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 2018

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 2018 (the "**Period**"), which have been reviewed by the Company's audit committee, are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2018

	Notes	(Unaudited) For the six months ended 30 June 2018 HK$	2017 HK$
Revenue	(4)	**350,000**	350,000
Net gain on financial assets at fair value through profit or loss		**154,789**	460,722
Net other income, gains and losses	(4)	**497,253**	933,240
Administrative and other operating expenses		**(23,337,288)**	(17,536,570)
Loss from operations	(5)	**(22,335,246)**	(15,792,608)
Finance costs	(6)	**(2,474,343)**	(5,099,397)
Loss before tax		**(24,809,589)**	(20,892,005)
Income tax expense	(7)	**–**	–
Loss for the period and total comprehensive expenses attributable to owners of the Company		**(24,809,589)**	(20,892,005)
Loss per share			
Basic and diluted	(9)	**HK cents (1.38)**	HK cents (1.29)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2018

	Notes	(Unaudited) At 30 June 2018 HK$	(Audited) At 31 December 2017 HK$
Non-current assets			
Furniture, fixtures and equipment		**530,661**	1,184,919
Financial assets at fair value through profit or loss	*(10)*	**18,594,405**	18,424,082
Rental deposit		**2,372,498**	2,372,498
		21,497,564	21,981,499
Current assets			
Other receivables, deposits and prepayments		**2,986,947**	3,156,846
Financial assets at fair value through profit or loss	*(10)*	**5,174,680**	5,271,920
Cash and bank balances		**4,415,188**	30,907,119
		12,576,815	39,335,885
Current liabilities			
Creditors and accrued expenses		**2,021,936**	1,535,312
Unsecured borrowings	*(11)*	**21,158,586**	22,866,153
		23,180,522	24,401,465
Net current (liabilities) assets		**(10,603,707)**	14,934,420
Total assets less current liabilities		**10,893,857**	36,915,919
Non-current liabilities			
Unsecured borrowings	*(11)*	**4,047,415**	4,894,148
Corporate bonds	*(12)*	**31,081,943**	31,447,683
		35,129,358	36,341,831
NET (LIABILITIES) ASSETS		**(24,235,501)**	574,088
Capital and reserves			
Share capital	*(13)*	**22,544,485**	22,544,485
Reserves		**(46,779,986)**	(21,970,397)
(CAPITAL DEFICIENCY) TOTAL EQUITY		**(24,235,501)**	574,088
Net (liability) asset value per share	*(9)*	**(0.0134)**	0.0003

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**").

The Interim Financial Information do not include all of the information required for full set of financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017.

This Interim Financial Information is unaudited but has been reviewed by the Company's Audit Committee, and was approved for issue on 31 August 2018.

Going concern

The Group incurred a net loss of approximately HK$24,810,000 during the period ended 30 June 2018 and, as of that date, the Group has net current liabilities of approximately HK$10,604,000 and net liabilities of approximately HK$24,236,000. In preparing the condensed consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group. The directors 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.

— In August 2018, the Company entered into a facility agreement with Callidus Capital Limited ("**Callidus**"), which Callidus agreed to provide an unsecured loan facility of HK$20,000,000 with fixed interest rate of 16% per annum;

— Mr. Hu Haisong ("**The Ultimate Controlling Party**") 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.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("**HKFRSs**"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the Period are consistent with those followed in the Group's annual financial statements for the year ended 31 December 2017.

Application of new and amendments to HKFRSs

In the Period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendment
HK(IFRIC) — Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which result in changes in accounting policies, amounts reported and/or disclosures as described below.

Impacts and changes in accounting policies of application on HKFRS 9 Financial Instruments

In the Period, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("**ECL**") for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained earnings and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

Key changes in accounting policies resulting from application of HKFRS 9

Classification and measurement of financial assets

All recognised financial assets that are within the scope of HKFRS 9 are subsequently measured at amortised cost or fair value.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("**FVTPL**"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("**OCI**") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

In addition, the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of the reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "net gain on financial assets at fair value through profit or loss" line item.

The directors of the Company reviewed and assessed the Group's financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed in below.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including other receivables and deposits). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of other receivables and deposits where the corresponding adjustment is recognised through a loss allowance account.

As at 1 January 2018, the directors of the Company reviewed and assessed the Company's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9. The results of the assessment and the impact thereof are detailed in below.

Classification and measurement of financial liabilities

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

	HKAS 39		**HKFRS 9**	
	Measurement category	**Carrying amount** *HK$*	**Measurement category**	**Carrying amount** *HK$*
Financial assets designated as at FVTPL	Fair value through profit or loss (Designated)	23,230,082	Fair value through profit or loss (Categorised as designation)	23,230,082
Financial assets designated as held for trading	Fair value through profit or loss (Held for trading)	465,920	Fair value through profit or loss	465,920
Other receivables and deposits	Amortised costs (Loans and receivables)	5,130,020	Amortised cost	5,130,020
Cash and bank balances	Amortised costs (Loans and receivables)	30,907,119	Amortised cost	30,907,119

There were no changes to the classification and measurement of financial liabilities.

Financial assets/liabilities at FVTPL

There was no impact on the amounts recognised in relation to the assets/liabilities from the application of HKFRS 9.

Impairment under ECL model

Loss allowances for financial assets at amortised cost mainly comprise of other receivables and deposits and cash and bank balances, are measured on 12m ECL basis and there had been no significant increase in credit risk since initial recognition.

Based on the assessment by the Group, the accumulated amount of impairment loss to be recognised under the expected credit loss model of HKFRS 9 is immaterial to the Group and therefore no additional credit loss allowance is recognised against retained profits as at 1 January 2018.

Impacts and changes in accounting policies of application on HKFRS 15 Revenue from Contracts with Customers

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Company and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Summary of effects arising from initial application of HKFRS 15

The transition to HKFRS 15 does not have impact on the Group's retained earnings at 1 January 2018.

There is no significant impact of applying HKFRS 15 on the Group's condensed consolidated statement of profit or loss and other comprehensive income for the Period.

Except as described above, the application of other amendments to HKFRSs in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

The Group has not early applied any new and amendments to HKFRSs, which have been issued but are not yet effective in this Interim Financial Information. The Group is currently assessing the impact of the adoption of such new and amendments to HKFRSs to the Group but is yet in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

3. SEGMENT INFORMATION

Business segments

During the periods ended 30 June 2018 and 2017, the Group's revenue and net loss mainly derived from the investment in financial assets at 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 and trading of financial assets of FVTPL, it is not considered meaningful to provide a business segment analysis of operating loss.

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 2018		
	Singapore *HK$*	**Hong Kong** *HK$*	**Total** *HK$*
Segment assets	**18,594,405**	**5,705,341**	**24,299,746**
Unallocated assets			**9,774,633**
Total assets			**34,074,379**
Segment liabilities	**–**	**56,287,944**	**56,287,944**
Unallocated liabilities			**2,021,936**
Total liabilities			**58,309,880**

	(Audited) At 31 December 2017		
	Singapore *HK$*	Hong Kong *HK$*	Total *HK$*
Segment assets	18,424,082	6,456,839	24,880,921
Unallocated assets			36,436,463
Total assets			61,317,384
Segment liabilities	–	59,207,984	59,207,984
Unallocated liabilities			1,535,312
Total liabilities			60,743,296

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 **2018** *HK$*	2017 *HK$*
Revenue		
Bond interest income from financial assets as at FVTPL	**350,000**	350,000
Net other income, gains and losses		
Income from office sharing	**480,000**	100,398
Interest income	**103,640**	80
Exchange (loss) gain, net	**(86,507)**	832,712
Sundry income	**120**	50
	497,253	933,240

5. LOSS FROM OPERATIONS

	(Unaudited) For the six months ended 30 June **2018** *HK$*	2017 *HK$*
Loss from operations has been arrived at after charging (crediting):		
Investment management fee	**1,110,000**	185,057
Depreciation of furniture, fixtures and equipment	**654,258**	654,258
Exchange loss (gain), net	**86,507**	(832,712)
Net gain on financial assets at FVTPL	**(154,789)**	(460,722)
Operating lease rentals in respect of:		
— office equipment	**22,226**	21,874
— premises	**4,272,342**	4,471,860
Directors' remuneration and staff costs:		
— salaries, allowance and other benefits in kind	**6,568,412**	6,373,333
— contributions to MPF Scheme	**95,259**	95,864

6. FINANCE COSTS

	(Unaudited) For the six months ended 30 June **2018** *HK$*	2017 *HK$*
Interests on:		
Loans from a director	**308,817**	315,110
Loan from a licensed money lending company	**494,447**	512,517
Loans from third parties	**262,436**	2,780,400
Corporate bonds *(Note 12)*	**1,408,643**	1,491,370
	2,474,343	5,099,397

7. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2018 and 2017 as the Group did not have any assessable profits.

8. DIVIDEND

No dividend was paid, declared or proposed for the Period (six months ended 30 June 2017: HK$nil).

9. NET (LIABILITY) ASSET VALUE PER SHARE AND LOSS PER SHARE

Net (liability) asset value per share

The net (liability) asset value per share is calculated by dividing the net liabilities included in the condensed consolidated financial position of HK$24,235,501 (31 December 2017: net assets HK$574,088) by the number of ordinary shares of 1,803,558,784 (31 December 2017: 1,803,558,784) in issue as at 30 June 2018.

Loss per share

The calculation of the basic loss per share is based on the loss for the period HK$24,809,589 (six months ended 30 June 2017: HK$20,892,005) and the number of ordinary shares of 1,803,558,784 (six months ended 30 June 2017: 1,618,058,784) in issue at the end of the reporting period.

The amounts of diluted loss per share are the same as basic loss per share as there were no potential ordinary shares outstanding for the six months ended 30 June 2018 and 2017.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) At 30 June 2018 *HK$*	(Audited) At 31 December 2017 *HK$*
Non-current asset:		
Unlisted equity investment in overseas	**18,594,405**	18,424,082
Current assets:		
Equity investments listed in Hong Kong	**183,680**	465,920
Unlisted corporate bond in Hong Kong	**4,991,000**	4,806,000
	5,174,680	5,271,920

The Group had the following investments:

At 30 June 2018 (Unaudited)

Name of investee company	Place of registration/ incorporation	Number of shares held	Effective shareholding interest	Carrying amount	Unrealised gain (loss) arising on revaluation	Exchange loss	Fair value/ market value
				HK$	*HK$*	*HK$*	*HK$*
Unlisted equity investment							
E-Com Holdings Pte. Ltd. ("E-Com")	**Singapore**	**1,259,607**	**23.70%**	**18,424,082**	**252,029**	**(81,706)**	**18,594,405**
Unlisted corporate bond							
China Partners Consultancy Limited ("CPC")	**Hong Kong**	**N/A**	**N/A**	**4,806,000**	**185,000**	**–**	**4,991,000**
Listed equity investments							
Tech Pro Technology Development Limited ("Tech Pro")	**Cayman Islands**	**17,634,000**	**0.22%**	**–**	**–**	**–**	**–***
Stage Energy Group International Assets Holding Limited ("State En Assets")	**Bermuda**	**896,000**	**0.12%**	**465,920**	**(282,240)**	**–**	**183,680**
				465,920	**(282,240)**	**–**	**183,680**

At 31 December 2017 (Audited)

Name of investee company	Place of registration/ incorporation	Number of shares held	Effective shareholding interest	Carrying amount/cost	Unrealised gain (loss) arising on revaluation	Exchange gain	Fair value/ market value
				HK$	*HK$*	*HK$*	*HK$*
Unlisted equity investment							
E-Com	Singapore	1,259,607	23.70%	14,028,043	3,027,500	1,368,539	18,424,082
Unlisted corporate bond							
CPC	Hong Kong	N/A	N/A	4,501,270	304,730	–	4,806,000
Listed equity investments							
Tech Pro	Cayman Islands	17,634,000	0.22%	3,244,656	(3,244,656)	–	–*
State En Assets	Bermuda	896,000	0.12%	707,840	(241,920)	–	465,920
				3,952,496	(3,486,576)	–	465,920

The fair value of unlisted equity investment and corporate bond were assessed by the directors of the Company with reference to the professional valuation carried out by Peak Vision Appraisals Limited, an independent qualified professional valuer.

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.

* The Stock Exchange has suspended the trading of Tech Pro's shares since 9 November 2017, therefore it is considered that the market value is HK$nil.

11. UNSECURED BORROWINGS

	Notes	**(Unaudited) At 30 June 2018** *HK$*	(Audited) At 31 December 2017 *HK$*
Current liabilities			
— Loans from a director	*a*	**10,682,177**	11,873,360
— Loan from a licensed money lending company	*b*	**9,480,127**	9,985,680
— Loans from third parties	*c*	**996,282**	1,007,113
		21,158,586	22,866,153
Non-current liability			
— Loans from third parties	*c*	**4,047,415**	4,894,148
		25,206,001	27,760,301

Notes:

(a) Loans from a director

The loans is due to The Ultimate Controlling Party, bearing fixed 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 in a range of 10.47% to 10.58% 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 8% per annum for a term of one to five years. The effective interest rate is in a range of 8.78% to 19.03% per annum.

12. CORPORATE BONDS

	HK$
At 1 January 2017 (audited)	30,481,054
Effective interest expenses	3,016,629
Interest paid	(2,050,000)
At 31 December 2017 and 1 January 2018 (audited)	31,447,683
Direct transaction cost	(500,000)
Effective interest expenses (Note 6)	1,408,643
Interest paid	(1,274,383)
At 30 June 2018 (unaudited)	31,081,943

The effective interest rate of the bonds are in a range of 7.63% 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 2018 and 31 December 2017.

13. SHARE CAPITAL

	Number of ordinary shares of HK$0.0125 each	HK$
Authorised:		
At 1 January 2017, 31 December 2017, 1 January 2018 and 30 June 2018	80,000,000,000	1,000,000,000

	Number of ordinary shares of HK$0.0125 each	HK$
Issued and fully paid:		
At 1 January 2017	1,618,058,784	20,225,735
Placing of shares in August 2017	185,500,000	2,318,750
At 31 December 2017, 1 January 2018 and 30 June 2018	1,803,558,784	22,544,485

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 **2018** *HK$*	2017 *HK$*
Fortune Legendary Asset Management Limited	Investment management fee	**1,110,000**	185,057
	Income from office sharing	**(480,000)**	(100,398)
The Ultimate Controlling Party	Loan interest expenses	**308,817**	315,110

(b) Balances

Name of related party	Nature of balance	(Unaudited) At 30 June **2018** *HK$*	(Audited) At 31 December 2017 *HK$*
The Ultimate Controlling Party	Loans from a director	**10,682,177**	11,873,360

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:

	Premises		**Office equipment**	
	(Unaudited) At 30 June 2018 *HK$*	(Audited) At 31 December 2017 *HK$*	**(Unaudited) At 30 June 2018** *HK$*	(Audited) At 31 December 2017 *HK$*
Within one year	**7,892,416**	8,875,913	**22,226**	44,453
In the second to fifth years inclusive	**–**	3,468,129	**–**	–
	7,892,416	12,344,042	**22,226**	44,453

16. PLEDGE OF ASSETS

At the end of the reporting period, no margin facility (31 December 2017: nil) from a regulated securities broker was granted to the Group under which financial assets at FVTPL with market value of approximately HK$184,000 (31 December 2017: approximately HK$466,000) were pledged as collateral.

17. EVENTS AFTER THE REPORTING PERIOD

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

a) In July 2018, the Company signed an extension agreement with a bond issuer to extend the maturity date of corporate bond with principal amount of HK$5,000,000 bearing interest rate at 10% per annum from July 2018 to July 2020; and

b) In August 2018, the Company entered into a facility agreement with Callidus, which Callidus agreed to provide an unsecured loan facility of HK$20,000,000 with fixed interest rate of 16% per annum.

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 2018, the Group's investment portfolio was diversified and comprised of different sectors of business including education and investment in securities. The total assets of the Group were approximately HK$34,074,000 of which non-current portion and the current portion were approximately HK$21,497,000 and HK$12,577,000 respectively.

The Company has been adopting and maintaining a prudent approach in investing in any investments/target entities. Recently, the Company has signed six memoranda of understanding as follows:

(i) on 8 March 2018, the Company entered into a memorandum of understanding ("中金MOU") with 中金(深圳)娛樂有限公司 ("中金(深圳)娛樂") pursuant to which both parties agreed to explore possible cooperation and investment opportunities and, subject to the terms and conditions of the 中金MOU, the Company (or its designated nominee) would subscribe for and/or purchase the shares of 中金(深圳)娛樂 (or its designated third party). For further details of the 中金MOU, please refer to the announcement of the Company dated 8 March 2018;

(ii) on 29 March 2018, the Company entered into a memorandum of understanding ("Oceantec MOU") with Oceantec Valley Investment Management Co. Ltd. ("Oceantec Valley"), pursuant to which, both parties agreed to explore possible cooperation and investment opportunities and, subject to the terms and conditions of the Oceantec MOU, Oceantec Valley proposed and initiated to establish an equity investment fund which to be positioning in the new energy materials and energy storage sectors. For further details of the Oceantec MOU, please refer to the announcement of the Company dated 3 April 2018;

(iii) on 9 May 2018, the Company entered into a memorandum of understanding ("WSQSI MOU") with Wall Street Quantitative Systems Inc. ("WSQSI"), pursuant to which, both parties agreed to explore possible cooperation and investment opportunities and, subject to the terms and conditions of the WSQSI MOU, to jointly establish an asset management company (the "Asset Management Company") and propel the Asset Management Company to establish a private equity investment fund (the "Fund") which will own each of the investment projects (the "Investment Projects"). The Investment Projects of the Fund are emerging industries with prospective growth on a global scale (including but not limited to biotechnology, AR, artificial intelligence, internet-of-things, etc.). For further details of the WSQSI MOU, please refer to the announcement of the Company dated 9 May 2018;

(iv) on 5 June 2018, the Company entered into a memorandum of understanding ("中融優清 MOU") with 中融優清健康管理有限公司 ("中融優清"), pursuant to which, both parties agreed to explore possible cooperation and investment opportunities and, subject to the terms and conditions of the 中融優清MOU, the Company (or its designated nominee) would subscribe for the shares of 中融優清. 中融優清 is a health and data management company positioned in the public market targeting elderly, women and children in counties (districts). It is engaged in health check, referral and medical guide services and health data management services in counties (districts), and it intends to establish a special medical and health e-commerce platform targeting elderly and the mass population. By leveraging the big data technology, it creates a medical and health ecology with popular characteristics. For further details of the 中融優清MOU, please refer to the announcement of the Company dated 5 June 2018;

(v) on 5 July 2018, the Company entered into a memorandum of understanding ("Shenzhen MFExchange MOU") with Shenzhen MFExchange Financial Information Service Co. Ltd ("Shenzhen MFExchange"), pursuant to which, both parties agreed to explore possible cooperation and investment opportunities and, subject to the terms and conditions of the Shenzhen MFExchange MOU, the Company (or its designated nominee) would subscribe for the shares of Shenzhen MFExchange (collectively, the "Possible Investment"). Based on years of risk control experience from provisions of middle and small-sized enterprise credit rating services to banks, Shenzhen MFExchange, through scientific risk rating and access mechanism with the use of solid financial technology, provides micro borrowers and wealth management clients with an exchange-based Internet finance platform with transactions, facilitation and disposition. As the Internet financial platform, Shenzhen MFExchange leads the second revolution of the Internet with FinTech, including big data and artificial intelligence technology, to facilitate the development of all industries, especially the innovation of financial information services. For further details of the Shenzhen MFExchange MOU, please refer to the announcement of the Company dated 5 July 2018. However, after due and careful consideration of various factors, the Directors consider that the Potential Investment under the Shenzhen MFExchange MOU is not in the interests of the Company and its shareholders as a whole and therefore have decided not to proceed with the Possible Investment. For further details of the update on the Shenzhen MFExchange MOU, please refer to the announcement of the Company dated 31 July 2018; and

(vi) on 27 August 2018, the Company entered into a memorandum of understanding ("Beijing Elive Technology MOU") with Beijing Elive Technology Co., Ltd. ("Beijing Elive Technology"), pursuant to which, both parties agreed to explore possible cooperation and investment opportunities and, subject to the terms and conditions of the Beijing Elive Technology MOU, the Company (or its designated nominee) proposes to cooperate with Beijing Elive Technology (or a third party designated by it) on certain transactions. Beijing Elive Technology (NEEQ stock code: 836792) is a leading comprehensive security service provider and synergistic operator based on mobile internet in China. The company has been devoting to the research and development of intelligent security technologies over the years. With its leading carrier grade video cloud platform and professional smart video alarm technologies, the company is able to establish a three-dimensional public security prevention and control system quickly through the intelligent application of videos and big data analysis and management system, thus providing customers with structural, data-based and intelligent integrated solutions. For further details of the Beijing Elive Technology MOU, please refer to the announcement of the Company dated 27 August 2018.

The Company will make further announcements on the progress of these MOUs in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The current liabilities of the Group as at 30 June 2018 were approximately HK$23,181,000 which consisted of approximately HK$2,022,000 accrual for the administrative and other operating expenses and creditors, approximately HK$9,480,000 an unsecured loan from licensed money lending company, and approximately HK$10,682,000 a loan from a director. The net liabilities of the Group as at 30 June 2018 were approximately HK$24,236,000.

The Group is fully aware of the net liabilities position. Therefore, in order to turnaround the situation, the Group will explore various means to strengthen its financial position and to optimise its capital structure, including possible fund raising exercises.

Financial Review

During the reporting period ended, the Company's investment performance was a net gain on financial assets at fair value through profit and loss for the period of approximately HK$155,000 (six months ended 30 June 2017: approximately HK$461,000) a decrease of 66% compared to the last corresponding period.

For the six months ended 30 June 2018, the Company derived HK$350,000 revenue as bond interest income (six months ended 30 June 2017: HK$350,000). The net loss attributable to owners of the Company was approximately HK$24,810,000, an increment of net loss of approximately HK$3,918,000 from the net loss of approximately HK$20,892,000 in the last corresponding period, due to decease in other income and increase in administration and other operating expenses in the current period. The finance costs for the reporting period was approximately HK$2,474,000 or a decrease of 51% compared to the last corresponding period due to the repayment of corporate bonds and loans.

As at 30 June 2018, the Group has cash and cash equivalents of approximately HK$4,415,000 (31 December 2017: approximately HK$30,907,000). Furthermore, the Group incurred a net loss of approximately HK$24,810,000 during the period ended 30 June 2018 and, as of that date, the Group has net current liabilities of approximately HK$10,604,000 and net liabilities of approximately HK$24,236,000. The directors of the Company have given careful consideration to the future liquidity of the Group. The directors of the Company implemented the following measures in order to improve the working capital and liquidity and cash flow position of the Group.

1. 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;

2. The Company considers to raise funds by way of issuing additional equity or debt securities; and

3. On 31 August 2018, the Company had obtained a loan from an independent money lending company at a principal amount of HK$20,000,000 which is repayable within 12 months with no securities pledged nor guarantee and bearing fixed interest rate at 16% per annum.

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 2017: nil) from a regulated securities broker was granted to the Group under which financial assets at FVTPL with market value of approximately HK$184,000 (31 December 2017: approximately HK$466,000) 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 S$. In view of the fluctuation of S$ against HK$, The Board believes that the foreign exchange risk is minimal.

On 28 March 2018, the Group entered into a legally binding share placing agreement with placing agents for the issue and allotment of a maximum of 1,000,000,000 shares at the price of HK$0.3 per share on a best effort basis under special mandate (the "Placing"). Reference is made to the announcement of the Company dated 23 April 2018, 31 May 2018 and 14 June 2018, and the circular of the Company dated 8 May 2018 (the "Circular") in relation to the Placing. As disclosed in the paragraphs headed "Conditions of the Placing" under the section "The Placing Agreement" in the Circular, the completion of the Placing is conditional upon fulfillment of all of the conditions by the Longstop Date (i.e. 31 August 2018). Owing to adverse market conditions, not all of such conditions were fulfilled by the Longstop Date, and pursuant to the Placing Agreement, all rights, obligations and liabilities of the Company and the Placing Agents under the Placing Agreement in relation to the Placing has ceased and determined and none of the parties shall have any claim against any other in respect of the Placing.

Dividends

The Board does not recommend the payment of an interim dividend for the Period (six months ended 30 June 2017: HK$nil).

Gearing Ratio

The gearing ratio (total borrowings/total assets) was 165.19% (31 December 2017: 96.56%).

Litigation

No outstanding litigation as at 30 June 2018 was noted (31 December 2017: nil).

Contingent Liabilities

As at 30 June 2018, the Group did not have any contingent liabilities (31 December 2017: nil).

Employees

As at 30 June 2018, the Group has employed 13 employees, including one Executive Director and had no major changes in the information related to human resources as stated in its 2017 Annual Report.

OUTLOOK

Looking ahead, the investment market is expected to remain challenging in the second half of 2018. 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 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 31 May 2018 due to other personal engagements.

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 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 2018

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