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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 2019**

#### **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 2019 (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 2019*

		<b>(Unaudited)</b>	
		<b>For the six months</b>	
		<b>ended 30 June</b>	
		<b>2019</b>	2018
	<i>Notes</i>	<b>HK\$</b>	<b>HK\$</b>
Revenue	(4)	–	350,000
Net gain on financial assets at fair value through profit or loss		–	154,789
Net other income, gains and losses	(4)	<b>489,166</b>	497,253
Administrative and other operating expenses		<u><b>(16,103,850)</b></u>	<u>(23,337,288)</u>
Loss from operations	(5)	<b>(15,614,684)</b>	(22,335,246)
Finance costs	(6)	<u><b>(5,999,424)</b></u>	<u>(2,474,343)</u>
Loss before tax		<b>(21,614,108)</b>	(24,809,589)
Income tax expense	(7)	<u>–</u>	<u>–</u>
Loss for the period and total comprehensive expenses attributable to owners of the Company		<u><b>(21,614,108)</b></u>	<u>(24,809,589)</u>
Loss per share			
Basic and diluted	(9)	<u><b>HK cents (1.20)</b></u>	<u>HK cents (1.38)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2019

		(Unaudited) At 30 June 2019 HK\$	(Audited) At 31 December 2018 HK\$
<b>Non-current assets</b>			
Furniture, fixtures and equipment		17	1,513
Right-of-use assets		13,070,460	–
Financial assets at fair value through profit or loss	(10)	16,619,154	16,540,214
Rental deposit		–	2,372,498
		<b>29,689,631</b>	<b>18,914,225</b>
<b>Current assets</b>			
Other receivables, deposits and prepayments		50,515,790	882,335
Financial assets at fair value through profit or loss	(10)	–	–
Cash and bank balances		3,036,127	14,446,518
		<b>53,551,917</b>	<b>15,328,853</b>
<b>Current liabilities</b>			
Creditors and accrued expenses		3,679,887	2,969,696
Lease liabilities		4,255,030	–
Unsecured borrowings	(11)	19,839,156	21,977,858
Corporate bonds	(12)	10,050,259	–
		<b>37,824,332</b>	<b>24,947,554</b>
<b>Net current assets (liabilities)</b>		<b>15,727,585</b>	<b>(9,618,701)</b>
<b>Total assets less current liabilities</b>		<b>45,417,216</b>	<b>9,295,524</b>
<b>Non-current liabilities</b>			
Lease liabilities		7,700,850	–
Unsecured borrowings	(11)	54,327,796	4,013,389
Corporate bonds	(12)	57,696,280	57,975,737
		<b>119,724,926</b>	<b>61,989,126</b>
<b>NET LIABILITIES</b>		<b>(74,307,710)</b>	<b>(52,693,602)</b>
<b>Capital and reserves</b>			
Share capital	(13)	22,544,485	22,544,485
Reserves		(96,852,195)	(75,238,087)
<b>CAPITAL DEFICIENCY</b>		<b>(74,307,710)</b>	<b>(52,693,602)</b>
<b>Net liability value per share</b>	(9)	<b>(0.0412)</b>	<b>(0.0292)</b>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 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 2018.

This Interim Financial Information is unaudited but has been reviewed by the Company’s Audit Committee, and was approved for issue on 30 August 2019.

### Going concern

The Group incurred a net loss of approximately HK\$21,614,000 during the period ended 30 June 2019 and, as of that date, the Group has net liabilities of approximately HK\$74,308,000. 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.

- 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 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 2018.

## 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 2019 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 16	Leases
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
HK(IFRIC) -Int 23	Uncertainty over Income Tax Treatment
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

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 16 Leases

The Group has applied HKFRS 16 for the first time in the Period. HKFRS 16 superseded HKAS 17 Leases ("HKAS 17"), and the related interpretations.

#### *Key changes in accounting policies resulting from application of HKFRS 16*

##### *Definition of a lease*

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

##### *As a lessee*

##### Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate standalone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonably expects that the effects on the financial statements would not differ materially from individual leases within the portfolio.

Non-lease components are separated from lease component on the basis of their relative stand-alone prices.

##### Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of its carpark and staff accommodation that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### Right-of-use assets

Except for short-term leases and leases of low value assets, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use) and are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the condensed consolidated statement of financial position.

### Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

### Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

## Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the standalone price for the increase in scope and any appropriate adjustments to that standalone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

## Taxation

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to the leasing transaction as a whole. Temporary differences relating to right-of-use assets and lease liabilities are assessed on a net basis. Excess of depreciation on right-of-use assets over the lease payments for the principal portion of lease liabilities resulting in net deductible temporary differences.

## ***Transition and summary of effects arising from initial application of HKFRS 16***

### *Definition of a lease*

The Group has elected to apply a practical expedient as set out in HKFRS 16 to contracts that were previously identified as leases according to HKAS 17 or HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease. As a result, the Group will not apply these standards to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

### *As a lessee*

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening accumulated profits and comparative information has not been restated. The Group has measured (i) the lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application; and (ii) the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the condensed consolidated statement of financial position immediately before the date of initial application.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- relied on the assessment of whether leases are onerous by applying HKAS 37 Provisions, Contingent Liabilities and Contingent Assets as an alternative of impairment review;
- elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- applied a single discount rate to a portfolio of leases with a similar remaining terms for similar class of underlying assets in similar economic environment.

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applied the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application.

The impacts arising from the adoption of HKFRS 16 as at 1 January 2019 are as follows:

	<b>At 1 January 2019</b> <i>HK\$</i>
Operating lease commitments disclosed as at 31 December 2018	<u>1,800,469</u>
Less:	
Recognition exemption — low value assets	(162,884)
Recognition exemption — short-term leases	<u>(1,637,585)</u>
Lease liabilities as at 1 January 2019	<u><u>—</u></u>

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	<b>At 1 January 2019</b> <i>HK\$</i>
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	808,000
Reclassified from other receivables, deposits and prepayments	2,372,498
Amounts included in furniture, fixtures and equipment under HKAS 17	—
Less:	
Recognition exemption — short-term leases	<u>(3,180,498)</u>
	<u><u>—</u></u>

The directors of the Company anticipate that the application of the other new and amendments to HKFRSs will have no material impact on the consolidated financial statements.



### 3. SEGMENT INFORMATION

#### Business segments

During the periods ended 30 June 2019 and 2018, the Group's revenue and net loss mainly derived from investment in financial assets 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 and trading of financial assets at 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:

	<b>(Unaudited)</b>		
	<b>At 30 June 2019</b>		
	<b>Singapore</b>	<b>Hong Kong</b>	<b>Total</b>
	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
Segment assets	<b>16,619,154</b>	<b>17</b>	<b>16,619,171</b>
Unallocated assets			<b>66,622,377</b>
Total assets			<b>83,241,548</b>
Segment liabilities	<b>–</b>	<b>141,913,491</b>	<b>141,913,491</b>
Unallocated liabilities			<b>15,635,767</b>
Total liabilities			<b>157,549,258</b>
	<b>(Audited)</b>		
	<b>At 31 December 2018</b>		
	<b>Singapore</b>	<b>Hong Kong</b>	<b>Total</b>
	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>
Segment assets	16,540,214	1,513	16,541,727
Unallocated assets			17,701,351
Total assets			34,243,078
Segment liabilities	–	83,966,984	83,966,984
Unallocated liabilities			2,969,696
Total liabilities			86,936,680

#### 4. REVENUE AND NET OTHER INCOME, GAINS AND LOSSES

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

	<b>(Unaudited)</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
<b>Revenue</b>		
Bond interest income from financial assets at FVTPL	—	350,000
	<u>—</u>	<u>350,000</u>
<b>Net other income, gains and losses</b>		
Income from office sharing	<b>120,000</b>	480,000
Interest income	<b>291,395</b>	103,640
Exchange gain (loss), net	<b>76,921</b>	(86,507)
Sundry income	<b>850</b>	120
	<u><b>489,166</b></u>	<u>497,253</u>

#### 5. LOSS FROM OPERATIONS

	<b>(Unaudited)</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2019</b>	<b>2018</b>
	<b>HK\$</b>	<b>HK\$</b>
Loss from operations has been arrived at after charging (crediting):		
Investment management fee	<b>1,110,000</b>	1,110,000
Depreciation of furniture, fixtures and equipment	<b>1,496</b>	654,258
Depreciation of right-of-use assets	<b>1,188,224</b>	—
Interest expense of lease liabilities	<b>77,300</b>	—
Exchange (gain) loss, net	<b>(76,921)</b>	86,507
Net gain on financial assets at FVTPL	—	(154,789)
Operating lease rentals in respect of:		
— short-term lease	<b>140,100</b>	—
— minimum lease payments	—	4,294,568
Directors' remuneration and staff costs		
— salaries, allowance and other benefits in kind	<b>5,830,289</b>	6,568,412
— contribution to MPF scheme	<b>68,419</b>	95,259
	<u><b>68,419</b></u>	<u>95,259</u>

## 6. FINANCE COSTS

	<b>(Unaudited)</b>	
	<b>For the six months</b>	
	<b>ended 30 June</b>	
	<b>2019</b>	2018
	<i>HK\$</i>	<i>HK\$</i>
Interests on:		
Loans from a director	<b>308,746</b>	308,817
Loan from a licensed money lending company	<b>419,033</b>	494,447
Loan from third parties	<b>2,399,159</b>	262,436
Corporate bonds ( <i>Note 12</i> )	<b>2,795,186</b>	1,408,643
Lease liabilities	<b>77,300</b>	–
	<u><b>5,999,424</b></u>	<u>2,474,343</u>

## 7. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2019 and 2018 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 2018: HK\$nil).

## 9. NET LIABILITY VALUE PER SHARE AND LOSS PER SHARE

### Net liabilities value per share

The net liability value per share is calculated by dividing the net liabilities included in the condensed consolidated financial position of HK\$74,307,710 (31 December 2018: net liabilities HK\$52,693,602) by the number of ordinary shares of 1,803,558,784 (31 December 2018: 1,803,558,784) in issue as at 30 June 2019.

### Loss per share

The calculation of the basic loss per share is based on the loss for the period HK\$21,614,108 (six months ended 30 June 2018: HK\$24,809,589) and the number of ordinary shares of 1,803,558,784 (six months ended 30 June 2018: 1,803,558,784) 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 2019 and 2018.

## 10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) At 30 June 2019 HK\$	(Audited) At 31 December 2018 HK\$
<b>Non-current asset</b>		
Unlisted equity investment in overseas	<u>16,619,154</u>	<u>16,540,214</u>
<b>Current assets:</b>		
Equity investments listed in Hong Kong	<u>–</u>	<u>–</u>

The Group has the following equity investments:

### At 30 June 2019 (Unaudited)

Name of investee company	Place of registration/ incorporation	Number of shares held	Effective shareholding interest	Carrying amount HK\$	Unrealised gain (loss) arising on revaluation HK\$	Exchange gain HK\$	Fair value/ market value HK\$
<b>Unlisted equity investment</b>							
E-Com Holdings Pte. Ltd. ("E-Com")	Singapore	1,259,607	23.70%	16,540,214	–	78,940	16,619,154
<b>Listed equity investments</b>							
Tech Pro Technology Development Limited ("Tech Pro")	Cayman Islands	17,634,000	0.22%	–	–	–	–*
State Energy Group International Assets Holdings Limited ("State En Assets")	Bermuda	896,000	0.12%	–	–	–	–#
				<u>–</u>	<u>–</u>	<u>–</u>	

At 31 December 2018 (Audited)

Name of investee company	Place of registration/ incorporation	Number of shares held	Effective shareholding interest	Carrying amount HK\$	Unrealised loss arising on revaluation HK\$	Exchange loss HK\$	Fair value/ market value HK\$
<b>Unlisted equity investments</b>							
E-Com	Singapore	1,259,607	23.70%	18,424,082	(1,585,152)	(298,716)	16,540,214
<b>Listed equity investments</b>							
Tech Pro	Cayman Islands	17,634,000	0.22%	-	-	-	-*
State En Assets	Bermuda	896,000	0.12%	465,920	(465,920)	-	-#
				465,920	(465,920)	-	-

\* The Stock Exchange has suspended the trading of Tech Pro's shares since 9 November 2017 and it is still under the status of suspended trading as at 30 June 2019, therefore it is considered that the market value is HK\$nil as at 30 June 2019 and 31 December 2018.

# Reference is made to the announcements of State En Assets dated (i) 11 and 15 June 2018 and 18 and 19 September 2018 in relation to the decision of the Listing Committee of the Stock Exchange to place State En Assets in the first delisting stage; (ii) 2 and 11 October 2018 and 3 and 13 December 2018 in relation to the Second Review by the Listing (Review) Committee; and (iii) 1 February 2019 in relation to the decision of the Second Review by the Listing (Review) Committee to uphold the decision to suspend trading in State En Assets's shares, therefore the market value of State En Assets is considered as HK\$nil as at 31 December 2018.

The Stock Exchange has suspended the trading of State En Assets's shares since 1 February 2019 and it is still under the status of suspended trading as at 30 June 2019, therefore it is considered that the market value is HK\$nil as at 30 June 2019.

## 11. UNSECURED BORROWINGS

		(Unaudited) At 30 June 2019 HK\$	(Audited) At 31 December 2018 HK\$
<b>Current liabilities</b>			
— Loans from a director	<i>a</i>	11,304,787	10,996,041
— Loan from a licensed money lending company	<i>b</i>	7,533,335	9,985,535
— Loans from third parties	<i>c</i>	1,001,034	996,282
		<u>19,839,156</u>	<u>21,977,858</u>
<b>Non-current liability</b>			
— Loans from third parties	<i>c</i>	54,327,796	4,013,389
		<u>74,166,952</u>	<u>25,991,247</u>

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**

	<i>HK\$</i>
At 1 January 2018 (audited)	31,447,683
Issue of bonds, net of transaction cost	25,350,000
Effective interest expenses	3,228,054
Interest paid	<u>(2,050,000)</u>
<b>At 31 December 2018 and 1 January 2019 (audited)</b>	<b>57,975,737</b>
Issue of bond, net of transaction cost	<b>8,350,000</b>
Effective interest expenses ( <i>Note 6</i> )	<b>2,795,186</b>
Interest paid	<u><b>(1,374,384)</b></u>
<b>At 30 June 2019 (unaudited)</b>	<b><u>67,746,539</u></b>
Current portion	<b>10,050,259</b>
Non-current portion	<u><b>57,696,280</b></u>
	<b><u>67,746,539</u></b>
At 31 December 2018 (audited)	
Current portion	–
Non-current portion	<u>57,975,737</u>
	<b><u>57,975,737</u></b>

The effective interest rate of the bonds are in a range of 6.99% to 21.58% per annum.

### 13. SHARE CAPITAL

	Number of ordinary shares of HK\$0.0125 each	HK\$
<b>Authorised:</b>		
At 1 January 2018, 31 December 2018, 1 January 2019 and 30 June 2019	<u>80,000,000,000</u>	<u>1,000,000,000</u>
<b>Issued and fully paid:</b>		
At 1 January 2018, 31 December 2018, 1 January 2019 and 30 June 2019	<u>1,803,558,784</u>	<u>22,544,485</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	
		2019 HK\$	2018 HK\$
Fortune Legendary Asset Management Limited	Investment management fee	1,110,000	1,110,000
	Income from office sharing	(120,000)	(480,000)
The Ultimate Controlling Party	Loan interest expenses	308,746	308,817

#### (b) Balances

Name of related party	Nature of balance	(Unaudited) At 30 June 2019 HK\$	(Audited) At 31 December 2018 HK\$
		Fortune Legendary	Other receivables — Income from office sharing receivable
The Ultimate Controlling Party	Loans from a director	<u>(11,304,787)</u>	<u>(10,996,041)</u>

### 15. PLEDGE OF ASSETS

No margin facility from a regulated securities broker was granted to the Group under which financial assets at FVTPL with market value of HK\$nil were pledged as collateral as at 30 June 2019 and 31 December 2018.

## 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 2019, 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\$83,242,000 of which non-current portion and the current portion were approximately HK\$29,690,000 and HK\$53,552,000 respectively.

The net current assets of the Group as at 30 June 2019 were approximately HK\$15,728,000 which consisted of approximately HK\$3,680,000 accrual for the administrative and other operating expenses and creditors, approximately HK\$7,533,000 an unsecured loan from licensed money lending company, approximately HK\$11,305,000 a loan from a director and approximately HK\$1,001,000 an unsecured loan from third parties. The net liabilities of the Group as at 30 June 2019 were approximately HK\$74,308,000.

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

For the six months ended 30 June 2019, the Company derived HK\$nil as bond interest income (six months ended 30 June 2018: HK\$350,000). The net loss attributable to owners of the Company was approximately HK\$21,614,000, a decrement of net loss of approximately HK\$3,195,000 from the net loss of approximately HK\$24,809,000 in the last corresponding period, due to decrease in administration and other operating expenses in the current period.

As at 30 June 2019, the Group has cash and cash equivalents of approximately HK\$3,036,000 (31 December 2018: approximately HK\$14,447,000). Furthermore, the Group incurred a net loss of approximately HK\$21,614,000 during the period ended 30 June 2019 and, as of that date, the Group has net liabilities of approximately HK\$74,308,000. 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. The Group will seek to obtain additional financing including but not limited to borrow loans, issuing additional equity or debt securities;
2. Mr. Hu the non-executive director and ultimate controlling shareholder of the Company, has confirmed in writing 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.



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 2018: HK\$nil) from a regulated securities broker was granted to the Group under which financial assets at FVTPL with market value of approximately HK\$nil (31 December 2018: approximately HK\$nil) 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.

### **Dividends**

The Board does not recommend the payment of an interim dividend for the Period (six months ended 30 June 2018: HK\$nil).

### **Gearing Ratio**

The gearing ratio (total borrowings/total assets) was 179.74% (31 December 2018: 245.21%).

### **Litigation**

No outstanding litigation as at 30 June 2019 was noted (31 December 2018: nil).

### **Contingent Liabilities**

As at 30 June 2019, the Group did not have any contingent liabilities (31 December 2018: nil).

### **Employees**

As at 30 June 2019, the Group has employed 9 employees, including one Executive Director and had no major changes in the information related to human resources as stated in its 2018 Annual Report.

## **OUTLOOK**

Looking ahead, the investment market is expected to remain challenging in the second half of 2019. 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 5 June 2019 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](http://www.eaglerideinvestment.com) and the website of the Stock Exchange at [www.hkexnews.hk](http://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, 30 August 2019

*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. Ding Shiguo; and the independent non-executive Directors are Mr. Gui Shengyue, Mr. Wang Xianzhang and Mr. Vichai Phaisalakani.*