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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
FOR THE SIX MONTHS ENDED 30 JUNE 2014

The Board of Directors (the "Board") 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 2014 together with comparative figures for the previous period as follows:

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

		Six months ended 30 June	
		2014	2013
		Unaudited	Unaudited
	Notes	***HK$'000***	*HK$'000*
Turnover	*3*	**34,441**	49,549
Cost of sales		**(30,779)**	(43,244)
Gross profit		**3,662**	6,305
Other income	*4*	**413**	8,712
Distribution costs		**(1,390)**	(2,676)
Administrative expenses		**(18,900)**	(24,470)
Impairment losses and write offs		**(4,004)**	(9,369)
(Loss)/Gain on change in fair value of convertible notes		**(4,005)**	8,080
Finance costs		**(697)**	(539)
Loss before income tax expense	*5*	**(24,921)**	(13,957)
Income tax expense	*6*	**–**	(2)
Loss for the period		**(24,921)**	(13,959)

* *For identification purposes only*

	Notes	Six months ended 30 June **2014** **Unaudited** ***HK$'000***	 2013 Unaudited *HK$'000*
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(37)**	297
Total comprehensive income for the period		**(24,958)**	(13,662)
Loss for the period attributable to the owners of the Company		**(24,921)**	(13,959)
Total comprehensive income for the period attributable to the owners of the Company		**(24,958)**	(13,662)
Loss per share	*8*		
Basic		**HK(2.56) cents**	HK(1.59) cents
Diluted		**N/A**	HK(2.31) cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2014 Unaudited HK$'000	31 December 2013 Audited HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**4,996**	6,009
Goodwill		**7,836**	11,836
		12,832	17,845
Current assets			
Inventories		**3,223**	6,952
Trade and other receivables	*9*	**13,511**	13,430
Tax recoverable		**291**	291
Pledged time deposits		**3,372**	3,405
Cash and cash equivalents		**50,601**	4,576
		70,998	28,654
Current liabilities			
Trade and other payables	*10*	**29,712**	31,513
Bank and other borrowings		**7,790**	16,064
Amount due to a director		**–**	12,150
Obligation under finance leases		**119**	204
Convertible notes		**–**	16,112
		37,621	76,043
Net current assets/(liabilities)		**33,377**	(47,389)
Total assets less current liabilities		**46,209**	(29,544)
Non-current liabilities			
Obligation under finance leases		**–**	16
Convertible notes		**–**	7,113
		–	7,129
Net assets/(liabilities)		**46,209**	(36,673)
EQUITY			
Capital and reserve			
Share capital	*11*	**13,062**	8,758
Reserves		**33,147**	(45,431)
Total equity/(Capital deficiency)		**46,209**	(36,673)

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 the manufacture and sale of medical devices and plastic moulding products.

2. Basis of preparation and accounting policies

The interim condensed consolidated financial statements for the six months ended 30 June 2014 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 of Hong Kong Limited and with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The interim condensed consolidated financial statements are unaudited but have been reviewed by the Company's audit committee.

The interim condensed consolidated financial statements should be read in conjunction with the Group's annual financial statements as at 31 December 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The interim condensed consolidated financial statements have been prepared on historical cost basis, except for certain assets and liabilities that are measured at their fair value, as appropriate.

The accounting policies adopted and methods of computation used in the interim condensed consolidated financial statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2013.

In the current interim period, the Group has adopted all the new and revised standards, amendments and interpretations (the "new and revised HKFRSs") issued by the HKICPA that are relevant to its operations and effective for its accounting period beginning on 1 January 2014. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies and amounts reported for the current and prior accounting period.

The Group has not applied any new standard or interpretation that is not yet effective for the current period.

3. Segment information

During the six months ended 30 June 2014, the Group has two reportable segments (30 June 2013: two segments). The following summary describes the operations in each of the Group's reportable segments:

(1) Manufacture and sale of medical devices products; and

(2) Manufacture and sale of plastic moulding products.

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

For the period ended 30 June 2014 (Unaudited)

	Manufacture and sale of medical devices products *HK$'000*	**Manufacture and sale of plastic moulding products** *HK$'000*	**Total** *HK$'000*
Revenue from external customers	**8,239**	**26,202**	**34,441**
Reportable segment revenue	**8,239**	**26,202**	**34,441**
Reportable segment loss	**(2,936)**	**(7,300)**	**(10,236)**

For the period ended 30 June 2013 (Unaudited)

	Manufacture and sale of medical devices products *HK$'000*	Manufacture and sale of plastic moulding products *HK$'000*	Total *HK$'000*
Revenue from external customers	12,035	37,514	49,549
Reportable segment revenue	12,035	37,514	49,549
Reportable segment loss	(3,155)	(4,267)	(7,422)

Reportable segment loss represents the loss attributable to each segment without allocation of corporate administrative expenses, (loss)/gain on change in fair value of convertible notes, impairment losses and write offs, finance costs, corporate directors' emoluments, gain on deregistration of subsidiaries, corporate interest income and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

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

	Manufacture and sale of medical devices products	**Manufacture and sale of plastic moulding products**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Reportable segment assets and liabilities			
As at 30 June 2014 (unaudited)			
Reportable segment assets	**13,672**	**13,369**	**27,041**
Reportable segment liabilities	**1,560**	**12,343**	**13,903**
As at 31 December 2013 (audited)			
Reportable segment assets	18,914	16,554	35,468
Reportable segment liabilities	2,883	11,786	14,669

All assets are allocated to reportable segments other than pledged time deposits, and cash and cash equivalents.

All liabilities are allocated to reportable segments other than bank and other borrowings, amount due to a director, amounts due to related parties and convertible notes.

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

	Six months ended 30 June	
	2014	2013
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	**34,441**	49,549
Loss before income tax expense		
Reportable segment loss	**(10,236)**	(7,422)
(Loss)/Gain on change in fair value of convertible notes	**(4,005)**	8,080
Impairment losses and write offs	**(4,004)**	(9,369)
Finance costs	**(697)**	(539)
Unallocated corporate income	**1**	8,334
Unallocated corporate expenses	**(5,980)**	(13,041)
Consolidated loss before income tax expense	**(24,921)**	(13,957)

4. Other income

	Six months ended 30 June	
	2014	2013
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Exchange gain, net	**121**	82
Interest income	**35**	9
Gain on deregistration of subsidiaries	**–**	4,583
Gain on disposal of property, plant and equipment	**159**	108
Forfeiture of deposit paid for new share subscription	**–**	3,740
Other income	**98**	190
	413	8,712

5. Loss before income tax expense

	Six months ended 30 June	
	2014	2013
	Unaudited	Unaudited
	HK$'000	*HK$'000*
Loss before income tax expense has been arrived at after charging:		
Staff costs (including directors' emoluments)		
Contribution to defined contribution retirement plan	**358**	459
Termination benefit	**2,543**	–
Salaries, wages and other benefits	**11,552**	16,728
	14,453	17,187
Depreciation of property, plant and equipment	**1,668**	3,345
Cost of inventories recognised as an expense	**20,723**	33,092
Impairment loss on goodwill	**4,000**	8,312
Impairment loss on other deposits, prepayments and other receivables	**4**	1,057

6. Income tax expense

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits for the both periods. Hong Kong profits tax has not been provided as there is no assessable profit arising in or derived from Hong Kong during the financial period.

Under the law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods.

No income tax expense for the six months ended 30 June 2014 (six months ended 30 June 2013: HK$2,000) has been provided on the estimated assessable profit derived from the People's Republic of China.

7. Interim dividend

No dividends were paid, declared or proposed during the reporting period. The directors do not recommend the payment of an interim dividend (2013: Nil).

8. Loss per share

(a) Basic loss per share

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

	30 June 2014 Unaudited	30 June 2013 Unaudited
Basic		
Loss for the period for the purposes of computation of basic loss per share *(HK$'000)*	**(24,921)**	(13,959)
Number of shares		
Weighted average number of ordinary shares in issue	**974,978,209**	875,823,986

(b) Diluted loss per share

Diluted loss per share has not been presented for the six months ended 30 June 2014 as there were no potentially dilutive shares outstanding.

The calculation of diluted loss per share for the six months ended 30 June 2013 was based on the loss for the period attributable to owners of the Company and after adjustments to reflect the effect of deemed conversion of outstanding convertible notes. Weighted average number of dilutive potential ordinary shares was calculated by adjusting the effect of deemed conversion of all convertible notes.

The calculation of the diluted loss per share attributable to the ordinary equity holders of the Company for the six months ended 30 June 2013 is based on the following data:

	30 June 2013 Unaudited
Diluted	
Loss for the period for the purposes of computation of diluted loss per share *(HK$'000)*	(13,959)
Adjustment on gain on change in fair value of convertible notes *(HK$'000)*	(8,080)
	(22,039)
Number of shares	
Weighted average number of ordinary shares in issue	875,823,986
Adjustment for conversion of convertible notes	80,087,620
Weighted average number of ordinary shares for diluted loss per share	955,911,606

There was no dilutive effect from outstanding share options for the six months ended 30 June 2014 and 2013 since all such share options were anti-dilutive.

9. Trade and other receivables

	30 June 2014 Unaudited ***HK$'000***	31 December 2013 Audited *HK$'000*
Trade receivables	**10,244**	10,213
Other deposits, prepayments and other receivables	**8,558**	8,504
Less: Impairment loss recognised on other deposits, prepayments and other receivables	**(5,291)**	(5,287)
	3,267	3,217
	13,511	13,430

The Group allows an average credit period of 30 to 90 days to its trade customers (31 December 2013: 30 to 90 days). The ageing analysis of trade receivables are as follows:

	30 June 2014 Unaudited ***HK$'000***	31 December 2013 Audited *HK$'000*
Current	**5,935**	1
1 to 90 days	**4,138**	10,027
91 to 180 days	**102**	59
Over 181 days	**69**	126
	10,244	10,213

10. Trade and other payables

	30 June 2014 Unaudited ***HK$'000***	31 December 2013 Audited *HK$'000*
Trade payables	**4,295**	6,121
Accruals and other payables	**16,217**	16,192
Amounts due to related parties	**9,200**	9,200
	29,712	31,513

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

	30 June 2014 Unaudited ***HK$'000***	31 December 2013 Audited *HK$'000*
Within 3 months	**3,860**	5,760
Over 3 months but within 6 months	**435**	361
	4,295	6,121

11. Share capital

	Notes	Number of shares	Share capital HK$'000
Authorised:			
Balance as at 31 December 2013 and 30 June 2014		40,000,000,000	400,000
Issued and fully paid:			
Balance as at 1 January 2013		8,758,239,861	87,582
Share consolidation of every 10 shares of par value of HK$0.01 each into 1 consolidated share of par value HK$0.1 each; and reduction par value of each consolidated share from HK$0.1 to HK$0.01	*(a)*	(7,882,415,875)	(78,824)
Balance as at 31 December 2013		875,823,986	8,758
Issue of shares in April 2014	*(b)*	175,160,000	1,752
Shares issued on conversion of convertible notes	*(c)*	80,087,620	801
Issue of shares in June 2014	*(d)*	175,160,000	1,751
Balance as at 30 June 2014		1,306,231,606	13,062

Notes:

(a) Save as disclosed in the Company's circular dated 1 March 2013 in respect of a proposed capital reorganisation ("Capital Reorganisation") which was approved by the shareholders in a special general meeting of the Company on 25 March 2013, the Capital Reorganisation has become effective on 26 March 2013 as detailed below.

(i) Every ten existing shares of HK$0.01 each in the issued share capital of the Company were consolidated into one consolidated share of HK$0.10 each;

(ii) The issued share capital was reduced by cancelling of HK$0.09 of the paid-up capital on each issued consolidated share so that the par value of each issued consolidated share be reduced from HK$0.10 to HK$0.01;

(iii) The entire amount standing to the credit of the share premium account of the Company was cancelled; and

(iv) The credit arising from the share premium account of the Company was transferred to the contributed surplus account of the Company to be applied to set off against the accumulated losses of the Company.

(b) On 7 April 2014, 175,160,000 ordinary shares of HK$0.01 each were placed at a price of HK$0.239 per placing share. A share premium of approximately HK$40,111,500 was credited to share premium account. The net proceed of approximately HK$40,300,000, after deducting commission and placing expenses of approximately HK$1,545,000, are intended to be utilised as general working capital of the Group.

(c) During the six months ended 30 June 2014, convertible notes amounting to HK$40,043,810 were converted into 80,087,620 ordinary shares of HK$0.01 each at the fixed conversion price of HK$0.50 per share.

(d) On 30 June 2014, 175,160,000 ordinary shares of HK$0.01 each were placed at a price of HK$0.239 per placing share. A share premium of approximately HK$40,111,500 was credited to share premium account. The net proceed of approximately HK$40,100,000, after deducting commission and placing expenses of approximately HK$1,571,000, are intended to be used for the development and marketing of medical or healthcare related products.

MANAGEMENT DISCUSSION AND ANALYSIS

Results, Business Review and Prospects

Results

For the six months ended 30 June 2014, the principal businesses of the Company and its subsidiaries (collectively referred to as the "Group") were the manufacture and sale of medical devices products and plastics moulding products.

During the period under review, the turnover of the Group was HK$34.4 million, representing a decrease of HK$15.1 million or 30.5% from HK$49.5 million over the last corresponding period. As a component manufacturer, sales orders from our customers dropped as the demand of their end products decreased owing to various production and marketing factors. With years over years of building strong relationships, the Company and its customers work together to overcome the present difficulties by adjusting the production volume and prepare for the rebound of the market demand.

The gross profit of the Group for the six months ended 30 June 2014 has been unfavorably affected by the increased production costs and temporary decline in production efficiency, which recorded a decrease of HK$2.6 million or 41.9% to HK$3.7 million as compared with the same period of 2013. The gross profit margin decreased by 2.1 percentage point to 10.6% in the period under review (six months ended 30 June 2013: 12.7%).

The loss attributable to owners of the Company increased by HK$11 million to HK$24.9 million, as compared to the loss of HK$13.9 million for the six months ended 30 June 2013. The increase in loss was mainly attributable to the effect of (i) decrease in the overall sales and gross profit margin of the Group; (ii) impairment losses on goodwill of HK$4 million; (iii) provisions for the relocation of production lines were made in cost of sales of HK$0.9 million and administrative expenses of HK$2.7 million in the current period; and (iv) loss in fair value upon the conversion of convertible notes through profit or loss was HK$4 million while the gain in fair value of the outstanding convertible notes was HK$8.1 million in the same period of 2013.

Business Review

Manufacture and sale of medical devices products

For the six months ended 30 June 2014, the manufacture and sale of medical devices products segment recorded a revenue of HK$8.2 million, decreased 31.5% or HK$3.8 million compared with HK$12 million in the same period of last year. The amount represented 23.9% of the Group's total revenue for the period under review. The decrease of revenue was mainly due to the decline in sales orders from its key customer in America resulted from an unexpected recall of its ultimate customer's end product from the first half of 2013. This end product has been relaunched to the market in the fourth quarter of last year and it is revealed that the sales orders will resume normal in the second half of 2014.

This temporary decline in production capacity resulted in lower absorption of fixed costs, which had negatively impacted gross profit margin of the segment in the period under review. However, the segment's performance improved from a loss of HK$3.2 million in the last corresponding period to a loss of HK$2.9 million in the same period of 2014, which was the result of the effective cost reduction measures led to significant savings for administrative expenses.

Manufacture and sale of plastic moulding products

During the period under review, the revenue from manufacture and sale of plastic moulding products segment decreased by HK$11.3 million, or 30.2% to HK$26.2 million, which accounts for 76.1% of the total Group's total revenue. Certain plastic moulding products suffered from weak demand as relevant customers' end products have entered the mature stage of their product life cycle and recorded declining sales.

To cope with the challenging manufacturing environment, the Group had carried out a cost containment program including outsourcing of certain manufacturing processes and relocation of the production lines.

Outsourcing not only mitigates the increasing labor cost but also raises production flexibility. It enables prompt response to volume change of customer orders, avoids idle capacity and improves facilities utilization. In addition, the outsourcing move enables the Company to plan and implement production in a flexible way which can respond to frequent customer update on the production schedule due to various reasons including delay in product launching and running "just-in-time" inventory.

In spite of the long-term benefits to be brought for the Group, the relocation of production lines had inevitably generated short-term upfront costs. For the period under review, the segmental loss increased 71.1% to HK$7.3 million, as compared to HK$4.3 million for the same period of 2013, which was mainly the result of the increased provision of relocation expenses.

Prospects

In 2014, the Company is set to build a brighter future on its past success. In face of the increasing labor cost and shortage of workforce, the Company streamlined the existing business segments while maintaining its core competitive edges on compliance on international safety standard of manufacturing of medical products. In addition, the Company have successfully brought in investors as well as new business opportunities.

In June 2014, the Company signed a non-binding memorandum of understanding with SkinNovation Never Limited in relation to the proposed formation of a joint venture company for the purpose of (i) setting up and operating a medical aesthetic centre in Hong Kong under the brand name of Face College; and (ii) collaborating to establish a chain of medical aesthetic centres in the future with a view to providing a range of medical aesthetic services. Details of which are set out in the announcement made by the Company dated 18 June 2014. The negotiation on the proposition is still ongoing, no agreement has been reached as at the date of this announcement. This proposition aims to bring about a diversified growth strategy for the Group by providing more new complimentary medical and health related services to retail customers. As the world's aging population is growing and global spending on medical and health care products is expected to increase, the Group have successfully grasped market opportunities and laid a solid foundation for future development in the medical and health related market.

Financial Review

Capital and debt structure

As at 30 June 2014, the Group's consolidated net assets was approximately HK$46.2 million, representing an increase of 226% equivalent to approximately HK$82.9 million, compared with that of 31 December 2013.

On 24 March 2014, the Company and a placing agent (the "Placing Agent") entered into a placing agreement under the general mandate (the "GM Placing Agreement"), pursuant to which the Company had conditionally agreed to offer for subscription and the Placing Agent has agreed to procure, failing which, the Placing Agent itself would subscribe for 175,160,000 placing share (the "GM Placing Shares") at a price of HK$0.239 per GM Placing Share (collectively, the "GM Placing"). On 7 April 2014, the GM Placing was completed. The Company issued a total of 175,160,000 GM Placing Shares at a price of HK$0.239 each to not less than six independent placees. The Company received the net proceeds of approximately HK$40.3 million from the GM Placing, of which (i) approximately HK$10.3 million was used for repayment of short term loan and the accrued loan interest; (ii) approximately HK$15.8 million was used for repayment of amount due to a Director; and (iii) approximately HK$14.2 million was used for payment of general corporate expenses.

On 24 March 2014, the Company and the Placing Agent also entered into a placing agreement (the "SM Placing Agreement") under a specific mandate, pursuant to which, the Company had conditionally agreed to place through the Placing Agent on a best endeavor basis, up to 175,160,000 placing shares (the "SM Placing Shares") to not less than six placees at a placing price HK$0.239 per SM Placing Share by 30 June 2014 or such other date as the parties may agree in writing (collectively, the "SM Placing"). Pursuant to an ordinary resolution passed by the shareholders of the Company at the special general meeting on 20 June 2014 and all of the conditions as set out in the circular dated 4 June 2014 had been fulfilled, the Company issued a total of 175,160,000 SM Placing Shares at a price of HK$0.239 each to not less than six independent placees. The net proceeds of approximately HK$40.1 million from the SM Placing was yet to be utilized as at the date of this announcement.

On 26 May 2014, the Company issued and allotted 80,087,620 shares at a conversion price of HK$0.50 per share for the conversion of convertible notes, as detailed in the Company's circular dated 11 August 2011.

As at 30 June 2014, the Company has 1,306,231,606 shares of HK$0.01 each in issue.

As at 30 June 2014, the Group's total borrowings from financial institutions decreased by HK$8.4 million to HK$7.9 million (as at 31 December 2013: HK$16.3 million). All of such borrowings were payable within one year. Since most of the borrowings were denominated in Hong Kong dollars, the risk of currency exposure was minimal. The Group's total cash and bank balances amounted to approximately HK$50.6 million at 30 June 2014, which was about HK$46 million higher than the position of HK$4.6 million at 31 December 2013.

The Group's gearing ratio was 17.1% at 30 June 2014 while that it was not applicable as of 31 December 2013 because the Group recorded a negative figure on total equity. The ratio was determined by bank and other borrowings and obligations under finance leases over shareholders' equity.

Working capital and liquidity

As at 30 June 2014, the Group's current ratio and quick ratio were 1.9 and 1.8 respectively (31 December 2013: 0.4 and 0.3 respectively). Inventory turnover on sales reduced to 27 days which is 3 days shorter than that at 31 December 2013. Receivable turnover was 54 days while it was 58 days at 31 December 2013.

Contingent liabilities and charges

As at 30 June 2014, the Group has pledged its assets with an aggregate net book value of HK$3.6 million (31 December 2013: HK$3.7 million) to secure bank facilities granted and finance lease obligations. The Group had no material contingent liabilities at 30 June 2014.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2014, the number of employees of the Group was approximately 129. The remuneration packages of the Group's employees are mainly based on their performance and experience, taking into account the current industry practices. Remuneration packages of employees include salaries, insurance, mandatory provident fund and share option scheme. Other employee benefits include medical cover, housing allowance and discretionary bonuses.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2014 (2013: Nil).

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 Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") for the six months ended 30 June 2014, save as disclosed as follows.

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

Mr. Yip Wai Lun, Alvin was the Chairman and Managing Director of the Company (the Company regards the role of its managing director to be the same as that of chief executive under the CG Code) during the six months ended 30 June 2014. The Board considers that it would be in the best interest of its shareholders that the roles of the Chairman and the Managing Director of the Company be combined to enable a strong and delicated leadership to reposition the Company and implement effective measures to improve shareholders' value. In this light, the Company has maintained Mr. Yip Wai Lun, Alvin as the Chairman and the Managing Director of the Company. The Company will review the current structure when and as it becomes appropriate.

Code provision E.1.2 of the CG Code requires the chairman of the board should attend the annual general meeting. Mr. Yip Wai Lun, Alvin, the Chairman of the Company, was unable to attend the annual general meeting of the Company held on 30 May 2014 due to his other business engagements.

Code provision A.6.7 of the CG Code requires all independent non-executive directors and non-executive directors should attend general meetings of listed issuers. Mr. Leung Ka Kui, Johnny, Mr. Chan Kam Kwan, Jason and Mr. Lau Man Tak, the Independent Non-executive Directors, were unable to attend the annual general meeting of the Company held on 30 May 2014 due to their other business engagements.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix 10 of 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 2014.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises three Independent Non-executive Directors, namely Mr. Chan Kam Kwan, Jason (Chairman of the Audit Committee), Mr. Leung Ka Kui, Johnny and Mr. Lau Man Tak. 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 2014.

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

During the six months ended 30 June 2014, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

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

Hong Kong, 27 August 2014

As at the date of this announcement, Mr. Yip Wai Lun, Alvin and Ms. Leung Mei Han are the Executive Directors; and Mr. Leung Ka Kui, Johnny, Mr. Chan Kam Kwan, Jason and Mr. Lau Man Tak are the Independent Non-executive Directors.