	***% of total revenue***	*HK$'000*	*% of total revenue*
Customer A – Medical Devices Business	**38,023**	**43%**	38,761	39%
Customer B – Building Contract Works Business	**N/A *(Note)***	**N/A *(Note)***	13,070	13%

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

4. Revenue

Revenue represents the net invoiced value of goods sold, net of returns and trade discounts, revenue from construction contracts and loan interest income.

	2017	2016
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Sales of goods	**39,961**	41,301
Revenue from construction contracts	**41,848**	53,650
Loan interest income	**6,123**	3,449
	87,932	98,400

5. Other income and other gains or losses

Analysis of the Group's other income and other gains or losses recognised during the year is as follows:

	2017	2016
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Exchange gain, net	**182**	–
(Loss)/gain on sale of held-for-trading investments	**(59,097)**	1,954
Loss on disposal of subsidiaries	**–**	(1,285)
Gain arising from disposal of an associate	**–**	412
Gain on disposal of available-for-sale financial asset *(Note 12)*	**3,360**	–
Gain on disposal of property, plant and equipment	**495**	140
(Loss)/gain on change in fair value of held-for-trading investments	**(75,181)**	1,528
Interest income	**5**	211
Rental income	**–**	273
Others	**2,033**	1,947
	(128,203)	5,180

6. Loss before income tax

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

	2017	2016
	HK$'000	*HK$'000*
		(Re-presented)
Continuing operations		
Employee costs (including Directors' emoluments)		
– Salaries, wages and other benefits	**11,500**	13,438
– Contributions to defined contribution retirement plan	**296**	417
– Share-based payment expenses	**3,751**	–
	15,547	13,855
Depreciation of property, plant and equipment	**1,038**	2,383
Amortisation of intangible asset *(Note 11)*	**241**	2,505
Auditor's remuneration	**440**	400
Operating lease charges in respect of properties	**1,978**	1,833
Share-based payment expenses (other than employee costs)	**7,020**	–
Cost of inventories recognised as expenses	**30,554**	32,342
Cost of services	**36,918**	48,024

7. Income tax credit

	2017	2016
	HK$'000	*HK$'000*
Continuing operations		
Hong Kong Profits Tax		
– Tax for the year	**–**	28
– Over-provision in prior year	**(7)**	(38)
Deferred tax credit – current year	**(40)**	(416)
Income tax credit	**(47)**	(426)

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the last year. No Hong Kong Profits Tax was provided for the current year as the Group did not derive any estimated assessable profits for the year ended 31 December 2017.

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:

	2017	2016
	HK$'000	*HK$'000*
		(Re-presented)
Loss		
Loss for the year for the purposes of computation of basic loss per share		
– from continuing operations	**(147,859)**	(17,944)
– from discontinued operations	**(71)**	(465)
	(147,930)	(18,409)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue (*Note*)	**1,862,679**	1,805,541

Note: The weighted average number of ordinary shares in issue during the year ended 31 December 2016 had been adjusted for the bonus element in the shares issued under the open offer completed during the year as if it had taken place since the beginning of the year. Details of the open offer are set out in Note 16.

(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 years ended 31 December 2017 and 2016.

The Company's outstanding share options as at 31 December 2017 were not taken into account as they had an antidilutive effect for the year ended 31 December 2017 which would result in a reduction in the loss per share. There were no outstanding share options as at 31 December 2016.

9. Property, plant and equipment

	Leasehold land and buildings *HK$'000*	Plant and machinery *HK$'000*	Furniture, fixtures and office equipment *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
Cost					
At 1 January 2016	62,590	10,064	3,186	4,826	80,666
Additions at cost	–	–	908	–	908
Acquisition of a subsidiary	–	–	17	124	141
Derecognised upon disposal of subsidiaries	(62,590)	–	(559)	–	(63,149)
Disposals	–	(1,480)	–	(591)	(2,071)
Written off	–	–	(776)	–	(776)
At 31 December 2016 and 1 January 2017	–	8,584	2,776	4,359	15,719
Additions at cost	–	–	17	478	495
Disposals	–	(853)	–	(1,998)	(2,851)
At 31 December 2017	**–**	**7,731**	**2,793**	**2,839**	**13,363**
Accumulated depreciation and impairment					
At 1 January 2016	–	10,064	1,487	3,412	14,963
Depreciation	1,373	–	599	441	2,413
Derecognised upon disposal of subsidiaries	(1,373)	–	(107)	–	(1,480)
Disposals	–	(1,480)	–	(591)	(2,071)
Written off	–	–	(758)	–	(758)
At 31 December 2016 and 1 January 2017	–	8,584	1,221	3,262	13,067
Depreciation	–	–	596	445	1,041
Disposals	–	(853)	–	(1,979)	(2,832)
At 31 December 2017	**–**	**7,731**	**1,817**	**1,728**	**11,276**
Net book value					
At 31 December 2017	**–**	**–**	**976**	**1,111**	**2,087**
At 31 December 2016	–	–	1,555	1,097	2,652

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

10. Goodwill

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating unit ("CGU") that is expected to benefit from that business combination. The carrying amount of goodwill as at 31 December 2017 and 2016 relates to a business unit acquired during the year ended 31 December 2016, as further explained below.

	2017	2016
	HK$'000	*HK$'000*
Cost		
At 1 January	**77,558**	68,319
Acquisition of a subsidiary *(Note (i))*	**–**	10,196
Derecognised upon disposal of a subsidiary *(Note (ii))*	**–**	(957)
At 31 December	**77,558**	77,558
Accumulated impairment losses		
At 1 January and 31 December *(Note (iii))*	**(67,362)**	(67,362)
Net book value at 31 December	**10,196**	10,196

Notes:

(i) Building Contract Works Business

At 31 December 2017 and 2016, goodwill of approximately HK$10,196,000 relates to the Building Contract Works Business unit, a CGU, acquired as part of the acquisition of ACE Engineering Limited ("ACE Engineering") during the year ended 31 December 2016.

The recoverable amount of the CGU, has been determined using cash flow projections to calculate value in use based on estimates and financial budgets approved by the Directors. These projections cover a five-year period, and have been discounted using a pre-tax discount rate of 13.79% (2016: 14.99%). The cash flows beyond that five-year period have been extrapolated using a growth rate of 3% (2016: 3%).

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

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

(ii) Provision for information technology services

During the year ended 31 December 2016, the Group disposed of Zeed Asia Technology Limited with the associated goodwill of approximately HK$957,000.

(iii) Medical Devices Business

At 31 December 2017 and 2016, goodwill of approximately HK$67,362,000 relates to the Medical Devices Business unit acquired as part of the acquisition of the Titron Group in 2011, as defined and detailed in the Company's circular dated 12 August 2011. Owing to the significant and continuous losses incurred by this business unit in prior years, all of the goodwill of approximately HK$67,362,000 had been impaired as at 31 December 2014.

11. Intangible assets

	2017			2016			
	Contracts backlog *(Note (i))* ***HK$'000***	**Contractor registrations** *(Note (i))* ***HK$'000***	**Total** ***HK$'000***	Contracts backlog *(Note (i))* *HK$'000*	Contractor registrations *(Note (i))* *HK$'000*	In-process research and development project *(Note (ii))* *HK$'000*	Total *HK$'000*
Cost							
At 1 January	**2,786**	**5,016**	**7,802**	–	–	2,584	2,584
Acquisition through business combination	**–**	**–**	**–**	2,786	5,016	–	7,802
Derecognised upon disposal of a subsidiary	**–**	**–**	**–**	–	–	(2,584)	(2,584)
At 31 December	**2,786**	**5,016**	**7,802**	2,786	5,016	–	7,802
Accumulated amortisation							
At 1 January	**2,505**	**–**	**2,505**	–	–	–	–
Amortisation	**241**	**–**	**241**	2,505	–	–	2,505
At 31 December	**2,746**	**–**	**2,746**	2,505	–	–	2,505
Net book value at 31 December	**40**	**5,016**	**5,056**	281	5,016	–	5,297

Notes:

(i) Building Contract Works Business

Intangible assets with net book value of approximately HK$5,056,000 (2016: HK$5,297,000) as at 31 December 2017 represent contractor registrations and contracts backlog arising from the acquisition of ACE Engineering during the year ended 31 December 2016.

The contractor registrations are recognised as intangible assets with indefinite useful live and measured initially at cost and subsequently measured at cost less accumulated impairment losses. The contracts backlog is recognised as intangible assets with finite useful life and measured initially at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The contracts backlog was amortised over the period up to the completion of each of the contracts. During the year ended 31 December 2017, the amortisation of intangible asset was approximately HK$241,000 (2016: HK$2,505,000) (Note 6).

The contractor registrations and contracts backlog relate to the segment of Building Contract Works Business which constitutes a CGU, and have been assessed for impairment as detailed in Note 10(i). Based on the impairment assessment performed by management, the Directors are of the opinion that no impairment on the intangible assets is considered necessary.

(ii) Provision for information technology services

The intangible asset of in-process research and development project represented the in-process development of an internet financial platform by Zeed Asia Technology Limited.

During the year ended 31 December 2016, the intangible asset with net book value of approximately HK$2,584,000 was derecognised upon the disposal of Zeed Asia Technology Limited.

12. Available-for-sale financial asset

	2017	2016
	HK$'000	*HK$'000*
Unlisted share, at cost	**–**	15,300

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$15,300,000 in cash. Alpha Generator and its wholly-owned subsidiary is principally engaged in the provision of interior design, fit out and decoration services.

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 completed the disposal of 14% of the issued share capital of Optumus Group, pursuant to the sale and purchase agreement on the same date entered into between Eternity Riches as the vendor and three purchasers, each being an independent third party and a shareholder of Optumus Group, at an aggregate cash consideration of HK$18,660,000, with a gain arising from disposal of the available-for-sale investment of HK$3,360,000 (Note 5) recognised in profit or loss for the year ended 31 December 2017.

13. Held-for-trading investments

At 31 December 2017 and 2016, these investments represented investments in equity securities listed in Hong Kong. The fair values of the investments are determined with reference to the quoted market bid prices on the Stock Exchange.

14. Trade and other receivables

	2017	2016
	HK$'000	*HK$'000*
Trade receivables *(Note (i))*	**12,063**	11,779
Retention receivables *(Note (ii))*	**8,180**	8,197
Loan receivables *(Note (iii))*	**110,114**	74,557
Amounts due from customers for contract work	**412**	355
Other deposits, prepayments and other receivables *(Note (iv))*	**18,415**	8,870
Total trade and other receivables	**149,184**	103,758

Notes:

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

	2017	2016
	HK$'000	*HK$'000*
Current	**5,175**	2,048
1 to 90 days	**3,374**	8,411
91 to 180 days	**1,431**	353
Over 181 days	**2,083**	967
Trade receivables	**12,063**	11,779

In respect of trade receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current liability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customers operate. The Group does not hold any collateral over these balances. Receivables that were neither past due nor impaired constitute about 72% (2016: 88%) of total trade receivables, and relate to a wide range of customers for whom there was no recent history of default. The following is an aged analysis of trade receivables (net of accumulated impairment losses) by due date as at the end of the reporting period.

	2017	2016
	HK$'000	*HK$'000*
Neither past due nor impaired	**8,745**	10,391
Less than 3 months past due	**1,111**	399
3 to 6 months past due	**731**	105
Over 6 months past due	**1,476**	884
	3,318	1,388
Trade receivables	**12,063**	11,779

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of approximately HK$3,318,000 (2016: HK$1,388,000) which are past due as at the reporting date for which the Group has not provided any impairment loss. The Group does not hold any collateral over these balances.

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

(ii) 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.

(iii) 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 31 December 2017 and 2016.

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

(iv) The Group's other deposits, prepayments and other receivables represented the following amounts as at the end of the reporting period.

	2017	2016
	HK$'000	*HK$'000*
Prepayments	**1,067**	696
Deposits	**7,815**	1,428
Other receivables	**9,533**	6,746
	18,415	8,870

As at 31 December 2017, included in the Group's deposits is as an amount of approximately HK$6,779,000 (2016: nil) which represented deposit placed with securities broker for the trading of investment securities.

As at 31 December 2017 and 2016, the Group's other receivables mainly represented payment of expenses on behalf of subcontractors.

15. Trade and other payables

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**14,186**	11,553
Retention payables	**4,256**	4,280
Accruals and other payables	**43,233**	5,227
Amounts due to related parties	**–**	9,200
	61,675	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. One of the shareholders of TGHL, Mr. Yip Wai Lun, Alvin, was a shareholder and the Chairman and Managing Director of the Company as at 31 December 2016. As at 31 December 2017, the amounts due to TGHL and the Vendors of Titron Group are included in "Accruals and other payables" because the Directors considered TGHL and the Vendors of Titron Group were not related parties of the Group following resignation of Mr. Yip Wai Lun, Alvin 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.

	2017	2016
	HK$'000	*HK$'000*
Within 3 months	**12,246**	10,578
Over 3 months but within 6 months	**661**	493
Over 6 months	**1,279**	482
	14,186	11,553

The average credit period on purchases of goods is 30-90 days (2016: 30-90 days).

As at 31 December 2017, included in the Group's accruals and other payables are surety bonds payable in the amount of HK$28,798,000 (2016: nil) which represented several bonded sums received by the Group from a contractor payable to employers of the contractor as security for good performance on the part of the contractor for certain building contract works of the employers. The amounts were unsecured, interest-free and repayable on demand as at 31 December 2017.

16. Share capital

	Number of shares	Amount
		HK$'000
Authorised:		
Balance as at 31 December 2016 and 31 December 2017	40,000,000,000	400,000
Issued and fully paid:		
Balance as at 1 January 2016	1,241,786,321	12,418
Open offer on 17 March 2016 *(Note)*	620,893,160	6,209
Balance as at 31 December 2016, 1 January 2017 and 31 December 2017	1,862,679,481	18,627

Note:

On 17 March 2016, 620,893,160 ordinary shares of HK$0.01 each were issued at a subscription price of HK$0.13 per offer share on the basis of one offer share for every two shares in issue held on the record date ("Open Offer"), which was fully underwritten according to an underwriting agreement dated 20 January 2016. The subscription price of HK$0.13 per offer share represented a discount of approximately 65.33% to the closing price of HK$0.375 per share as quoted on the Stock Exchange on 16 March 2016, being the business day immediately preceding the date of allotment and issuance of offer shares. A share premium of approximately HK$74,507,000 was credited to share premium account. The net proceeds of approximately HK$77,481,000 after deducting shares issue expenses paid in relation to the Open Offer of approximately HK$3,235,000 were intended to be utilized as to develop and operate the Group's Money Lending Business. The net proceeds had been utilized as intended.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS, BUSINESS REVIEW AND PROSPECTS

RESULTS

The total revenue of the Group from continuing operations decreased HK$10.5 million or 10.7%, from HK$98.4 million last year to HK$87.9 million for the year ended 31 December 2017. Such a decrease was mainly attributable to the decrease in revenue from the provision of construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works ("Building Contract Works Business").

Gross profit of the Group was HK$20.4 million, representing an increase of HK$3.4 million or 20.0% as compared to HK$17.0 million in 2016. Gross profit margin for the year reached 23.2% (2016: 17.3%), representing an elevation of 5.9 percentage points over the last financial year, primarily as a result of gross profit margin contributed from the business in the provision of money lending ("Money Lending Business").

During the year under review, the Group recorded a significant amount of other losses, net of other income and other gains, of HK$128.2 million, as compared to the other income and other gains, net of other losses, of HK$5.2 million recorded in the corresponding year of 2016. 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 business of investment in securities ("Securities Investment") during the year under review.

The distribution costs amounted to HK$0.3 million, which remained relatively the same as that for the corresponding year of 2016. The administrative expenses increased by HK$1.3 million to HK$39.8 million (2016: HK$38.5 million), representing an increase of 3.4% over the corresponding year of 2016. Such an increase was mainly attributable to the share-based payment expenses incurred during the year.

The Group discontinued its operation in the provision for public relations services ("PR Business") with effect from April 2017 and recorded a loss from discontinued operation of HK$0.07 million (2016: loss from discontinued operations of HK$0.47 million) during the year under review.

As a result, the overall loss attributable to owners of the Company was HK$147.9 million, which increased significantly by HK$129.5 million as compared to HK$18.4 million loss for the corresponding year of 2016.

BUSINESS REVIEW

Continuing operations

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

For the year ended 31 December 2017, the Medical Devices Business recorded revenue of HK$38.0 million, which decreased by 2.1% or HK$0.8 million as compared to that of HK$38.8 million in the previous year. This amount represented 43.2% of the Group's total revenue from continuing operations for the year under review. In the second half of 2017, the economy of the United States of America ("America") has indicated steady growth, and the decline in sales order from our key customer in America suffered for the Medical Devices Business has eased in the current year. As a result, the revenue of the Medical Devices Business has remained relatively stable over previous year for the year under review.

Segment profit of the Medical Devices Business amounted to HK$2.9 million for the year ended 31 December 2017, representing an increase of HK$1.7 million or 141.7% as compared to that of HK$1.2 million in the corresponding year of 2016. The increase in segment profit was primarily as a result of higher margin in price yielded by the medical devices product and effective cost control achieved in current year. 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 utilization of resources in order to maintain its long-term sustainable competitive advantages in the business segment.

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

The revenue from the Plastic Moulding Business decreased by 24.0% or HK$0.6 million to HK$1.9 million, as compared to HK$2.5 million in the previous year, which accounted for 2.2% of the Group's total revenue from continuing operations for the year 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 year 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, the Group recorded segment loss of HK$0.3 million for the year under review, as compared to segment profit of HK$0.4 million for the corresponding year of 2016, primarily due to the continuous decline in sale orders. As such, the Group has shifted 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.

Building Contract Works Business

For the year ended 31 December 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$41.9 million, representing a decrease of HK$11.8 million or 22.0% as compared to HK$53.7 million for the corresponding year of 2016, which contributed 47.6% of the Group's total revenue from continuing operations for the year under review. The decrease in revenue was primarily due to the net effect of (i) substantial completion of several significant private contracts during the previous year; (ii) awards of several new significant public contracts during the current year, a majority of which were commenced in the second half of the financial year or were pending to be commenced within next year; and (iii) decrease in tender sum for retention of working capital. This business recorded a gross profit of HK$4.9 million (2016: HK$5.6 million) and gross profit margin of 11.7% (2016: 10.4%). 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$1.5 million or 93.8% to HK$0.1 million for the year ended 31 December 2017, as compared to HK$1.6 million loss for the corresponding year of 2016, 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 year under review (2016: HK$2.5 million).

As at 31 December 2017, ACE Engineering had undertaken (i) two building maintenance and/or renovation projects from private sector with the contract sums ranging from approximately HK$6.9 million to HK$13.7 million and the aggregate contract sum of approximately HK$20.6 million; and (ii) six building maintenance and/or renovation projects from the Hong Kong Housing Society and the Hong Kong Housing Authority with the contract sums ranging from approximately HK$0.6 million to HK$23.9 million and the aggregate contract sum of approximately HK$51.0 million. Hence, the aggregate contract sums from both private and public sectors amounted to approximately HK$71.6 million and the aggregate estimated paid and payable subcontracting fee of those eight existing construction projects undertaken by ACE Engineering was approximately HK$61.5 million. As at 31 December 2017, approximately HK$46.7 million of the aggregate contract sums was still outstanding and those eight construction projects were pending to be completed within next two years.

Despite reduction in segment loss of the business during the year under review, the fluctuation in segment revenue and results of this business indicated that market competition of the building construction and maintenance industry is still fierce. With the successful awards of several significant contract works particularly in the public sector near and subsequent to the end of the reporting year, the Group is deploying its efforts to facilitate improvement in results of this business in the forthcoming year.

Money Lending Business

For the year ended 31 December 2017, the Group recorded loan interest income of HK$6.1 million from its Money Lending Business, representing an increase of HK$2.6 million or 74.3% as compared to HK$3.5 million for the previous year, which accounted for 7.0% of the Group's total revenue from continuing operations. Segment profit of the Money Lending Business amounted to HK$5.8 million (2016: HK$2.8 million) for the year under review. The outstanding principal and interest amount of loan receivables as at 31 December 2017 was HK$110.1 million (31 December 2016: HK$74.6 million). During the year under review, there was no provision of doubtful or bad debt of the Money Lending Business (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 (2016: realised gain of HK$1.9 million) and unrealised loss of HK$75.2 million (2016: unrealized gain of HK$1.5 million) arising on change in fair value of held-for-trading investments of listed equity securities in Hong Kong for the year ended 31 December 2017. No dividend income was received from the held-for-trading investments during the year under review (2016: nil). Segment loss of the Securities Investment amounted to HK$134.4 million (2016: segment profit of HK$2.4 million).

The Group's realised loss on held-for-trading investments disposed of during the year ended 31 December 2017 was represented as follows:

Company Name/Stock Code	**Realised loss for the year ended 31 December 2017** *HK$'000*	**Sale proceeds during the year ended 31 December 2017** *HK$'000*	**Carrying amount as at 31 December 2016** *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 31 December 2017, the Group held 8 listed equity securities in Hong Kong with the fair value of HK$35.2 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 31 December 2017, are as follows:

Company Name/Stock Code	**% of shareholding as at 31 December 2017**	**Fair value loss for the year ended 31 December 2017** *HK$'000*	**Fair value as at 31 December 2017** *HK$'000*	**% of total assets of the Group as at 31 December 2017**
Securities listed in Hong Kong				
China e-Wallet Payment Group Limited ("China e-Wallet") (802) *(Note (a))*	1.859%	(13,260)	19,890	8.71%
WLS Holdings Limited ("WLS") (8021) *(Note (b))*	1.529%	(37,295)	7,615	3.34%
Others *(Note (c))*		(24,626)	7,718	3.38%
		(75,181)	35,223	15.43%

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 interim report of China e-Wallet for the six months ended 30 June 2017, it recorded unaudited net loss attributable to its owners of HK$276.2 million for the six months ended 30 June 2017. With regards to the future prospects of China e-Wallet, the Directors noted that China e-Wallet expects the pace of output growth in both global and Asia markets remains largely unchanged, with most governments expressing their intention to strengthen their pump-priming efforts in the near term to counter sluggish external demand, and China e-Wallet will realign its business strategies and increase its efforts to innovate its core products and services to better face the increasing needs of its market.

(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 third quarterly report of WLS for the nine months ended 31 January 2018, it recorded unaudited net loss attributable to its owners of HK$77.7 million for the nine months ended 31 January 2018. 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 money lending and securities brokerage operations, in order to generate better financial returns for its shareholders.

(c) None of these investments represented more than 5% of the total assets of the Group as at 31 December 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.

Discontinued operation

PR Business

During the year under review, no revenue was generated from the PR Business (2016: HK$0.5 million), and this business recorded a segment loss of HK$0.07 million (2016: HK$0.09 million). 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.

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 in cash. Alpha Generator and its subsidiary, OPS Interior Design Consultant Limited, 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.

PROSPECTS

With the successful transformation and diversification of the Group's business portfolio, the Group will advance its steps to facilitate business development of its business segments by formulating, evaluating and modifying business strategies of the different businesses. The Group will conduct performance appraisals and assessment constantly and dynamically to evaluate the ongoing business development, and actively reallocate its assets, labour force and funding in response to the changing business performance and market conditions. To cope with the business development of the business segments, the Group will deploy its efforts to ensure effective capital allocation and evaluate its sufficiency in respect of the different business segments. Despite difficulties which may be encountered under the uncertainties in the economy and financial market, the Group will strive to maintain liquidity by effectively manage its working capital and controlling costs, and adhere to its lean organisation structure to leverage operation efficiency.

While business strategies to develop the business segments continue to evolve, the Group will continue to develop its business portfolio by adjusting it to adapt to the changing business environment and climate and correspond to actual business results, and in the meantime proactively exploring and grasping potentially profitable business and investment opportunity, with an aim to optimize it in order to maximize shareholders' value and return and maintain the Group's momentum to grow in a sustainable manner.

FINANCIAL REVIEW

Capital structure

As at 31 December 2017, the Group's consolidated net assets was HK$165.7 million, representing a decrease of HK$137.1 million as compared to that of HK$302.8 million as at 31 December 2016.

As at 31 December 2017, the Company has 1,862,679,481 ordinary shares of HK$0.01 each in issue.

Debt structure

As at 31 December 2017 and 2016, the Group's total borrowings from financial institutions were zero. The Group's total cash and bank balances amounted to HK$26.3 million as at 31 December 2017, which decreased HK$4.2 million as compared to that of HK$30.5 million as at 31 December 2016.

Working capital and liquidity

As at 31 December 2017, both of the Group's current ratio and quick ratio were 3.4 (31 December 2016: 9.9). Inventory turnover on sales was 0 day (31 December 2016: 0 day). Receivable turnover was 49 days (31 December 2016: 42 days).

Contingent liabilities and charges

As at 31 December 2017 and 2016, the Group had not pledged any assets to secure bank facilities and finance lease obligations. The Group had no material contingent liabilities as at 31 December 2017 and 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 year, the Group's exposure to the potential foreign currency risk was relatively limited.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2017, the Group's employees number was 37 (31 December 2016: 32). 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.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Share Option Scheme") was adopted by the Company on 30 June 2015.

On 1 June 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$0.654 per share for a validity period from 1 June 2017 to 31 May 2022 pursuant to the Share Option Scheme.

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.

Details of the above grant of share options are set out in the Company's announcements dated 1 June 2017 and 26 July 2017.

As at 31 December 2017, the total number of shares available for issue under share options granted under the Share Option Scheme is 372,400,000.

FINAL DIVIDEND

No payment of dividends has been proposed by the Board in respect of the year ended 31 December 2017 (2016: Nil).

EVENTS AFTER THE REPORTING PERIOD

Proposed issue of bonds

On 27 February 2018, the Board considered and approved a resolution in relation to the proposed issue of bonds to independent third parties with an aggregate principal amount of up to HK$100,000,000. The bonds shall be issued at the interest rate of not more than 6% per annum and matured on the date immediately following the twelve months after the issue of the relevant bonds. For details, please refer to the Company's announcement dated 27 February 2018.

CORPORATE GOVERNANCE PRACTICES

The Company has complied with all code provisions of the Corporate Governance Code ("CG Code") throughout the year ended 31 December 2017 as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for certain deviations disclosed herein.

Code provision A.1.3 of the CG Code requires notice of at least 14 days should be given of a regular board meeting to give all directors an opportunity to attend.

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

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

Mr. Yip Wai Lun, Alvin, a former Executive Director, was the Chairman and the 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 period from 1 January 2017 to 30 January 2017. On 31 January 2017, Mr. Yip Wai Lun, Alvin resigned as an Executive Director, the Chairman and the Managing Director of the Company and Mr. Zhang Hengxin, was appointed as the Chairman and the Managing Director of the Company on the same date so that Mr. Zhang Hengxin was the Chairman and the Managing Director of the Company during the period from 31 January 2017 to 31 December 2017. During the year under review, the Group has been streamlining its operations, including business development, operation efficiency and financial management. The Board considers that it would be in the best interest of the shareholders of the Company ("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. The Company will review the current structure when and as it becomes appropriate.

Under (i) Rule 3.10(1) of the Listing Rules, the Board shall comprise at least three independent non-executive directors; (ii) Rule 3.10(2) of the Listing Rules, at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise; (iii) Rule 3.21 of the Listing Rules, the audit committee shall comprise at least three members, that at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules and that the audit committee must be chaired by an independent non-executive director; (iv) Rule 3.25 of the Listing Rules, the remuneration committee shall comprise a majority of independent non-executive directors; and (v) code provision A.5.1 of the CG Code, the number of independent non-executive directors shall represent the majority of the nomination committee.

Subsequent to the resignation of Mr. Chan Ngai Sang Kenny as an Independent Non-executive Director, the chairman of the remuneration committee of the Company ("Remuneration Committee") and a member of the audit committee of the Company ("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 requirement under Rule 3.25 of the Listing Rules. On 11 October 2017, the Board appointed Mr. Chan Tsz Keung as an Independent Non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee. Following the appointment of Mr. Chan Tsz Keung, the Company has fully complied with the requirements under Rules

3.10(1) and 3.21 of the Listing Rules up to 27 December 2017. Following the appointment of Mr. Chan Tsz Keung, the Company has fully complied with the requirement under Rule 3.25 of the Listing Rules up to 7 March 2018. Subsequent to the resignation of Mr. Li Kwok Fat as an Independent Non-Executive Director and a member of the Audit Committee with effect from 27 December 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. On 7 March 2018, Mr. Wong Siu Ki, an Independent Non-executive Director, the chairman of the Audit Committee and a member of each of the Remuneration Committee and nomination committee of the Company ("Nomination Committee"), passed away. Subsequent to the pass away of Mr. Wong Siu Ki, the required composition of the Remuneration Committee and the Nomination Committee fell below the requirements under Rule 3.25 of the Listing Rules and code provision A.5.1 of the CG Code. Moreover, there was not at least one of the Independent Non-executive Directors had appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules. Further, there was not at least one of the members of the Audit Committee was an Independent Non-executive Director with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules and that the Audit Committee was not chaired by an Independent Non-executive Director as required under Rule 3.21 of the Listing Rules. On 15 March 2018, the Board appointed (i) Mr. Au Yeung Ming Yin Gordon as an Independent Non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee, and (ii) Mr. Guo Zhenhui as an Independent Non-executive Director and a member of each of the Audit Committee and Nomination Committee. Following the appointment of Mr. Au Yeung Ming Yin Gordon and Mr. Guo Zhenhui, the Company has fully complied with the requirements under Rules 3.10(1), 3.10(2), 3.21 and 3.25 of the Listing Rules and code provision A.5.1 of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the year ended 31 December 2017.

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

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

AUDIT COMMITTEE

The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr. Au Yeung Ming Yin Gordon (Chairman), Mr. Chan Tsz Keung and Mr. Guo Zhenhui. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including the review of the audited results for the year ended 31 December 2017.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2017 have been agreed by the Group's auditor, Elite Partners CPA Limited, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Elite Partners CPA Limited on the preliminary announcement.

APPRECIATION

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

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

Hong Kong, 28 March 2018

As at the date of this announcement, Mr. Zhang Hengxin and Mr. Jia Minghui are the Executive Directors; and Mr. Chan Tsz Keung, Mr. Au Yeung Ming Yin Gordon and Mr. Guo Zhenhui are the Independent Non-executive Directors.