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**DISCLOSEABLE TRANSACTION:
SUBSCRIPTION OF 14% OF
ISSUED SHARE CAPITAL OF THE TARGET;
AND
CHANGE IN USE OF PROCEEDS**

SUBSCRIPTION

The Board wishes to announce that after trading hours on 18 April 2016, the Subscriber, a wholly-owned subsidiary of the Company, the Target and the Warrantors entered into the Subscription Agreement, pursuant to which the Subscriber agreed to subscribe for, and the Target agreed to allot and issue, the Subscription Shares at the Subscription Price of HK\$15,300,000 in cash. The Subscription Shares represent 14% of the enlarged issued share capital of the Target as enlarged by the allotment and issue of the Subscription Shares.

The Target Group is principally engaged in provision of interior design, fit out and decoration services.

* For identification purposes only

IMPLICATIONS UNDER THE LISTING RULES

As certain percentage ratios (as defined under the Listing Rules) in respect of the Subscription are more than 5% but all percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 5 January 2016 in relation to the MOU entered into between the Company, the Target and the Warrantors in relation to the possible acquisition of not more than 30% of the issued share capital of the HK Subsidiary.

The Board wishes to announce that subsequent to signing of the MOU, the parties further negotiated for the structure of the proposed transaction and have come up with a new structure of the transaction. After trading hours on 18 April 2016, the Subscriber, a wholly-owned subsidiary of the Company, the Target and the Warrantors entered into the Subscription Agreement, pursuant to which the Subscriber agreed to subscribe for, and the Target agreed to allot and issue, the Subscription Shares at the Subscription Price of HK\$15,300,000 in cash.

The principal terms of the Subscription Agreement are set out below:

THE SUBSCRIPTION AGREEMENT

Date

18 April 2016

Parties

Subscriber:	Eternity Riches Limited, a wholly-owned subsidiary of the Company
Target:	Alpha Generator Limited
Warrantors:	(1) Mr. Yip Sai Kit Dicky (2) Mr. So Siu Lai (3) Mr. Chan Yuk Ki Francis

Further particulars of the Target are set out in section headed “Information of the Target Group” below.

The Warrantors collectively hold the entire issued share capital of the Target immediately before Completion. Each of the Warrantors is joined as a party to the Subscription Agreement to guarantee, on a joint and several basis, the due and punctual performance and observance by the Target of all of its obligations and undertakings under the Subscription Agreement. As at the date of this announcement, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, each of the Target and the Warrantors is an Independent Third Party.

Assets to be acquired

The Subscriber agreed to subscribe, and the Target agreed to allot and issue, the Subscription Shares at the Subscription Price of HK\$15,300,000. The Subscription Shares represent 14% of the enlarged issued share capital of the Target as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

Pursuant to the MOU, the Target has received a sum of HK\$3,000,000 from the Company, the holding company of the Subscriber. As a result of the change in structure of the transaction as contemplated under the MOU, the Target has applied such HK\$3,000,000 so received as part payment of the Subscription Price upon Completion.

The Subscription Price for the Subscription Shares payable by the Subscriber to the Target shall be HK\$15,300,000 and was settled in cash in the following manner:

- (1) as to HK\$3,000,000 had been paid by the Subscriber to the Target prior to the entering into of the Subscription Agreement; and
- (2) as to HK\$12,300,000, being the balance of the Subscription Price, was paid upon Completion.

Pursuant to the Subscription Agreement, in the event that the 2016 Profits and the 2017 Profits (collectively, referred to as “**Accumulated Profits**”) shall in aggregate be less than HK\$24,000,000 (“**Guaranteed Accumulated Profits**”), the Warrantors shall make a Shortfall Compensation (as defined and described below) to the Subscriber.

For the purpose of calculating the amount of the Guaranteed Accumulated Profits, (i) the 2016 Profits and the 2017 Profits shall be added by simple arithmetic addition without any deduction and adjustment; (ii) where the Target Group records a net loss in any of FY2016 or FY2017, the corresponding 2016 Profits or 2017 Profits shall be a negative figure representing the amount of the net loss for the relevant financial year; and (iii) the Target is entitled to add back all professional expenses incurred during FY2016 and FY2017 which are approved by all shareholders of the Target for the purpose of such calculation.

In the event that the Accumulated Profits are less than the Guaranteed Accumulated Profits, the Warrantors shall pay to the Subscriber a sum (“**Shortfall Compensation**”) calculated according to the following formula:

$$\text{Shortfall Compensation} = \frac{((\text{Guaranteed Accumulated Profits} - \text{Accumulated Profits}) \times 14\% \times 9.1)}{2}$$

The maximum amount of the Shortfall Compensation shall be equal to the amount of the Subscription Price (i.e. HK\$15,300,000). The Warrantors shall pay to the Subscriber the Shortfall Compensation, if any, in cash within 30 days after a statement showing the amount of the Accumulated Profits and its calculation are made available to the Subscriber. Within 180 days after the year end date of FY2017, the Target and the Warrantors shall deliver to the Subscriber the 2017 Accounts and the above-mentioned statement of calculation.

The Subscription Price was funded by the net proceeds of the SM Placing, further details of which are set out in the section headed “Change in use of proceeds” below. The Subscription Price was determined by the Subscriber and the Target on normal commercial terms after arm’s length negotiations with reference to (i) the unaudited net profits after taxation of the HK Subsidiary, which is the operating company, for the year ended 30 June 2015 of approximately HK\$10,518,000; and (ii) the mechanism regarding the Shortfall Compensation as described above.

Completion

Completion took place immediately after the signing of the Subscription Agreement.

Immediately after Completion, the Target is owned as to 14% by the Subscriber. To the best knowledge of the Directors, all other shareholders of the Target are Independent Third Parties.

The Company will account its interests in the Target Group as investment.

Shareholders' agreement

The Subscriber together with all other shareholders of the Target will enter into a shareholders' agreement upon Completion.

The principal terms of the shareholders' agreement are as follows:

(1) Board representation and board meeting

Each shareholder of the Target holding not less than 10% of the issued shares of the Target shall have the right to nominate and remove one director and the maximum number of directors of each member of the Target Group is five.

(2) Reserved matters

Issue of new shares by the Target, disposal of equity interests in the HK Subsidiary and acquisitions of material assets by the Target Group not in its ordinary course of business shall be subject to approval by not less than 90% of the shareholders of the Target.

(3) Restrictions of transfer of shares in Target

Without the prior consent of the other shareholders of the Target, none of the shareholders of the Target shall have any right to mortgage, pledge, charge or transfer any of their shares in the Target.

INFORMATION OF THE TARGET GROUP

The Target is a company incorporated in the BVI with limited liability on 18 December 2015 and is principally engaged in investment holding. As at the date of this announcement, the Target holds the entire equity interests of the HK Subsidiary, a company incorporated in Hong Kong with limited liability, which is the operating company and principally engaged in provision of interior design, fit out and decoration services.

As the Target is newly incorporated, no audited financial information for each of the years ended 30 June 2014 and 30 June 2015 on the Target is presented in this announcement.

The unaudited financial information of the HK Subsidiary for the year ended 30 June 2014 and 30 June 2015 respectively are as follows:

	For the year ended 30 June 2014 <i>HK\$'000</i>	For the year ended 30 June 2015 <i>HK\$'000</i>
Net profit before taxation	2,627	12,609
Net profit after taxation	2,201	10,518

The unaudited total assets value and the net assets value of the Target Group as at 31 December 2015 are approximately HK\$29,808,000 and approximately HK\$20,012,000 respectively.

As advised by the Target and the Warrantors, (i) the Warrantors owed certain sum (“**Directors’ Loan**”) to the Target and the HK Subsidiary in an aggregate amount of HK\$11,625,234.84 as at 12 April 2016; and (ii) on 12 April 2016, the HK Subsidiary declared dividend of HK\$13,999,860.00 to the Target, which in turn declared the same amount of dividend (“**Dividend**”) to the Warrantors, and HK\$11,625,234.84 out of the Dividend was applied to set off the Directors’ Loan (“**Set-off Arrangement**”).

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) manufacture and sale of medical device products; (ii) manufacture and sale of plastic moulding products; (iii) provision of public relations services; (iv) provision of human resources management services; (v) provision of construction services in building construction, building maintenance and improvement works, project management, renovation and decoration works (“**Building Contract Works Business**”); and (vi) money lending business.

As one of the Group’s principal businesses is the Building Contract Works Business and the Target Group provides interior design, fit out and decoration services, the Directors consider that the Subscription is in line with the Group’s principal business activity and would offer an opportunity for the Group to expand its investment from building maintenance and improvement works to interior design, which is expected to place the Group in a more competitive position in the building construction market and bring investment return to the Group.

The Directors are of the view that the terms of the Subscription Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As certain percentage ratios (as defined under the Listing Rules) in respect of the Subscription are more than 5% but all percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction for the Company under the Listing Rules and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

CHANGE IN USE OF PROCEEDS

Reference is made to the circular of the Company dated 2 November 2015 (“**Circular**”) in relation to the SM Placing. As disclosed in the Circular, approximately HK\$84.5 million of the net proceeds from the SM Placing (“**ACEE SM Placing Proceeds**”) will be used for the business development of ACE Engineering Limited (“**ACE Engineering**”), which is a wholly-owned subsidiary of the Company and principally engaged in building construction, building maintenance and improvement works, project management, renovation and decoration works in Hong Kong. As at the date of this announcement, approximately HK\$1.2 million of the ACEE SM Placing Proceeds was used as intended.

As at the date of this announcement, there is no immediate plan and funding need for ACE Engineering to utilize the remaining unutilised ACEE SM Placing Proceeds for bidding and tendering the construction projects. In light of the above and taking into account of the reasons for and benefits of the Subscription as disclosed above, the Board has resolved to allocate HK\$15,300,000 out of the ACEE SM Placing Proceeds for settling the Subscription Price for the Subscription.

Save as disclosed above, there is no other change in the use of the ACEE SM Placing Proceeds and the remaining unutilised ACEE SM Placing Proceeds will be used as originally intended. The Board considers that such change in the use of the net proceeds from the SM Placing is in the best interests of the Company and its shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“2016 Accounts”	the consolidated audited accounts of the Target Group for FY2016
“2016 Profits”	the consolidated audited net profits of the Target Group after taxation for FY2016 as recorded in the 2016 Accounts
“2017 Accounts”	the consolidated audited accounts of the Target Group for FY2017

“2017 Profits”	the consolidated audited net profits of the Target Group after taxation for FY2017 as recorded in the 2017 Accounts
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	AMCO United Holding Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Subscription
“Director(s)”	the director(s) of the Company
“connected person(s)”	has the meaning as ascribed to it in the Listing Rules
“FY2016”	the year ending 30 June 2016
“FY2017”	the year ending 30 June 2017
“Group”	the Company and its subsidiaries
“HK Subsidiary”	OPS Interior Design Consultant Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by the Target
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party who is not a connected person of the Company and is independent of the Company and its connected persons and “Independent Third Parties” shall be construed accordingly

“MOU”	the memorandum of understanding dated 5 January 2016 entered into between the Company, the Target and the Warrantors in relation to the possible acquisition of not more than 30% of the issued share capital of the HK Subsidiary, details of which are disclosed in the announcement of the Company dated 5 January 2016
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	share(s) of the Company
“SM Placing”	placing of 874,100,000 Shares at HK\$0.230 per Share pursuant to the specific mandate granted to the Directors by the Shareholders at the special general meeting of the Company held on 18 November 2015, details of which are disclosed in the circular of the Company dated 2 November 2015
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Eternity Riches Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Subscription”	the subscription of the Subscription Shares by the Subscriber in accordance with the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 18 April 2016 entered into between the Subscriber, the Target and the Warrantors in relation to the Subscription
“Subscription Price”	HK\$15,300,000, the aggregate subscription price for the Subscription Shares
“Subscription Shares”	210 new shares of the Target allotted and issued to the Subscriber at Completion

“Target”	Alpha Generator Limited, a company incorporated in the BVI with limited liability and immediately before Completion, wholly owned by the Warrantors
“Target Group”	collectively, the Target and the HK Subsidiary
“Warrantors”	collectively, Mr. Yip Sai Kit Dicky, Mr. So Siu Lai and Mr. Chan Yuk Ki Francis, each being a shareholder of the Target
“%”	per cent.

On behalf of the Board
AMCO United Holding Limited
YIP Wai Lun, Alvin
Chairman and Managing Director

Hong Kong, 18 April 2016

As at the date of this announcement, Mr. Yip Wai Lun, Alvin, Mr. Cheng Kin Chor and Mr. Leung Kelvin Ming Yuen are the Executive Directors; and Mr. Wong Siu Ki, Mr. Chan Ngai Sang Kenny and Mr. Li Kwok Fat are the Independent Non-executive Directors.