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EAGLE RIDE INVESTMENT HOLDINGS LIMITED

鷹力投資控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 901)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2017

INTERIM RESULTS

The board of Directors (the “**Board**”) of Eagle Ride Investment Holdings Limited 鷹力投資控股有限公司 (the “**Company**”) announces that the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2017 (the “**Period**”), which have been reviewed by the Company’s audit committee and the auditor, are as follows:

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

For the six months ended 30 June 2017

		(Unaudited)	
		For the six months	
		ended 30 June	
		2017	2016
	<i>Notes</i>	HK\$	HK\$
Revenue	(4)	350,000	–
Net unrealised (loss) gain arising on revaluation of financial assets designated as held for trading		(1,590,778)	16,161,600
Net unrealised gain arising on revaluation of financial assets designated as at fair value through profit or loss		2,051,500	466,708
Gain on disposal of a subsidiary		–	2,225,567
Net other income, gains and losses	(4)	933,240	992,990
Administrative and other operating expenses		(17,536,570)	(16,809,909)
 (Loss) profit from operations	(5)	(15,792,608)	3,036,956
Finance costs	(6)	(5,099,397)	(2,532,030)
 (Loss) profit before tax		(20,892,005)	504,926
Income tax expense	(7)	–	–
 (Loss) profit for the period and total comprehensive (expenses) income attributable to owners of the Company		(20,892,005)	504,926
 (Loss) earnings per share			
Basic and diluted	(9)	HK cents (1.29)	HK cents 0.03

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

		(Unaudited) At 30 June 2017 HK\$	(Audited) At 31 December 2016 HK\$
Non-current assets			
Furniture, fixtures and equipment		1,839,178	2,493,436
Financial assets at fair value through profit or loss	(10)	27,282,573	24,399,064
Rental deposit		2,372,498	2,372,498
		31,494,249	29,264,998
Current assets			
Other receivables, deposits and prepayments		1,079,705	1,264,443
Financial assets at fair value through profit or loss	(10)	2,361,718	3,952,496
Cash and bank balances		4,279,356	27,009,870
		7,720,779	32,226,809
Current liabilities			
Creditors and accrued expenses		1,299,806	1,461,471
Unsecured borrowings	(11)	22,796,737	23,412,771
Corporate bonds	(12)	9,893,284	–
		33,989,827	24,874,242
Net current (liabilities) assets		(26,269,048)	7,352,567
Total assets less current liabilities		5,225,201	36,617,565
Non-current liabilities			
Unsecured borrowings	(11)	4,933,505	5,757,566
Corporate bonds	(12)	20,804,756	30,481,054
		25,738,261	36,238,620
NET (LIABILITIES) ASSETS		(20,513,060)	378,945
Capital and reserves			
Share capital	(13)	20,225,735	20,225,735
Reserves		(40,738,795)	(19,846,790)
(CAPITAL DEFICIENCY) TOTAL EQUITY		(20,513,060)	378,945

NOTES:

1. BASIS OF PREPARATION

The interim financial information (“**Interim Financial Information**”) have been prepared in accordance with Hong Kong Accounting Standard 34 Interim Financial Reporting (“**HKAS 34**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). It was authorised for issue on 31 August 2017.

The Interim Financial Information has been prepared in accordance with the same accounting policies adopted in the Group’s audited financial statements for the year ended 31 December 2016, except for adoption of the new and revised Hong Kong Financial Reporting Standards (the “**HKFRSs**”) which are effective for the first time set out in Note 2 of the condensed consolidated financial statements.

The preparation of the Interim Financial Information in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since 31 December 2016. The Interim Financial Information thereon do not include all of the information required for full set of financial statements prepared in accordance with the HKFRSs.

Going concern

The Group incurred a net loss of approximately HK\$20,892,000 during the period ended 30 June 2017 and, as of that date, the Group has net current liabilities of approximately HK\$26,269,000 and net liabilities of approximately HK\$20,513,000. In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group. The director of the Company adopted the going concern basis for the preparation of the condensed consolidated financial statements and implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group.

- Subsequent to the end of the reporting period, the Group has placed 185,500,000 shares at the price of HK\$0.25 per share. The net proceeds from the placing is approximately HK\$45,444,000. Reference is made to the announcement of the Company dated 3 August 2017 in relation to the completion of placing of new shares under general mandate;
- Mr. Hu Haisong (“**Mr. Hu**”) has confirmed that despite the term for the loans due to him is within twelve months, he will not demand repayment of the loans until the Group is financially viable to make the repayment and he will provide continuous financial support to the Group to meet its financial obligations; and
- The Company considers to raise funds by way of issuing additional equity or debt securities.

After taking into account the above measures, the directors of the Company consider that the Group will have sufficient working capital to finance its operations and financial obligations as and when they fall due, and accordingly, are satisfied that it is appropriate to prepare the condensed consolidated financial statements for the Period on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts on a liquidation basis, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these potential adjustments has not been reflected in the condensed consolidated financial statements.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

In the Period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA that are relevant for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014-2016 Cycle in relation to Amendments to HKFRS 12 Disclosure of Interests in Other Entities

The application of the above amendments to HKFRSs in the Period has had no material impacts on the amounts reported in the Interim Financial Information.

New and amendments to HKFRSs issued but not yet effective

The Group has not early applied the following new and amendments to HKFRSs, which have been issued but are not yet effective, in these interim financial statements:

HKFRS 9	Financial Instruments ¹
HKFRS 15	Revenue from Contracts with Customers and related Amendment ¹
HKFRS 16	Leases ²
Amendments to HKFRS 2	Classification and Measurement of Share based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers ¹
Amendments to HKAS 40	Transfers of Investment Properties ¹
HK(IFRIC) — Int 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) — Int 23	Uncertainty over Income Tax Treatments ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2014–2016 Cycle except amendments to HKFRS12 ¹

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

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

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

The directors of the Company anticipate that the adoption of HKFRS 9 in the future may have certain impact on the amounts reported in respect of the Group’s financial assets and financial liabilities. It is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The directors of the Company do not anticipate that the application of the other new or revised standards and amendments will have material impact on the condensed consolidated financial statements.

3. SEGMENT INFORMATION

Business segments

During the periods ended 30 June 2017 and 2016, the Group's revenue and net (loss) profit mainly derived from the unrealised (loss) gain arising on revaluation of financial assets designated as held for trading and unrealised gain arising on revaluation of financial assets designated as at fair value through profit or loss ("FVTPL"). The directors of the Company consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given the nature of the Group's operation is investment holdings, it is not considered meaningful to provide a business segment analysis of operating (loss) gain.

Geographical segments

The Group's segment assets and liabilities which represent furniture, fixtures and equipment, financial assets at FVTPL, unsecured borrowings and corporate bonds for the period/year, analysed by geographical market, are as follows:

	(Unaudited) At 30 June 2017			
	United States of America HK\$	Singapore HK\$	Hong Kong HK\$	Total HK\$
Segment assets	5,907,727	16,668,846	8,906,896	31,483,469
Unallocated assets				<u>7,731,559</u>
Total assets				<u>39,215,028</u>
Segment liabilities	–	–	58,428,282	58,428,282
Unallocated liabilities				<u>1,299,806</u>
Total liabilities				<u>59,728,088</u>
	(Audited) At 31 December 2016			
	United States of America HK\$	Singapore HK\$	Hong Kong HK\$	Total HK\$
Segment assets	5,869,751	14,028,043	10,947,202	30,844,996
Unallocated assets				<u>30,646,811</u>
Total assets				<u>61,491,807</u>
Segment liabilities	–	–	59,651,391	59,651,391
Unallocated liabilities				<u>1,461,471</u>
Total liabilities				<u>61,112,862</u>

4. REVENUE AND NET OTHER INCOME, GAINS AND LOSSES

An analysis of revenue and net other income, gains and losses is as follows:

	(Unaudited) For the six months ended 30 June	
	2017	2016
	<i>HK\$</i>	<i>HK\$</i>
Revenue		
Bond interest income from financial assets designated as at FVTPL	350,000	–
Net other income, gains and losses		
Income from office sharing	100,398	96,483
Interest income	80	–
Exchange gain, net	832,712	896,007
Sundry income	50	500
	933,240	992,990

5. (LOSS) PROFIT FROM OPERATIONS

	(Unaudited) For the six months ended 30 June	
	2017	2016
	<i>HK\$</i>	<i>HK\$</i>
(Loss) profit from operations has been arrived at after charging (crediting):		
Investment management fee	185,057	831,690
Depreciation of furniture, fixtures and equipment	654,258	654,258
Exchange gain, net	(832,712)	(896,007)
Net unrealised loss (gain) arising on revaluation of financial assets designated as held for trading	1,590,778	(16,161,600)
Net unrealised gain arising on revaluation of financial assets designated as at FVTPL	(2,051,500)	(466,708)
Gain on disposal of a subsidiary	–	(2,225,567)
Operating lease rentals in respect of:		
— office equipment	21,874	20,832
— premises	4,471,860	4,053,185
Directors' remuneration and staff costs:		
— salaries, allowance and other benefits in kind	6,373,333	6,590,815
— contributions to MPF Scheme	95,864	104,885

6. FINANCE COSTS

	(Unaudited)	
	For the six months	
	ended 30 June	
	2017	2016
	HK\$	HK\$
Interests on:		
Loans from a director	315,110	347,602
Loan from a licensed money lending company	512,517	870,459
Loans from third parties	2,780,400	99,861
Corporate bonds (<i>Note 12</i>)	1,491,370	1,214,108
	<u>5,099,397</u>	<u>2,532,030</u>

7. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2017 and 2016 as the Group did not have any assessable profits.

8. DIVIDENDS

No dividend was paid, declared or proposed for the Period (six months ended 30 June 2016: HK\$nil).

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share is based on the loss for the period HK\$20,892,005 (six months ended 30 June 2016: profit HK\$504,926) and the number of ordinary shares of 1,618,058,784 (six months ended 30 June 2016: 1,500,058,784) in issue at the end of the reporting period.

The amounts of diluted (loss) earnings per share are the same as basic (loss) earnings per share as there were no potential ordinary shares outstanding for the six months ended 30 June 2017 and 2016.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited)	(Audited)
	At 30 June	At 31 December
	2017	2016
	HK\$	HK\$
Non-current assets:		
Financial assets designated as at FVTPL		
— Unlisted equity investments in overseas	22,576,573	19,897,794
— Unlisted corporate bond in Hong Kong	4,706,000	4,501,270
	<u>27,282,573</u>	<u>24,399,064</u>
Current asset:		
Financial assets designated as held for trading		
— Equity investments listed in Hong Kong	2,361,718	3,952,496
	<u>2,361,718</u>	<u>3,952,496</u>

The Group had the following equity investments:

At 30 June 2017 (Unaudited)

Name of investee company	Place of registration/ incorporation	Number of shares held	Effective shareholding interest	Carrying amount <i>HK\$</i>	Unrealised gain (loss) arising on revaluation <i>HK\$</i>	Exchange gain <i>HK\$</i>	Fair value/ market value <i>HK\$</i>
<u>Unlisted equity investments</u>							
E-Com Holdings Pte. Ltd. ("E-Com")	Singapore	1,259,607	23.70%	14,028,043	1,846,770	794,033	16,668,846
Vaca Energy, LLC ("Vaca")	United States of America	1,322,843	3.31%	5,869,751	–	37,976	5,907,727
				<u>19,897,794</u>	<u>1,846,770</u>	<u>832,009</u>	<u>22,576,573</u>
<u>Unlisted corporate bond</u>							
China Partners Consultancy Limited ("CPC")	Hong Kong	N/A	N/A	4,501,270	204,730	–	4,706,000
<u>Listed equity investments</u>							
Tech Pro Technology Development Limited ("Tech Pro")	Cayman Islands	17,634,000	0.22%	3,244,656	(1,357,818)	–	1,886,838
Stage Energy Group International Assets Holding Limited (Formerly known as "Takson Holdings Limited") ("State En Assets")	Bermuda	896,000	0.12%	707,840	(232,960)	–	474,880
				<u>3,952,496</u>	<u>(1,590,778)</u>	<u>–</u>	<u>2,361,718</u>

At 31 December 2016 (Audited)

Name of investee company	Place of registration/ incorporation	Number of shares held	Effective shareholding interest	Carrying amount/ Purchase cost HK\$	Unrealised (loss) arising on revaluation HK\$	Exchange (loss) gain HK\$	Fair value/ market value HK\$
<u>Unlisted equity investments</u>							
E-Com	Singapore	1,259,607	23.70%	18,401,582	(4,170,675)	(202,864)	14,028,043
Vaca	United States of America	1,322,843	3.31%	6,653,462	(788,001)	4,290	5,869,751
				<u>25,055,044</u>	<u>(4,958,676)</u>	<u>(198,574)</u>	<u>19,897,794</u>
<u>Unlisted corporate bond</u>							
CPC	Hong Kong	N/A	N/A	<u>5,000,000</u>	<u>(498,730)</u>	<u>-</u>	<u>4,501,270</u>
<u>Listed equity investments</u>							
Tech Pro	Cayman Islands	17,634,000	0.27%	31,212,180	(27,967,524)	-	3,244,656
State En Assets	Bermuda	896,000	0.12%	765,788	(57,948)	-	707,840
				<u>31,977,968</u>	<u>(28,025,472)</u>	<u>-</u>	<u>3,952,496</u>

The fair value of unlisted equity investments were assessed by the directors of the Company.

The market value of listed equity investments were determined based on the quoted market bid prices available on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) at the end of the reporting period.

11. UNSECURED BORROWINGS

		(Unaudited) At 30 June 2017 HK\$	(Audited) At 31 December 2016 HK\$
	<i>Notes</i>		
Current liabilities			
— Loans from a director	<i>a</i>	11,553,027	11,237,917
— Loan from a licensed money lending company	<i>b</i>	9,485,086	10,472,569
— Loans from third parties	<i>c</i>	1,758,624	1,702,285
		<u>22,796,737</u>	<u>23,412,771</u>
Non-current liability			
— Loans from third parties	<i>c</i>	4,933,505	5,757,566
		<u>27,730,242</u>	<u>29,170,337</u>

Notes:

(a) Loans from a director

The loans obtained from a director, Mr. Hu, on an unsecured basis, bearing interest rate at 6% per annum and repayable within one year.

(b) Loan from a licensed money lending company

The loan is due to an independent licensed money lending company, bearing fixed interest rate at 10% per annum for a term of one year. The effective interest rate is 10.47% per annum.

(c) Loans from third parties

The loans are due to independent third parties, bearing fixed interest rate in a range of 6% to 16% per annum for a term of four to five years. The effective interest rate is in a range of 8.78% to 28.72% per annum.

12. CORPORATE BONDS

	<i>HK\$</i>
At 1 January 2016 (audited)	20,192,478
Issue of bonds, net of transaction cost	8,950,000
Effective interest expenses	2,688,576
Interest paid	<u>(1,350,000)</u>
At 31 December 2016 and 1 January 2017 (audited)	30,481,054
Effective interest expenses (Note 6)	1,491,370
Interest paid	<u>(1,274,384)</u>
At 30 June 2017 (unaudited)	<u>30,698,040</u>
Current portion	9,893,284
Non-current portion	<u>20,804,756</u>
	<u>30,698,040</u>
As 31 December 2016 (audited)	
Current portion	–
Non-current portion	<u>30,481,054</u>
	<u>30,481,054</u>

The effective interest rate of the bonds are in a range of 8.85% to 21.58% per annum.

The Company has the right to redeem the outstanding principal amount, in whole or in part, of three corporate bonds at any time before the maturity date (the “**Redemption Rights**”) with at least 5 clear business days written notice, but the bondholders have no right to require the Group to redeem bond before the maturity date.

The Redemption Rights are regarded as embedded derivatives in the host contract. The Redemption Rights are not recognised in the condensed consolidated financial statements since the directors of the Company consider that the probability of exercise of the Redemption Rights are remote. The directors of the Company have assessed the fair values of the Redemption Rights at initial recognition, and consider that the fair values were insignificant. Accordingly, the fair values of the Redemption Rights were not accounted for in the consolidated financial statements at 30 June 2017 and 31 December 2016.

13. SHARE CAPITAL

	Number of ordinary shares of <i>HK\$0.0125 each</i>	<i>HK\$</i>
Authorised:		
At 1 January 2016, 31 December 2016, 1 January 2017 and 30 June 2017	<u>80,000,000,000</u>	<u>1,000,000,000</u>

	Number of ordinary shares of <i>HK\$0.0125 each</i>	<i>HK\$</i>
Issued and fully paid:		
At 1 January 2016	1,500,058,784	18,750,735
Placing of shares in October 2016	<u>118,000,000</u>	<u>1,475,000</u>
At 31 December 2016, 1 January 2017 and 30 June 2017	<u>1,618,058,784</u>	<u>20,225,735</u>

During the period, there was no movement in the Company's share capital.

14. RELATED PARTY DISCLOSURES

(a) Transactions

The Group had the following significant related party transactions during the Period which were carried out in the normal course of the Group's business:

Name of related party	Nature of transaction	(Unaudited) For the six months ended 30 June	
		2017 <i>HK\$</i>	2016 <i>HK\$</i>
Blue Star Asset Management Limited	Investment management fee	185,057	831,690
Mr. Hu	Loan interest expenses	315,110	347,602

(b) Balances

Name of related party	Nature of balance	(Unaudited) At 30 June	(Audited) At 31 December
		2017 <i>HK\$</i>	2016 <i>HK\$</i>
Mr. Hu	Loans from a director	11,553,027	11,237,917

15. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had the commitments for future minimum lease payments under non-cancellable operating leases in respect of rented office equipment and premises which fall due as follows:

	Office equipment		Premises	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	At	At	At	At
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
	HK\$	HK\$	HK\$	HK\$
Within one year	29,635	44,100	8,538,739	8,850,028
In the second to fifth years inclusive	–	44,453	7,619,700	11,780,271
	<u>29,635</u>	<u>88,553</u>	<u>16,158,439</u>	<u>20,630,299</u>

16. PLEDGE OF ASSETS

At the end of the reporting period, no margin facility (31 December 2016: nil) from a regulated securities broker was granted to the Group under which financial assets at FVTPL with market value of approximately HK\$2,362,000 (31 December 2016: approximately HK\$3,952,000) were pledged as collateral.

17. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the following event took place:

The Company has placed 185,500,000 shares at the price of HK\$0.25 per share in August 2017. The net proceeds from the placing is approximately HK\$45,444,000. Reference is made to the announcement of the Company dated 3 August 2017 in relation to the completion of placing of new shares under general mandate.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Eagle Ride Investment Holdings Limited is an investment holding company. The Company's investment instruments are to be made in the form of equity securities or equity-related securities or debt-related instruments in listed and unlisted companies engaged in, but not limited to, the oil sector.

As at 30 June 2017, the Group's investment portfolio was diversified and comprised of different sectors of business including education, oil field and investment in securities. The total assets of the Group were approximately HK\$39,215,000 of which non-current portion and the current portion were approximately HK\$31,494,000 and HK\$7,721,000 respectively.

The current liabilities of the Group as at 30 June 2017 were approximately HK\$33,990,000 which consisted of approximately HK\$1,300,000 accrual for the administrative and other operating expenses and creditors; approximately HK\$9,485,000 and HK\$1,759,000 an unsecured loan from licensed money lending company and third parties respectively; approximately HK\$11,553,000 a loan from a director; and approximately HK\$9,893,000 an issuance of corporate bonds. The net liabilities of the Group as at 30 June 2017 were approximately HK\$20,513,000.

In the view of the Company's investments, the value of those listed investments were declined sharply due to unexpected and uncontrollable events occurred. An unusual selling pressure after the release of a short selling report resulting a significant drop in share price of a listed investment.

The Group is fully aware of the net liabilities position. Therefore, in order to turnaround the situation, subsequent to the end of the reporting period, the Group has placed 185,500,000 shares at the price of HK\$0.25 per share. The net proceeds from the placing is approximately HK\$45,444,000.

Financial Review

During the reporting period ended, the Company's investment performances were as follows:

1. Net unrealised loss arising on revaluation of financial assets designated as held for trading was approximately HK\$1,591,000 or approximately HK\$17,752,000 increment in net unrealised loss compared to the last corresponding period. The significant drop in share price of a listed investment due to an unusual selling pressure after the release of a short selling report; and
2. Net unrealised gain arising on revaluation of financial assets designated as at fair value through profit and loss was approximately HK\$2,052,000 or 340% increment compared to the last corresponding period.

For the six months ended 30 June 2017, the Company derived HK\$350,000 revenue as bond interest income (six months ended 30 June 2016: HK\$nil). The net loss attributable to owners of the Company was approximately HK\$20,892,000, an increment of net loss of approximately HK\$21,397,000 from the net profit of approximately HK\$505,000 in the last corresponding period. The net loss was mainly due to an unusual selling pressure after the release of a short selling report resulting a significant drop in share price of a listed investment and causing approximately HK\$17,752,000 increment in net unrealised loss compared to the last corresponding period. The finance costs for the reporting period was approximately HK\$5,099,000 or 101% increment compared to the last corresponding period due to the increase of financing activities through the issuance of corporate bonds and loans obtained.

As at 30 June 2017, the Group has cash and cash equivalents of approximately HK\$4,279,000 (31 December 2016: approximately HK\$27,010,000). Furthermore, the Group incurred a net loss of approximately HK\$20,892,000 during the period ended 30 June 2017 and, as of that date, the Group has net current liabilities of approximately HK\$26,269,000 and net liabilities of approximately HK\$20,513,000. The directors of the Company have given careful consideration to the future liquidity of the Group. The director of the Company implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group.

1. Subsequent to the end of the reporting period, the Group has placed 185,500,000 shares at the price of HK\$0.25 per share. The net proceeds from the placing is approximately HK\$45,444,000;
2. Mr. Hu has confirmed that despite the term for the loans due to him is within twelve months, he will not demand repayment of the loans until the Group is financially viable to make the repayment and he will provide continuous financial support to the Group to meet its financial obligations; and
3. The Company considers to raise funds by way of issuing additional equity or debt securities.

After taking into account the above measures, the directors of the Company consider that the Group will have sufficient working capital to finance its operations and financial obligations as and when they fall due, and accordingly, are satisfied that it is appropriate to prepare the condensed consolidated financial statements for the Period on a going concern basis.

At the end of the reporting period, no margin facility (31 December 2016: nil) from a regulated securities broker was granted to the Group under which financial assets at FVTPL with market value of approximately HK\$2,362,000 (31 December 2016: approximately HK\$3,952,000) were pledged as collateral.

The Company has foreign currency investments in financial assets, which expose it to foreign currency risk. The Group is mainly exposed to the effects of fluctuation of the US\$ and the S\$. As the HK\$ is pegged to the US\$, the Group considers the risk of movements in exchange rates between the HK\$ and the US\$ to be insignificant. In view of the fluctuation of S\$ against HK\$, The Board believes that the foreign exchange risk is minimal.

Dividends

The Board does not recommend the payment of an interim dividend for the Period (six months ended 30 June 2016: HK\$nil).

Gearing Ratio

The gearing ratio (total borrowings/total assets) was 148.99% (31 December 2016: 97.01%).

Litigation

No outstanding litigation as at 30 June 2017 was noted (31 December 2016: nil).

Contingent Liabilities

As at 30 June 2017, the Group did not have any contingent liabilities (31 December 2016: nil).

Employees

As at 30 June 2017, the Group has employed 12 employees, including one Executive Director and had no major changes in the information related to human resources as stated in its 2016 Annual Report.

OUTLOOK

Looking ahead, the investment market is expected to remain challenging in the second half of 2017. In spite of this, the Group will continue to adopt and maintain a prudent investment approach to capture attractive investment opportunities as and when they arise. The Group will continue fully leveraging its strong market analytical capability and carefully identify the market trend through a flexible investment strategy to bring the maximum returns for all the shareholders.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's corporate governance practices are based on the principles, code provisions and recommended best practices as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). During the Period, the Company has complied with all code provisions, and where applicable, certain recommended best practices set out in the CG Code except for code provision A.6.7 and E.1.2 of the CG Code as explained below.

Under the code provision A.6.7 of the CG Code, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of members. All Directors are encouraged to attend the Company's general meetings and each Director makes every effort to attend. However, two independent non-executive Directors and two non-executive Directors were unable to attend the annual general meeting held on 2 June 2017 due to other personal engagements.

Under the code provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting of the Company. Mr. Tung Shu Sun was on business trip outside Hong Kong and Mr. Chan Yiu Pun, Clement, the Executive Director of the Company, was entrusted to preside as the chairman of the annual general meeting of the Company held on 2 June 2017.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"), as contained in Appendix 10 of the Listing Rules, as the required standard for the Directors of the Company to deal in the securities of the Company. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

PURCHASE, SALE OR REDEMPTION OF SHARES

The Company has not redeemed any of its shares during the Period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's shares during the Period.

REVIEW OF INTERIM FINANCIAL INFORMATION

The interim financial information of the Group for the Period is unaudited, but has been reviewed by the auditor and the Company's Audit Committee.

PUBLICATION OF RESULTS AND INTERIM REPORT

This results announcement is published on the website of the Company at www.eaglerideinvestment.com and the website of the Stock Exchange at www.hkexnews.hk. The interim report of the Company will be despatched to shareholders and published on the aforesaid websites in due course.

By order of the Board
Eagle Ride Investment Holdings Limited
鷹力投資控股有限公司
Tung Shu Sun
Chairman

Hong Kong, 31 August 2017

As at the date of this announcement, the Board comprises six Directors. The executive Director is Mr. Chan Yiu Pun, Clement; the non-executive Directors are Mr. Hu Haisong and Mr. Tung Shu Sun; and the independent non-executive Directors are Mr. Gui Shengyue, Mr. Wang Xianzhang and Mr. Vichai Phaisalakani.