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**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 2021**

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 2021 together with the comparative figures for the corresponding period in 2020, as follows.

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

*For the six months ended 30 June 2021*

	Notes	Six months ended 30 June	
		2021 Unaudited HK\$'000	2020 Unaudited HK\$'000
Revenue	3	29,845	27,668
Cost of sales and services		(20,756)	(19,876)
<b>Gross profit</b>		<b>9,089</b>	<b>7,792</b>
Other income and other gains or losses		11,366	(199)
Distribution costs		(3,424)	(9)
Administrative expenses		(16,788)	(18,199)
Finance costs		(1,488)	(1,535)
<b>Loss before income tax</b>	5	<b>(1,245)</b>	<b>(12,150)</b>
Income tax credit	6	–	340
Loss for the period		(1,245)	(11,810)
Other comprehensive loss for the period:			
<i>Item that may be reclassified subsequently to              profit or loss:</i>			
Exchange differences on translating foreign operations		(759)	–
<b>Total comprehensive income for the period          attributable to owners of the Company</b>		<b>(2,004)</b>	<b>(11,810)</b>
<b>Loss per share</b>			
Basic and diluted	8	<b>HK(0.05) cent</b>	HK(0.62) cent

\* For identification purposes only

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 30 June 2021*

		30 June 2021 Unaudited <i>HK\$'000</i>	31 December 2020 Audited <i>HK\$'000</i>
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		–	277
Equity instrument at fair value through profit or loss		<u>35,851</u>	<u>35,851</u>
		<u>35,851</u>	<u>36,128</u>
<b>Current assets</b>			
Inventories		–	34
Held-for-trading investments		36,117	23,969
Trade and other receivables	9	132,701	148,494
Cash and cash equivalents		<u>3,830</u>	<u>4,131</u>
		<u>172,648</u>	<u>176,628</u>
<b>Current liabilities</b>			
Trade and other payables	10	45,966	46,578
Lease liabilities		291	413
Bond payables		<u>32,153</u>	<u>–</u>
		<u>78,410</u>	<u>46,991</u>
<b>Net current assets</b>		<u>94,238</u>	<u>129,637</u>
<b>Total assets less current liabilities</b>		<u>130,089</u>	<u>165,765</u>
<b>Non-current liabilities</b>			
Bond payables		–	33,666
Lease liabilities		<u>–</u>	<u>6</u>
		<u>–</u>	<u>33,672</u>
<b>Net assets</b>		<u>130,089</u>	<u>132,093</u>
<b>EQUITY</b>			
Share capital	11	24,189	24,189
Reserves		<u>105,900</u>	<u>107,904</u>
<b>Total equity</b>		<u>130,089</u>	<u>132,093</u>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. General information

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

The Company and its subsidiaries (hereinafter collectively referred to as the “Group”) are principally engaged in (i) manufacture and sale of medical devices products; (ii) manufacture and sale of plastic moulding products; (iii) provision of 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 2021 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 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

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

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 2020.

In the current interim period, the Group has adopted all the new and revised standard, amendments and interpretation (“new and revised HKFRSs”) issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2021. 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 five (30 June 2020: five) 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 Products Business");
- (2) Manufacture and sale of plastic moulding products ("Plastic Products Business");
- (3) Provision of construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works ("Building Contract Works Business");
- (4) Provision of money lending ("Money Lending Business"); and
- (5) Investment in securities ("Securities Investment").

Inter-segment transactions, if any, are priced with reference to prices charged to external parties for similar products and services. 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:

#### Six months ended 30 June 2021 (Unaudited)

	Medical Devices Business <i>HK\$'000</i>	Plastic Moulding Business <i>HK\$'000</i>	Building Contract Works Business <i>HK\$'000</i>	Money Lending Business <i>HK\$'000</i>	Securities Investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	18,380	3,024	2,810	5,631	-	29,845
Reportable segment revenue	<u>18,380</u>	<u>3,024</u>	<u>2,810</u>	<u>5,631</u>	<u>-</u>	<u>29,845</u>
Timing of revenue recognition						
At a point in time	18,380	3,024	-	-	-	21,404
Over time	-	-	2,810	5,631	-	8,441
	<u>18,380</u>	<u>3,024</u>	<u>2,810</u>	<u>5,631</u>	<u>-</u>	<u>29,845</u>
Reportable segment profit/(loss)	<u>369</u>	<u>151</u>	<u>(1,288)</u>	<u>600</u>	<u>11,357</u>	<u>11,189</u>

Six months ended 30 June 2020 (Unaudited)

	Medical Devices Business <i>HK\$'000</i>	Plastic Moulding Business <i>HK\$'000</i>	Building Contract Works Business <i>HK\$'000</i>	Money Lending Business <i>HK\$'000</i>	Securities Investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	10,500	243	11,697	5,228	–	27,668
Reportable segment revenue	<u>10,500</u>	<u>243</u>	<u>11,697</u>	<u>5,228</u>	<u>–</u>	<u>27,668</u>
Timing of revenue recognition						
At a point in time	10,500	243	–	–	–	10,743
Over time	–	–	11,697	5,228	–	16,925
	<u>10,500</u>	<u>243</u>	<u>11,697</u>	<u>5,228</u>	<u>–</u>	<u>27,668</u>
Reportable segment profit/(loss)	<u>103</u>	<u>39</u>	<u>(3,291)</u>	<u>447</u>	<u>(1,612)</u>	<u>(4,314)</u>

Reportable segment profit/loss represents the profit/loss attributable to each segment without allocation of corporate administrative expenses, corporate directors' emoluments, corporate income, finance costs and income tax credit. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

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

**Reportable segment assets and liabilities**

	Medical Devices Business <i>HK\$'000</i>	Plastic Moulding Business <i>HK\$'000</i>	Building Contract Works Business <i>HK\$'000</i>	Money Lending Business <i>HK\$'000</i>	Securities Investment <i>HK\$'000</i>	Total <i>HK\$'000</i>
As at 30 June 2021 (unaudited)						
Reportable segment assets	<u>17,260</u>	<u>208</u>	<u>7,249</u>	<u>110,155</u>	<u>37,684</u>	<u>172,556</u>
Reportable segment liabilities	<u>(33,110)</u>	<u>(2,910)</u>	<u>(3,260)</u>	<u>(188)</u>	<u>–</u>	<u>(39,468)</u>
As at 31 December 2020 (audited)						
Reportable segment assets	<u>27,283</u>	<u>689</u>	<u>8,402</u>	<u>109,301</u>	<u>26,488</u>	<u>172,163</u>
Reportable segment liabilities	<u>(28,410)</u>	<u>(2,231)</u>	<u>(3,924)</u>	<u>(3,075)</u>	<u>–</u>	<u>(37,640)</u>

All assets are allocated to reportable segments other than cash and cash equivalents and corporate assets.

All liabilities are allocated to reportable segments other than bond payables and corporate liabilities.

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

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Revenue</b>		
Reportable segment revenue	<u>29,845</u>	<u>27,668</u>
Consolidated revenue	<u><u>29,845</u></u>	<u><u>27,668</u></u>
<b>Loss before income tax</b>		
Reportable segment profit/(loss)	11,189	(4,314)
Finance costs	(1,488)	(1,535)
Unallocated corporate income	–	1,191
Unallocated corporate expenses	<u>(10,946)</u>	<u>(7,492)</u>
<b>Consolidated loss before income tax</b>	<u><u>(1,245)</u></u>	<u><u>(12,150)</u></u>

**4. Other income and other gains or losses**

	<b>Six months ended 30 June</b>	
	<b>2021</b>	<b>2020</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Exchange (loss)/gain, net	(1)	(164)
Gain/(loss) on change in fair value of held-for-trading investments	11,358	(1,609)
Interest income	1	1
Others	<u>8</u>	<u>1,573</u>
	<u><u>11,366</u></u>	<u><u>(199)</u></u>

## 5. Loss before income tax

	Six months ended 30 June	
	2021	2020
	Unaudited HK\$'000	Unaudited HK\$'000
<b>Loss before income tax has been arrived at after charging:</b>		
Staff costs (including directors' emoluments)		
– Salaries, wages and other benefits	2,543	5,032
– Contributions to defined contribution retirement plan	97	125
– Share-based payment expenses	–	5,068
	<u>2,640</u>	<u>10,225</u>
Depreciation of property, plant and equipment	277	692
Impairment loss on property, plant and equipment	–	317
Impairment loss on intangible asset	–	2,062
Net impairment loss on trade and other receivables ( <i>Note 13</i> )	427	4,734
Cost of inventories recognised as expenses	15,792	9,516
Cost of services	<u>4,964</u>	<u>10,360</u>

## 6. Income tax credit

	Six months ended 30 June	
	2021	2020
	Unaudited HK\$'000	Unaudited HK\$'000
Deferred tax credit – current period	<u>–</u>	<u>340</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both periods. No Hong Kong Profits Tax was provided for both periods as members of the Group did not derive any estimated assessable profits or had sufficient tax losses brought forward to offset against the estimated assessable profits for the periods ended 30 June 2021 and 2020.

## 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 2021 and 2020.

## 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	
	2021	2020
	Unaudited	Unaudited
	HK\$'000	HK\$'000
<b>Loss</b>		
Loss for the period for the purpose of computation of basic loss per share	<u>(1,245)</u>	<u>(11,810)</u>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue	<u>2,418,879</u>	<u>1,911,173</u>

### (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 six months ended 30 June 2021 and 2020.

The Company's outstanding share options as at 30 June 2021 and 2020 were not taken into account as they had an antidilutive effect for the six months ended 30 June 2021 and 2020 which would result in a reduction in the loss per share.



## 9. Trade and other receivables

	<b>30 June 2021 Unaudited HK\$'000</b>	31 December 2020 Audited HK\$'000
Trade receivables from contracts with customers	15,597	29,117
Less: Allowance for credit losses	<u>(2,299)</u>	<u>(2,038)</u>
	<b>13,298</b>	27,079
Retention receivables from contracts with customers	2,643	2,801
Less: Allowance for credit losses	<u>(18)</u>	<u>(18)</u>
	<b>2,625</b>	2,783
Loan receivables	136,322	135,467
Less: Allowance for credit losses	<u>(26,423)</u>	<u>(26,257)</u>
	<b>109,899</b>	109,210
Deposits, prepayments and other receivables	<u>6,879</u>	<u>9,422</u>
Total trade and other receivables	<u><b>132,701</b></u>	<u>148,494</u>

The Group allows an average credit period of 30 to 90 days (31 December 2020: 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:

	<b>30 June 2021 Unaudited HK\$'000</b>	31 December 2020 Audited HK\$'000
0 to 90 days	6,663	17,652
91 to 180 days	6,201	9,145
Over 180 days	<u>434</u>	<u>282</u>
	<u><b>13,298</b></u>	<u>27,079</u>

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 12% per annum (31 December 2020: 6% to 12% per annum).

## 10. Trade and other payables

	<b>30 June 2021 Unaudited HK\$'000</b>	31 December 2020 Audited HK\$'000
Trade payables	<b>28,151</b>	28,972
Retention payables	<b>1,718</b>	1,864
Accruals and other payables	<b>16,097</b>	15,742
	<b>45,966</b>	46,578

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

	<b>30 June 2021 Unaudited HK\$'000</b>	31 December 2020 Audited HK\$'000
Within 3 months	<b>2,332</b>	1,392
Over 3 months but within 6 months	<b>9,607</b>	25,361
Over 6 months	<b>16,212</b>	2,219
	<b>28,151</b>	28,972

The average credit period on trade purchases is 30 to 90 days (31 December 2020: 30 to 90 days).

As at 30 June 2021 and 31 December 2020, included in the Group's accruals and other payables are an amount due to Titron Group Holdings Limited ("TGHL") 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 one of the Vendors of Titron Group. Titron Group is principally engaged in the Medical Products Business and the Plastic Products Business. One of the shareholders of TGHL, Mr. Yip Wai Lun, Alvin, was a former shareholder and the former Chairman and Managing Director of the Company. The amounts were unsecured, interest-free and repayable on demand as at 30 June 2021 and 31 December 2020.

## 11. Share capital

	<b>Number of shares</b>	<b>Amount HK\$'000</b>
<b>Authorised:</b>		
Balance as at 31 December 2020 and 30 June 2021	<b>40,000,000,000</b>	<b>400,000</b>
<b>Issued and fully paid:</b>		
Balance as at 31 December 2020 and 30 June 2021	<b>2,418,879,481</b>	<b>24,189</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### RESULTS, BUSINESS REVIEW AND PROSPECTS

#### Results

For the six months ended 30 June 2021, AMCO United Holding Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) are principally engaged in (i) manufacture and sale of medical devices products (“Medical Products Business”); (ii) manufacture and sale of plastic moulding products (“Plastic Products 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, revenue of the Group amounted to HK\$29.8 million, representing an increase of HK\$2.1 million or 7.6% from HK\$27.7 million for the corresponding period last year. Such an increase was mainly attributable to the increase in revenue from the Medical Products Business.

Gross profit of the Group was HK\$9.0 million, representing an increase of HK\$1.2 million or 15.4% as compared to HK\$7.8 million for the corresponding period last year. Gross profit margin slightly increased by 2.3 percentage points to 30.5% (30 June 2020: 28.2%).

Other losses, net of other income and other gains, during the period under review recorded gain of HK\$11.4 million as compared to loss of HK\$0.2 million in the corresponding period of 2020. The amount included unrealised fair value gain/(loss) of held-for-trading investments arising from Securities Investment in the current period, which turnaround from loss to gain as compared to that recorded in the corresponding period last year.

The distribution costs increased by HK\$3.42 million to HK\$3.43 million during the period under review (30 June 2020: HK\$0.01 million), alongside with the increase in revenue of Medical Products Business and Plastic Products Business. The administrative expenses decreased by HK\$1.4 million to HK\$16.8 million (30 June 2020: HK\$18.2 million), representing a decrease of 7.7% over the corresponding period last year, primarily as a result of the combined effect of the decrease in staff costs and other general administrative costs under stringent cost control during the current period.

Finance costs amounted to HK\$1.5 million (30 June 2020: HK\$1.5 million) for the period under review, which represented interest on bond payables and lease liabilities.

As a result, the overall loss attributable to owners of the Company was HK\$1.2 million, which decreased by HK\$10.6 million or 89.8% as compared to HK\$11.8 million loss for the corresponding period of 2020.

## **Business Review**

### ***Medical Products Business***

For the six months ended 30 June 2021, the revenue from the Medical Products Business increased by HK\$7.9 million or 75.2% to HK\$18.4 million, as compared to revenue of HK\$10.5 million recorded in the same period last year, which accounted for 61.6% of the Group's total revenue for the period under review. In the first half of 2021, the sales demand of Medical Products Business increase due to the control of COVID-19.

Segment profit of the Medical Products Business amounted to HK\$0.4 million for the six months ended 30 June 2021 as a result of the increase of sales order, as compared to segment profit of HK\$0.1 million in the corresponding period last year. To cope with the challenge of fluctuating sales order, the Group is persisting to deploy business strategies of streamlining and outsourcing of business processes, implementing strict cost control and ensuring effective utilisation of resources with an aim to maintain its long-term sustainable competitive advantages in the business segment. In the meantime, the Group is actively exploring and identifying potential business opportunities to expand its customer base of the business segment in order to generate and broaden the income streams of the Medical Products Business.

### ***Plastic Products Business***

The revenue from the Plastic Products Business increased by HK\$2.8 million or 140% to HK\$3.0 million for the six months ended 30 June 2021, as compared to HK\$0.2 million in the corresponding period last year, which accounted for 10.1% of the Group's total revenue for the period under review. The increase mainly attributable to the synergy effect arise from the capital injection completed in November 2020.

With 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 increased the segment profit of HK\$0.04 million for the corresponding period of 2020 to a profit of HK\$0.15 million for the period under review.

### ***Building Contract Works Business***

For the six months ended 30 June 2021, revenue from the Building Contract Works Business generated by ACE Engineering Limited (“ACE Engineering”), a wholly-owned subsidiary of the Company, amounted to HK\$2.8 million, representing a decrease of HK\$8.9 million or 76.1% as compared to HK\$11.7 million for the corresponding period of 2020, which contributed 9.4% of the Group’s total revenue for the period under review. The decrease in revenue was primarily due to (i) substantial completion of several significant public contracts during the same period of 2020; (ii) slowdown in the progress of existing construction projects under the impact of COVID-19, and (iii) decrease in awards of projects in both public and private sectors, under the stringent and competitive market environment of the building construction and maintenance industry caused by slower growth of the industry and the Hong Kong economy during the period. This business recorded a gross profit of HK\$0.3 million (30 June 2020: HK\$1.3 million) and gross profit margin of 11.9% (30 June 2020: 11.1%). 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\$2.0 million or 60.6% to HK\$1.3 million for the six months ended 30 June 2021, as compared to that of HK\$3.3 million for the corresponding period of 2020, primarily due to the net effect of (i) decrease in administrative expenses caused by decreased staff costs; and (ii) absence of impairment loss on intangible assets of HK\$2.1 million recognised in the same period of 2020.

Despite reduction in segment loss of the business during the period under review, segment revenue and results of this business indicated that market environment of the building construction and maintenance industry is still stringent. The Group will continue to deploy efforts in tendering for projects in both public and private sectors, particularly projects which yield higher margins in price, and make concerted efforts in controlling and managing contract and operating costs, in order to facilitate improvement in results of this business.

### ***Money Lending Business***

For the six months ended 30 June 2021, the Group recorded loan interest income of HK\$5.6 million from its Money Lending Business, representing an increase of HK\$0.4 million or 7.7% as compared to HK\$5.6 million for the corresponding period last year, which accounted for 18.9% of the Group’s total revenue for the period under review. Segment profit of the Money Lending Business amounted to HK\$0.6 million (30 June 2020: HK\$0.4 million). The outstanding principal and interest amount of loan receivables as at 30 June 2020 was HK\$136.3 million (31 December 2020: HK\$135.5 million). Loss allowance for expected credit loss of HK\$26.4 million has been made for loan receivables as at 30 June 2021 under the expected loss model (31 December 2020: HK\$26.3 million). 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

During the period under review, the Group recorded unrealised gain of HK\$11.4 million (30 June 2020: loss of HK\$1.6 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 2021. No dividend income was received from the held-for-trading investments during the period under review (30 June 2020: nil). Segment profit of the Securities Investment amounted to HK\$11.4 million (30 June 2020: loss of HK\$1.6 million).

As at 30 June 2021, the Group held 15 listed equity securities in Hong Kong with the fair value of HK\$36.1 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 2021, are as follows:

Company Name/Stock Code	% of shareholding as at 30 June 2021	Fair value (loss)/gain for the period ended 30 June 2021 HK\$'000	Fair value as at 30 June 2021 HK\$'000	% of total assets of the Group as at 30 June 2021
<b>Securities listed in Hong Kong</b>				
China e-Wallet Payment Group Limited ("China e-Wallet") (802) (Note (a))	1.69%	51	6,120	2.94%
WLS Holdings Limited ("WLS") (8021) (Note (b))	1.36%	5,272	11,129	5.34%
Others (Note (c))		6,035	18,868	9.05%
		11,358	36,117	17.33%

### Notes:

- (a) China e-Wallet is principally engaged in the provision of internet and mobile application and distribution of computer-related and mobile-related electronic products and accessories. As disclosed in the annual report of China e-Wallet for the year ended 31 December 2020, it recorded audited net loss attributable to its owners of HK\$51.1 million for the year ended 31 December 2020. With regards to the future prospects of China e-Wallet, the directors of the Company (the "Directors") noted that China e-Wallet will utilise its existing technical knowledge and programmers to diversify its income stream and will continue to work towards, attaining a stable platform for sustainability and basis for any potential growth. By leveraging the knowledge on its interactive virtual reality programming on different business sectors, such as animation and culture, China e-Wallet will continue to explore the potential of these business opportunities and utilise its resources with prudence in the future.

- (b) WLS is principally engaged in the provision of scaffolding, fitting out and other auxiliary services for construction and buildings work, money lending business, securities investment business and assets management business. As disclosed in the annual report of WLS for the year ended 30 April 2021, it recorded audited net loss from continuing operations attributable to its owners of HK\$12.9 million for the year ended 30 April 2021. With regards to the future prospects of WLS, the Directors noted that WLS is prudently optimistic about its prospects, at the same time cautious of the economic uncertainties brought by the outbreak of COVID-19. 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 segment. In view of the COVID-19 pandemic, WLS will review its business strategies and plans from time to time and flexibly adjust to the conditions in times of economic uncertainties.
- (c) None of these investments represented more than 5% of the total assets of the Group as at 30 June 2021.

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.

## **Prospects**

The year of 2021 will remain challenging confronting the impact of COVID-19 pandemic and slow down of the economy as well as the ongoing political tensions and trade uncertainty, and the volatile financial market in Hong Kong and globally. To cope with the challenges, the Group will persist to build on its diversified business portfolio and continue its steps to formulate, evaluate and modify business strategies of our existing businesses in order to facilitate and motivate their business development and stabilise any downturn impact. The Group will conduct constant and dynamic performance appraisals and assessment to evaluate the ongoing business development, and actively reallocate its assets, funding and labour force in response to the changing market and industry conditions and business performance to ensure effective and sufficient capital and resources allocation for the different business segments.

In view of difficulties which may be encountered under the economic slowdown and uncertainties in the financial market, the Group will concentrate on maintaining liquidity by effectively managing working capital and controlling costs, while leveraging its lean organisation structure to boost operation efficiency.

## **FINANCIAL REVIEW**

### **Capital structure**

As of 30 June 2021, the Group’s consolidated net asset was approximately HK\$130.1 million, representing a decrease of approximately HK\$2.0 million as compared to that of HK\$132.1 million as at 31 December 2020.

As at 30 June 2021, the Company has 2,418,879,481 (31 December 2020: 2,418,879,481) 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 2021 and 31 December 2020. The Group's total cash and bank balances amounted to approximately HK\$3.8 million as at 30 June 2021, which decreased HK\$0.3 million as compared to that of HK\$4.1 million as at 31 December 2020.

As at 30 June 2021, the Company had bond payables of HK\$32.2 million (31 December 2020: HK\$33.7 million) which represented unlisted bonds issued to an independent third party with an aggregate principal amount of HK\$30 million in October 2018. The bonds are unsecured and issued at the fixed interest rate of 10% per annum and will mature on the date falling on the 36 months after the date of issue of the bonds (i.e. 12 October 2021). In December 2020, the Company entered into extension agreement to further extend 3 months from the original maturity date.

The Group's gearing ratio was 22.0% as at 30 June 2021 (31 December 2020: 22.7%). The ratio was determined by net debt, which was defined as total interest-bearing liabilities comprising bond payables and lease liabilities less cash and cash equivalents, over shareholders' equity.

## **Working capital and liquidity**

As at 30 June 2021, the Group's current ratio and quick ratio were 2.2 (31 December 2020: 3.8). Inventory turnover on sales was 0 day (six months ended 30 June 2020: 0 day). Receivable turnover during the period under review was 247 days (six months ended 30 June 2020: 50 days).

## **Contingent liabilities and charges**

The Group had not pledged any assets to secure bank facilities and other borrowings as at 30 June 2021 and 31 December 2020. The Group had no material contingent liability as at 30 June 2021 and 31 December 2020.

## **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 2021, the Group had 29 (31 December 2020: 31) 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 of directors (the “Board”) of the Company does not recommend the payment of an interim dividend for the six months ended 30 June 2021 (30 June 2020: nil).

## **EVENTS AFTER THE REPORTING PERIOD**

There is no significant event after the end of the reporting period of the Group.

## **CORPORATE GOVERNANCE**

The Company has complied with all code provisions of the Corporate Governance Code (“CG Code”) as set out in Appendix 14 to the Listing Rules for the six months ended 30 June 2021, save as disclosed as follows.

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. Zhang Hengxin 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 six months ended 30 June 2021. 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 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.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by its Directors. Having made specific enquiry, all Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the six months ended 30 June 2021.

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

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities.

## **AUDIT COMMITTEE**

The audit committee of the Company (“Audit Committee”) comprises three Independent Non-executive Directors, namely Mr. Au Yeung Ming Yin Gordon (chairman of the Audit Committee), 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 financial reporting matters including the review of the unaudited interim results for the six months ended 30 June 2021.

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

Hong Kong, 31 August 2021

*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.*