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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)

ANNOUNCEMENT OF RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022, 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 2022

	<i>Notes</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	5	67,159	71,891
Cost of sales and services		(52,442)	(57,776)
Gross profit		14,717	14,115
Other income and other gains or losses	6	(16,341)	680
Distribution expenses		(1,626)	(718)
Administrative expenses		(27,223)	(14,789)
Impairment losses recognised under expected credit loss model, net of reversal		(72,605)	(14,362)
Finance costs		(1,173)	(3,034)
Loss before income tax	7	(104,251)	(18,108)
Income tax expense	8	–	–
Loss for the year attributable to owners of the Company		(104,251)	(18,108)
Other comprehensive (loss)/income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(1,193)	839
Total comprehensive loss for the year attributable to owners of the Company		(105,444)	(17,269)
			(Restated)
Loss per share			
Basic and diluted (<i>HK cents</i>)	9	(19.13)	(3.32)

* For identification purposes only

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	<i>Notes</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		1,074	1,358
Equity instrument at fair value through profit or loss		5,272	21,418
		<u>6,346</u>	<u>22,776</u>
Current assets			
Inventories		2	2
Held-for-trading investments		36,029	42,592
Trade and other receivables	<i>10</i>	126,741	114,686
Cash and cash equivalents		3,722	4,721
		<u>166,494</u>	<u>162,001</u>
Current liabilities			
Trade and other payables	<i>11</i>	99,011	35,630
Bond payables		–	33,666
Lease liabilities		223	218
		<u>99,234</u>	<u>69,514</u>
Net current assets		<u>67,260</u>	<u>92,487</u>
Total assets less current liabilities		<u>73,606</u>	<u>115,263</u>
Non-current liabilities			
Bond payables		30,900	–
Financial liabilities at fair value through profit or loss		23,902	–
Lease liabilities		215	439
		<u>55,017</u>	<u>439</u>
Net assets		<u>18,589</u>	<u>114,824</u>
EQUITY			
Share capital		24,189	24,189
Reserves		(5,600)	90,635
Total equity		<u>18,589</u>	<u>114,824</u>

NOTES

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 Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and the principal place of business of the Company are disclosed in the corporation information section to the annual report.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in (i) sale of medical products; (ii) 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.

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”) or thousands of units of HK\$ (“HK\$’000”), which is the same as the functional currency of the Company.

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 (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at their fair value at the end of the reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 *Inventories* or value in use in HKAS 36 *Impairment of Assets*.

For financial instruments which are transacted at fair value and a valuation technique that unobservable inputs are to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that at initial recognition the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. Application of Amendments to HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual periods beginning on 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendment to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combinations

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-Current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

- ¹ Effective for annual periods on or after 1 January 2023.
² Effective for annual periods beginning on or after a date to be determined.
³ Effective for annual periods beginning on or after 1 January 2024.

The directors anticipate that the application of all new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

4. Segment Reporting

The Group determines its operating segments based on the reports reviewed by the executive directors, being the chief operating decision-maker (the “CODM”), that are used to make strategic decisions.

The Group has 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) Sale of medical products (“Medical Products Business”);
- (2) 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 Business”).

Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segment results that is used by the CODM for assessment of segment performance.

The following is an analysis of the Group’s revenue and results by reportable segments:

(a) Segment revenue and results

For the year ended 31 December 2022

	Medical Products Business HK\$’000	Plastic Products Business HK\$’000	Building Contract Works Business HK\$’000	Money Lending Business HK\$’000	Securities Investment Business HK\$’000	Total HK\$’000
Revenue from external customers	54,422	1,132	670	10,935	–	67,159
Timing of revenue recognition						
At a point in time	54,422	1,132	–	10,935	–	66,489
Over time	–	–	670	–	–	670
	54,422	1,132	670	10,935	–	67,159
Reportable segment results	3,273	(788)	(3,756)	14,033	(4,632)	8,130

For the year ended 31 December 2021

	Medical Products Business <i>HK\$'000</i>	Plastic Products Business <i>HK\$'000</i>	Building Contract Works Business <i>HK\$'000</i>	Money Lending Business <i>HK\$'000</i>	Securities Investment Business <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from external customers	<u>56,722</u>	<u>428</u>	<u>4,055</u>	<u>10,686</u>	<u>–</u>	<u>71,891</u>
Timing of revenue recognition						
At a point in time	56,722	428	–	–	–	57,150
Over time	–	–	4,055	–	–	4,055
	<u>56,722</u>	<u>428</u>	<u>4,055</u>	<u>–</u>	<u>–</u>	<u>61,205</u>
Reportable segment results	<u>510</u>	<u>(210)</u>	<u>(7,564)</u>	<u>1,024</u>	<u>15,505</u>	<u>9,265</u>

(b) Reconciliation of reportable segment revenue and profit or loss

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue		
Reportable segment revenue	<u>67,159</u>	<u>71,891</u>
Reportable segment results	8,130	9,265
Finance costs	(1,173)	(3,034)
Unallocated corporate income	–	–
Unallocated corporate expenses	<u>(111,208)</u>	<u>(24,339)</u>
Consolidated loss before income tax	<u>(104,251)</u>	<u>(18,108)</u>

Reportable segment results represents the profit/(loss) attributable to each segment without allocation of loss on change in fair value of equity instrument at fair value through profit or loss (“FVTPL”), loss on change in fair value of financial liabilities at fair value through profit or loss, gain on modification of financial liabilities, central administrative expenses, corporate directors’ emoluments under the heading of “unallocated corporate expenses”, corporate income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

(c) Geographical information

Since over 90% of the Group’s revenue were generated from Hong Kong for both years and all of the Group’s non-current assets (excluded financial instruments) were located in Hong Kong, no geographical segment information in accordance with HKFRS 8 is presented.

5. Revenue

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of medical products	54,422	56,722
Sales of plastic moulding products	1,132	428
Revenue from construction contracts	670	4,055
	<u>56,224</u>	<u>61,205</u>
Revenue from other sources:		
Loan interest income	10,935	10,686
	<u>67,159</u>	<u>71,891</u>

6. Other Income and Other Gains or Losses

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Exchange gain, net	3	2
Gain on disposal of property, plant and equipment	–	86
Realised gain on disposal of held-for-trading investments	254	20
(Loss)/gain on change in fair value of held-for-trading investments	(4,933)	15,479
Loss on change in fair value of equity instrument at FVTPL	(14,935)	(15,303)
Interest income	2	1
Government grants (<i>Note</i>)	144	253
Gain on deregistration of a subsidiary	22	–
Gain/loss on change in fair value of financial liabilities at fair value through profit or loss	2,952	–
COVID-19-related rent concessions	12	–
Others	138	142
	<u>(16,341)</u>	<u>680</u>

Note: The Group recognised government grants of in respect of Covid-19-related subsidies which relates to Employment Support Scheme and anti-epidemic fund subsidy provided by the Hong Kong government where appropriate as a support for both years. There were no unfulfilled conditions or contingencies relating to these government grants.

7. Loss Before Income Tax

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Staff costs (including directors' emoluments)		
– Salaries, wages and benefits in kind	4,074	5,179
– Retirement benefits scheme contributions	79	158
	<u>4,153</u>	<u>5,337</u>
Depreciation of property, plant and equipment (including right-of-use assets)	286	346
Auditor's remuneration	450	490
Expenses relating to short-term leases and low-value assets	2	517
Impairment losses recognised in respect of property, plant and equipment	–	637
Cost of inventories sold (included in cost of sales and services)	51,800	53,807
Cost of services rendered (included in cost of sales and services)	<u>642</u>	<u>3,969</u>

8. Income Tax Expense

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

No Hong Kong Profits Tax was provided for both years as the Group did not derive any estimated assessable profits or had sufficient tax losses brought forward to offset against the estimated assessable profits.

Under the Law of the PRC 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 years.

No PRC Enterprise Income Tax was provided for both years as the Group did not derive any estimated assessable profits.

9. Loss per Share

The computation of the basic and diluted loss per share is based on the following data:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss		
Loss for the year attributable to owners of the Company for the purpose of computation of basic and diluted loss per share	<u>(104,251)</u>	<u>(18,108)</u>
	<i>'000</i>	<i>'000</i> (Restated)
Number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>545,041</u>	<u>545,041</u>

The weighted average number of ordinary shares for the year ended 31 December 2022 and 2021 for the purposes of calculating basic loss per share have been adjusted for the share consolidation and issue of new shares by way of rights issue which took place on 22 August 2022 and 1 February 2023 respectively.

As the Company's outstanding share options where applicable had an anti-dilutive effect to the basic loss per share calculation, the exercise of the above potential dilutive shares is not assumed in the calculation of diluted loss per share for both years.

10. Trade and Other Receivables

The Group allows credit period up to 90 days to its trade customers. The aging analysis of trade receivables (net of allowance for credit losses), based on earliest of the invoice date or revenue recognition date is, as follows:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 3 months	21,498	5,173
Over 3 months but within 6 months	12,780	3,318
Over 6 months	437	726
	<u>34,715</u>	<u>9,217</u>

11. Trade and Other Payables

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

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Within 3 months	30,035	5,447
Over 3 months but within 6 months	17,116	3,104
Over 6 months	12,384	2,246
	<u>59,535</u>	<u>10,797</u>

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS, BUSINESS REVIEW AND PROSPECTS

Results

The total revenue of the Group decreased HK\$4.7 million or 6.5%, from HK\$71.9 million last year to HK\$67.2 million for the year ended 31 December 2022. Such decrease was mainly attributable to the decrease in revenue from medical products and 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\$14.7 million, representing an increase of HK\$0.6 million or 4.3% as compared to HK\$14.1 million in 2021. Gross profit margin increased by 2.3 percentage points to 21.9% (2021: 19.6%), primarily as a result of gross profit margin contributed from the sale of medical products (“Medical Products”), Building Contract Works Business and provision of money lending (“Money Lending Business”).

Other income and other gains or losses, during the year under review recorded loss of HK\$16.3 million, turnaround from other gains of HK\$0.7 million in the corresponding year of 2021, which was mainly attributable to the net fair value change of held-for-trading investments arising from the business of investment in securities (“Securities Investment”) of HK\$4.9 million and equity investment at FVTPL of HK\$14.9 million.

The distribution and administrative expenses amounted to HK\$28.9 million, which increased HK\$13.4 million or 86.5% as compared to that of HK\$15.5 million for the corresponding year of 2021, primarily because there was a share based payment recognised during the year.

Finance costs amounted to HK\$1.2 million (2021: HK\$3.0 million) for the year 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\$104.3 million, which increased by HK\$86.2 million or 476.2% as compared to HK\$18.1 million loss for the corresponding year of 2021.

Business Review

Medical Products

For the year ended 31 December 2022, the Medical Products recorded revenue of HK\$54.4 million, which decreased by 4.1% or HK\$2.3 million as compared to that of HK\$56.7 million in the previous year. This amount represented 81.0% of the Group's total revenue for the year under review. In 2022, due to the recovery from the outbreak of COVID-19, the demand of the medical-related products decrease, causing sales demand and revenue of the sale of medical products ("Medical Products") to decrease during the current year.

Segment profit of the Medical Products amounted to HK\$3.3 million for the year ended 31 December 2022, as compared to segment profit of HK\$0.5 million in the corresponding year of 2021, which was caused by the decrease in sales commission for the year ended 31 December 2022. 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 broaden the income streams of the Medical Products.

Plastic Products

The revenue from the Plastic Products increased by 175% or HK\$0.7 million to HK\$1.1 million, as compared to HK\$0.4 million in the previous year, which accounted for 1.7% of the Group's total revenue for the year under review. A majority of plastic moulding products have suffered from declined sales orders as relevant customers' end products have reached the end of their product life cycle, causing continuous decline in revenue of the Plastic Products 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.

Segment results of the Plastic Products increased to loss of approximately HK\$788,000 for the year under review, as compared to loss of approximately HK\$210,000 for the corresponding year of 2021. The Group is persisting to implement strict cost control in the business segment.

Building Contract Works Business

For the year ended 31 December 2022, revenue from the Building Contract Works Business generated by ACE Engineering Limited (“ACE Engineering”), a wholly-owned subsidiary of the Company, amounted to HK\$0.7 million, representing a decrease of HK\$3.4 million or 82.9% as compared to HK\$4.1 million for the corresponding year of 2021, which contributed 1.0% of the Group’s total revenue for the year under review. The decrease in revenue was primarily due to (i) substantial completion of several significant public and private contracts during the previous year; and (ii) decrease in awards of projects in both public and private sectors, under the more stringent and competitive market environment of the building construction and maintenance industry caused by slower growth of the industry as well as negative effect of outbreak of COVID-19 during the year. The segment loss of this business decreased to HK\$3.8 million for the year ended 31 December 2022, as compared to that of HK\$7.6 million for the corresponding year of 2021, primarily as a result of decrease in staff cost.

Despite the business generated segment loss during the year under review and the stringent market environment of the building construction and maintenance industry, 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

For the year ended 31 December 2022, the Group recorded loan interest income of HK\$10.9 million from its Money Lending, representing an increase of HK\$0.2 million or 1.9% as compared to HK\$10.7 million for the previous year, which accounted for 16.3% of the Group’s total revenue for the year under review. Segment profit of the Money Lending amounted to HK\$14.0 million (2021: profit of HK\$1.0 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 year under review, the Group recorded realised gain of approximately HK\$254,000 (2021: HK\$20,000) and unrealised loss of HK\$4.9 million (2021: gain of HK\$15.5 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 2022. No dividend income was received from the held-for-trading investments during the year under review (2021: nil). Segment loss of the Securities Investment amounted to HK\$4.6 million (2021: profit of HK\$15.5 million).

As at 31 December 2022, the Group held 16 listed equity securities in Hong Kong with the fair value of HK\$36.0 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 2022, are as follows:

Company Name/Stock Code	% of shareholding as at 31 December 2022	Fair value gain/(loss) for the year ended 31 December 2022 HK\$'000	Fair value as at 31 December 2022 HK\$'000	% of total assets of the Group as at 31 December 2022
Securities listed in Hong Kong				
China e-Wallet Payment Group Limited ("China e-Wallet") (802) (Note (a))	1.7%	(4,080)	1,377	0.8%
WLS Holdings Limited ("WLS") (8021) (Note (b) and (c))	1.4%	3,516	13,474	7.8%
Others (Note (d))		(4,115)	21,178	12.3%
		<u>(4,679)</u>	<u>36,029</u>	<u>20.9%</u>

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 interim report of China e-Wallet for the six months ended 30 June 2022, it recorded unaudited net loss attributable to its owners of HK\$35.7 million for the six months ended 30 June 2022. With regards to the future prospects of China e-Wallet, the Directors noted that China e-Wallet would expect that the worst case scenario caused by the trade war have been taken into account by most of its customers. However, the newly restructuring of the global supply chain, especially the new supply chain eco-system in China, will take time to see its contributions towards the market. Hence, China e-Wallet expects the demand for its services to remain inertial.

- (b) WLS is principally engaged in the provision of scaffolding and fitting out services and other services for construction and buildings work, provision of gondolas, parapet railings and access equipment installation and maintenance services, money lending business, securities investment business and assets management business. As disclosed in the third quarterly report of WLS for the nine months ended 31 January 2023, it recorded unaudited net loss from continuing operations attributable to its owners of HK\$37.9 million for the nine months ended 31 January 2023. With regards to the future prospects of WLS, the Directors noted that WLS remains cautiously optimistic about overall prospects for its scaffolding sector. 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 will also continue to focus on those business segments that generate higher profit margins and show ample growth potential such as money lending operations. In the meantime, WLS will strictly adhere to its cost control policy, and swiftly adjust business strategies to its scaffolding business in response to ever-changing market dynamics in order to generate better financial returns for its shareholders.
- (c) The Group’s investment strategy is to deliver a diversified and flexible investment portfolio that will maximize sustained long-term returns and strive to achieve high growth, while the traditional business of the Group will continue its stable growth.

The Group’s total investment in WLS was approximately HK\$45.5 million. As at 31 December 2022, the Group owned 195,260,000 shares of WLS, representing 1.4% equity interests in WLS with a carrying amount of the Group’s interest in WLS of approximately HK\$13.4 million, representing approximately 7.8% of the total assets of the Company as at 31 December 2022. Up to 31 December 2022, no dividends was received from WLS. The fair value of WLS is based on quoted market prices.

- (d) Save as disclosed above, none of these investments represented more than 5% of the total assets of the Group as at 31 December 2022.

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

Facing elevated challenges as we step into the year 2023 with the recovery of the economy as well as the highly volatile financial market in Hong Kong and globally, the Group will persist to build on its diversified business portfolio and focus 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. To cope with the business development of the business segments, the Group will strive to deploy effective and sufficient capital and resources allocation in respect of the different business segments, and actively reallocate its assets, funding and labour force in response to the changing market and industry conditions and business results. The Group will conduct constant and dynamic performance appraisals and assessment to evaluate the ongoing business development. The Group will also concentrate on maintaining liquidity by effectively managing working capital and controlling costs, and leveraging operation efficiency by adhering to its lean organisation structure, in light of any difficulties which may be encountered under the uncertainties in the economy and financial market.

Alongside with the continuing evolution and modification of business strategies to develop our existing businesses, the Group will continue to seek optimisation of its business portfolio by adjusting it to adapt to the changing business climate, trend and environment, and at the same time proactively exploring and exploiting every potentially profitable business and investment opportunity as well as new growth potentials, with the ultimate goal of developing its business to generate and maximise shareholders’ value and return and maintain sustainable growth and prosperity.

FINANCIAL REVIEW

Capital structure

As at 31 December 2022, the Group's consolidated net assets was HK\$18.6 million, representing a decrease of HK\$96.2 million as compared to that of HK\$114.8 million as at 31 December 2021.

During the year ended 31 December 2022, the Company has completed a share consolidation on the basis that every 5 issued and unissued shares of par value of HK\$0.01 each in the share capital of the Company will be consolidated into one consolidated share of par value of HK\$0.05 each. For details, please refer to the Company's announcement dated 18 August 2022 and 22 August 2022.

As at 31 December 2022, the Company has 483,775,896 ordinary shares of HK\$0.05 each in issue.

Debt structure

As at 31 December 2022 and 2021, the Group's total borrowings from financial institutions were zero. The Group's total cash and bank balances amounted to HK\$3.7 million as at 31 December 2022, which decreased HK\$1.0 million as compared to that of HK\$4.7 million as at 31 December 2021.

As at 31 December 2022, the Company had bond payables of HK\$31.1 million which represented unlisted bonds issued to independent third parties.

The Group's gearing ratio was 149.9% as at 31 December 2022 (31 December 2021: 25.8%). 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 31 December 2022, the Group's current ratio was 1.7 (31 December 2021: 2.3).

Contingent liabilities and charges

As at 31 December 2022 and 2021, the Group had not pledged any assets to secure bank facilities and other borrowings. The Group had no material contingent liabilities as at 31 December 2022 and 2021.

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 2022, the Group's employees number was 30 (31 December 2021: 30). 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 OPTIONS

Share Option Scheme

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

The purpose of the Share Option Scheme is to enable the Group to grant share options to the eligible participants as incentives or rewards for their contributions to the Group. The eligible participants ("Eligible Participants") to whom the Directors may in their discretion make an offer for grant of share options pursuant to the Share Option Scheme belong to the following classes of participants.

- (1) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any subsidiary of the Company or any entity in which any member of the Group holds any equity interest ("Invested Entity");
- (2) any non-executive directors (including independent non-executive directors) of the Company, any subsidiary of the Company or any Invested Entity;
- (3) any supplier of goods or services to any member of the Group or any Invested Entity;
- (4) any customer of any member of the Group or any Invested Entity;
- (5) any person or entity that provides research, development or other technical support to any member of the Group or any Invested Entity;
- (6) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;
- (7) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity;
- (8) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group; and
- (9) any company wholly owned by one or more Eligible Participants.

As at 31 December 2022, the total number of shares available for issue under share options granted under the Share Option Scheme was 85,600,000. Movement of share options during the year ended 31 December 2022 as below:

	Date of grant	Exercise price HK\$	Exercise period	Vesting period	Outstanding at 1 January 2022	Granted during the year	Share option adjustment during the year	Lapsed/ Forfeited during the year	Outstanding at 31 December 2022
Directors									
Zhang Hengxin	4 May 2020	0.435	From 4 May 2020 to 3 May 2025	No	18,620,000	-	(14,896,000)	-	3,724,000
Jia Minghui	4 May 2020	0.435	From 4 May 2020 to 3 May 2025	No	18,620,000	-	(14,896,000)	-	3,724,000
Au Yeung Ming Yin Gordon	4 May 2020	0.435	From 4 May 2020 to 3 May 2025	No	18,620,000	-	(14,896,000)	-	3,724,000
Employees									
	4 May 2020	0.435	From 4 May 2020 to 3 May 2025	No	130,340,000	-	(104,272,000)	-	26,068,000
	26 July 2017	0.123	From 26 July 2017 to 25 July 2022	No	186,200,000	-	-	(186,200,000)	-
	21 April 2022	0.373	From 21 April 2022 to 20 April 2027	No	-	241,800,000	(193,440,000)	-	48,360,000
					372,400,000	241,800,000	(342,400,000)	(186,200,000)	85,600,000

The closing price of the shares immediately before the date of share options granted on 21 April 2022 is HK\$0.076. As the Company completed share consolidation in August 2022, the theoretical value of the Company's shares immediately before the date of share options granted on 21 April 2022 is HK\$0.38.

FINAL DIVIDEND

No payment of dividends has been proposed by the Board in respect of the year ended 31 December 2022 (2021: Nil).

EVENTS AFTER THE REPORTING PERIOD

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

CORPORATE GOVERNANCE PRACTICES

The board of Directors (the "Board") has always recognised the importance of shareholders' accountability and transparency and is committed to maintaining high standards of corporate governance. The Company has complied with all code provisions of the Corporate Governance Code ("CG Code") throughout the year ended 31 December 2022 as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except for certain deviations disclosed herein.

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 2022.

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 comprises two Independent Non-executive Directors, namely Mr. Au Yeung Ming Yin Gordon (Chairman) 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 2022.

REVIEW OF THIS FINAL RESULTS ANNOUNCEMENT

The financial figures in respect of Group’s consolidated statements of financial position, consolidated statement of profit or loss, consolidated statement of profit loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022, as set out in the preliminary announcement have been compared by the Group’s auditors, Elite Partners CPA Limited, to the amounts set out in the Group’s draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by Elite Partners CPA Limited in this respect did not constitute an audit, review or other 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 the auditors.

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, 31 March 2023

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