ASIAN CAPITAL HOLDINGS LIMITED
卓亞資本有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 08295)

FINAL RESULTS ANNOUNCEMENT
FOR THE FIFTEEN MONTHS ENDED 31 MARCH 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

This announcement, for which the directors (the "Directors") of Asian Capital Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

CORPORATE ACTIVITIES HIGHLIGHTS

- As a result of change of financial year end date, these results represent performance for 15 months to 31 March 2016, with corresponding figures for only 12 months to 31 December 2014.

- An eventful 15 months with change of controlling shareholders resulting in, *inter alia*, (a) injection of new capital of some HK$641 million, and (b) the new shareholders making general offers to all shareholders of the Company in March 2016.

- Formalised lending as a financial service being offered to clients by obtaining a money lenders licence.

- Initialising investment advisory and management services with the assistance of ZZ Capital through the IAM Agreement.

- Corporate advisory and resumption businesses maintained their momentum despite corporate changes.

FINANCIAL HIGHLIGHTS

- Revenue and other income for the 2015/16 15-month Period at record level of HK$168.61 million (2014 12-month Period: HK$24.42 million), out of which contribution under the IAM Agreement was HK$127.47 million.

- Operating expenses increased to HK$42.73 million (2014 12-month Period: HK$26.53 million).

- Unprecedented post tax profit at HK$112.67 million (2014 12-month Period: loss of HK$1.33 million).

- Basic earnings per share of HK4.50 cents (2014 12-month Period: basic loss per share of HK0.09 cent); diluted earnings per share of HK4.44 cents (2014 12-month Period: diluted loss per share of HK0.09 cent).

- Balance sheet as at 31 March 2016 multiplied: total assets reached HK$922.62 million (31 December 2014: HK$136.80 million); shareholders' equity advanced to HK$893.06 million (31 December 2014: HK$130.43 million).

- Management changeover smoothly and profits to be retained for future expansion to international M&As, thus no dividends being declared for the 2015/16 15-month Period (2014 12-month Period: Nil).

FINAL RESULTS

The board (the "Board") of directors (the "Directors") of Asian Capital Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") for the 15-month period ended 31 March 2016 (the "2015/16 15-month Period") together with comparative figures for the 12-month period from 1 January 2014 to 31 December 2014 (the "2014 12-month Period").

The financial information set out in this announcement below does not constitute the Group's statutory financial statements for the 2015/16 15-month Period, but represents an extract from those accounts. The financial information has been reviewed by the audit committee of the Company (the "Audit Committee"), approved by the Board and agreed by the Group's external auditor, PricewaterhouseCoopers.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 15-month period ended 31 March 2016

	Note	**Fifteen months ended 31 March 2016** *HK$'000*	Year ended 31 December 2014 *HK$'000*
REVENUE	*4*	**164,252**	24,937
Net investment income/(loss)	*4*	**132**	(2,478)
Interest income	*4*	**4,077**	1,696
Other income and gains	*4*	**150**	261
Revenue and other income	*4*	**168,611**	24,416
Operating expenses		**(42,728)**	(26,532)
PROFIT/(LOSS) BEFORE TAX	*5*	**125,883**	(2,116)
Income tax (expense)/credit	*6*	**(13,210)**	785
PROFIT/(LOSS) FOR THE PERIOD/YEAR		**112,673**	(1,331)
Other comprehensive income		**–**	–
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD/YEAR		**112,673**	(1,331)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic *(HK cent(s))*		**4.50**	(0.09)
Diluted *(HK cent(s))*		**4.44**	(0.09)

The Board does not recommend the payment of a dividend for the 2015/16 15-month Period.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2016

	Note	As at 31 March 2016 HK$'000	As at 31 December 2014 HK$'000
NON-CURRENT ASSETS			
Equipment		**2,481**	3,385
Intangible asset		**866**	866
Deposits		**100**	100
Total non-current assets		**3,447**	4,351
CURRENT ASSETS			
Loans receivables	*4(a)*	**–**	7,000
Other assets and receivables		**2,019**	2,572
Investments at fair value through profit or loss		**140**	6,273
Cash held on behalf of clients		**215**	45
Trade receivables	*9*	**128,939**	2,658
Cash and bank balances		**787,856**	113,901
Total current assets		**919,169**	132,449
CURRENT LIABILITIES			
Trade payables	*10*	**645**	702
Other payables and accruals		**15,882**	5,036
Tax payable		**13,028**	615
Deferred tax liabilities		**–**	21
Total current liabilities		**29,555**	6,374
Net current assets		**889,614**	126,075
Net assets		**893,061**	130,426
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*11*	**35,505**	14,515
Reserves		**857,556**	115,911
Total equity		**893,061**	130,426
Total assets		**922,616**	136,800
Total equity and liabilities		**922,616**	136,800

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 15-month period ended 31 March 2016

	Attributable to owners of the Company					
	Issued capital	**Share premium account**	**Contributed surplus**	**Share option reserve**	**Retained profits**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 11)					
At 1 January 2014	14,400	65,898	9,000	8,179	30,969	128,446
Total comprehensive income for the year	–	–	–	–	(1,331)	(1,331)
Allotment of new shares pursuant to pre-IPO share option scheme	115	3,566	–	(1,373)	–	2,308
Equity-settled share option arrangements	–	–	–	1,003	–	1,003
At 31 December 2014 and 1 January 2015	**14,515**	**69,464**	**9,000**	**7,809**	**29,638**	**130,426**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**112,673**	**112,673**
Equity-settled share option arrangements	**–**	**–**	**–**	**465**	**–**	**465**
Allotment of new shares pursuant to:–						
Pre-IPO share option scheme	**682**	**21,232**	**–**	**(8,274)**	**–**	**13,640**
New Shares Placing Agreement	**4,000**	**151,040**	**–**	**–**	**–**	**155,040**
Subscription Agreement	**16,308**	**469,658**	**–**	**–**	**–**	**485,966**
Share issuance expenses	**–**	**(5,149)**	**–**	**–**	**–**	**(5,149)**
At 31 March 2016	**35,505**	**706,245**	**9,000**	**–**	**142,311**	**893,061**

NOTES

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the new Hong Kong Companies Ordinance (Cap. 622). They have been prepared under the historical cost convention, except for investments at fair value through profit or loss, which have been measured at fair value. These financial statements are presented in Hong Kong dollars, which is also the Company's functional currency. All values are rounded to the nearest thousand except when otherwise indicated.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time in the current period's consolidated financial statements.

Amendments from annual improvements to HKFRSs – 2010-2012 Cycle, on HKFRS 8, 'Operating segments', HKAS 16, 'Property, plant and equipment' and HKAS 38, 'Intangible assets' and HKAS 24, 'Related party disclosures'.

Amendments from annual improvements to HKFRSs – 2011-2013 Cycle, on HKFRS 3, 'Business combinations', HKFRS 13, 'Fair value measurement' and HKAS 40, 'Investment property'.

The adoption of the improvements made in the 2010-2012 Cycle has required additional disclosures in the segment note which the directors considered the impact is not material given no segment analysis is presented (note 3). Other than that, the remaining amendments are also not material to the Group.

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the period, since the Company is listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and is required to comply with the disclosure requirements of the new Hong Kong Companies Ordinance (Cap. 622). As a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

Other standards, amendments and interpretations which are effective for the period are not material to the Group.

3. OPERATING SEGMENT INFORMATION

The Group's principal businesses are in the provision of corporate advisory services and related activities, investment in various types of assets as well as money lending, investment advisory and asset management. Information reported to the Group's chief operating decision maker, for the purpose of resources allocation and performance assessment, is focused on the operating results of the Group as a whole as the Group's resources are integrated and no discrete financial information is available. While the Group has expanded its business in investment advisory and management services to Mainland China, all of the principal activities of the Group have been aggregated into one reportable segment as they have similar interrelationship with the capital markets and are subject to the same assessment of profitability. Accordingly, no segment analysis is presented. The Board has been identified as the chief operating decision-maker, responsible for making strategic decisions, allocating resources and assessing performance of the operating segments.

Geographical information

(a) ***Revenue from external customers***

	Fifteen months ended 31 March 2016 *HK$'000*	Year ended 31 December 2014 *HK$'000*
Hong Kong	**33,515**	23,407
Mainland China	**128,937**	1,280
South Africa	**1,800**	–
Japan	**–**	250
	164,252	24,937

The revenue information above is based on the location of the customers.

(b) ***Non-current assets***

	At 31 March 2016 *HK$'000*	At 31 December 2014 *HK$'000*
Hong Kong	**3,447**	4,251

The non-current asset information is based on the location of assets and excludes financial instruments.

Information about major customer

Revenue from the major customer amounting to 10% or more of the Group's revenue is set out below:

	Fifteen months ended 31 March 2016 *HK$'000*	Year ended 31 December 2014 *HK$'000*
Customer A	**3,534**	4,610
Customer B	**127,474**	–

4. REVENUE AND OTHER INCOME

An analysis of the Group's revenue and other income is as follows:

	Fifteen months ended 31 March 2016 *HK$'000*	Year ended 31 December 2014 *HK$'000*
Revenue		
Corporate advisory income	**33,623**	24,771
Placing and underwriting service income/commission	**3,154**	126
Investment advisory and management income	**127,474**	–
Securities dealing commission	**1**	40
	164,252	24,937
Net investment income/(loss)		
Net fair value loss on financial assets measured at fair value through profit or loss	**(48)**	(722)
Realised gains/(loss) on financial assets measured at fair value through profit or loss and other investments	**180**	(1,756)
	132	(2,478)
Interest income		
Interest income from financial assets		
– Bank deposits	**1,308**	1,406
– Listed investments	**43**	101
– Loans receivables	**2,726**	189
	4,077	1,696
Other income and gains		
Gain on disposal of equipment	**150**	261
Revenue and other income	**168,611**	24,416

Note:

(a) During the current period, management have reviewed the interest income generated from the loans receivables and considered it more appropriate to disclose such interest income and the corresponding loans receivables as separate items on the consolidated statement of comprehensive income and consolidated statement of financial position respectively in view of the Group's business development. Accordingly, the relevant interest income previously grouped within other interest-bearing assets presented in the Group's consolidated financial statements for the year ended 31 December 2014 was renamed as interest income from loans receivables in the current period and the corresponding loans receivables have also been separately presented. There is no impact on the Group's revenue and other income for the year ended 31 December 2014 as a result of the change in presentation.

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Fifteen months ended 31 March 2016 *HK$'000*	Year ended 31 December 2014 *HK$'000*
Depreciation	**1,371**	768
Operating lease expense	**4,046**	3,386
Auditor's remuneration		
Audit fees	**800**	610
Non-audit fees	**140**	140
Professional fees	**1,885**	968
Net (reversal)/charge of impairment loss on trade receivables	**(250)**	2,393
Value-added tax and surtax	**8,566**	–
Employee benefit expense (including directors' remuneration):		
Wages, salaries, allowances and bonuses	**20,352**	12,242
Equity-settled share option expense	**465**	1,003
Pension scheme contributions (defined contribution scheme)	**390**	277

6. INCOME TAX EXPENSE/(CREDIT)

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profits arising in Hong Kong during the period. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	Fifteen months ended 31 March 2016 *HK$'000*	Year ended 31 December 2014 *HK$'000*
Group:		
Current tax – Hong Kong profits tax		
Provision for the period/year	**246**	715
Adjustments in respect of prior years	**238**	(1,070)
	484	(355)
Current tax – Overseas		
Withholding tax provision for the period/year	**12,747**	–
Total current tax	**13,231**	(355)
Deferred tax		
Origination and reversals of temporary differences	**(21)**	(430)
Total deferred tax	**(21)**	(430)
Income tax expense/(credit)	**13,210**	(785)

A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory rate in which the Group is domiciled to the tax expense at the effective tax rate is as follows:

	Fifteen months ended 31 March 2016	Year ended 31 December 2014
	HK$'000	*HK$'000*
Profit/(loss) before tax	**125,883**	(2,116)
Tax calculated at domestic tax rates applicable to profits in the respective tax jurisdictions	**12,485**	(349)
Adjustments in respect of prior years	**238**	(1,070)
Income not subject to tax	**(216)**	(816)
Expenses not deductible for tax	**316**	356
Utilisation of tax losses previously not recognised	**(1)**	–
Unused tax losses not recognised	**373**	136
Others	**15**	958
Tax charge at the Group's effective rate	**13,210**	(785)

There was no significant unprovided deferred tax in respect of the period and at the end of each reporting period.

7. DIVIDENDS

The Board does not recommend payment of a dividend for the 2015/16 15-month Period (2014: Nil).

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings/(loss) per share amounts is based on the profit attributable to ordinary equity holders of the Company for the fifteen months ended 31 March 2016, being HK$112,673,000 (2014: loss of HK$1,331,000) and the weighted average number of 2,506,555,096 shares in issue for the fifteen months ended 31 March 2016 (2014: 1,446,165,205 shares).

The Company issued 400,000,000 shares at HK$0.3876 per share and 1,630,756,836 shares at approximately HK$0.298 per share on 24 February 2016 pursuant to the share subscription agreement dated 28 October 2015 and the placing agreement dated 5 January 2016 respectively. The aforementioned shares were considered to be issued at a discount to the fair value of the existing shares (being the market closing price of the shares as at the date of the share issuance (i.e. 24 February 2016)). Such discount represented a bonus element as determined at the date of the share issuance, which was estimated as 884,323,642 shares for the purpose of adjusting the weighted average number of shares in calculating the basic earnings per share for the fifteen months ended 31 March 2016 as described in HKAS 33 "Earnings per Share". No adjustment has been made to the weighted average number of shares adopt in the loss per share calculations for the year ended 31 December 2014 in respect of the aforementioned share issuance as the changes to share capital arising from such share issuance did not affect the capital used to produce the loss in the year ended 31 December 2014.

In addition to the above disclosures as required under HKAS 33 "Earnings per Share", management also considered that if the dates of determination of bonus element had been the dates of the share subscription agreement and new share placing agreement respectively instead of the date of share issuance, the bonus element arising from such share issuance would have been 323,346,857 shares and the basic earnings per share and diluted earnings per share would have been HK5.79 cents per share and HK5.71 cents per share for the fifteen months ended 31 March 2016, instead of HK4.50 cents per share and HK4.44 cents per share respectively.

For the fifteen months ended 31 March 2016, management considered the share options issued under the pre-IPO share option scheme of the Company to be dilutive potential ordinary shares. For the share options, the number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued (including 29,206,343 dilutive potential ordinary shares) for no consideration is included in the weighted average number of 2,535,761,439 ordinary shares as the denominator for calculating diluted earnings per share.

As the Group had a loss for the year ended 31 December 2014, no adjustment was made in this regard to the loss per share presented for the year ended 31 December 2014 as the share options had anti-dilutive effect on the basic loss per share.

9. TRADE RECEIVABLES

	As at 31 March 2016 ***HK$'000***	As at 31 December 2014 *HK$'000*
Trade receivables	**131,069**	5,038
Less: impairment loss on trade receivables	**(2,130)**	(2,380)
Trade receivables – net	**128,939**	2,658

The Group's normal trading term with its customers is that payment is due upon the issuance of invoices, apart from the investment advisory and management fee as described in note (a) below. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables arising from the provision of corporate advisory, placing and underwriting services and investment advisory and management service are non-interest-bearing. The receivables from brokers arising from securities dealing by the Group's clients are interest-bearing at the prevailing savings rate offered by banks in Hong Kong and are repayable on demand. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

An aging analysis of the trade receivables which are past due but not impaired as at the end of the reporting period, based on the invoice dates and net of provisions, is as follows:

	As at 31 March 2016 ***HK$'000***	As at 31 December 2014 *HK$'000*
Current to 30 days	**620**	1,026
31 to 60 days	**100**	896
61 to 90 days	**200**	62
Over 90 days	**545**	674
	1,465	2,658

The above aging analysis has not included investment advisory and management fee receivables of approximately HK$127,474,000 which is current as at 31 March 2016 (see Note (a)).

Notes:

(a) All of the above receivables (except for the receivables in relation to the investment advisory service) that were past due but not impaired relate to a number of independent customers that have good track records with the Group, or have subsequently settled the amounts due to the Group. The invoice dates of the above trade receivables are generally the same as the corresponding due dates apart from the investment advisory and management fee which is due within 90 days after the receipt of the amount realised from the disposal of certain assets in the investment portfolio advised by the Group by 中植資本管理有限公司 (Zhongzhi Capital Group*) ("ZZ Capital") in accordance with the investment advisory and management agreement (the "IAM Agreement"). The directors are of the opinion that, other than the impairments that have already been made, no provision for impairment is necessary in respect of these receivables as the balances have either been recovered or are still considered fully recoverable.

(b) Up to the date of approval of these consolidated financial statements, subsequent settlement of trade receivables as at 31 March 2016 amounted to approximately HK$520,000.

As at 31 March 2016, trade receivables of approximately HK$2,423,000 (2014: HK$2,561,000) were impaired. The amount of the provision was approximately HK$2,130,000 as at 31 March 2016 (2014: HK$2,380,000). The individually impaired receivables mainly relate to the customers, which, based on the Group's assessment, may not settle the impaired receivables in immediate future. It was assessed that a portion of the receivables is expected to be recovered.

Movements on the Group's allowance for impairment of trade receivables are as follows:

	As at 31 March 2016	As at 31 December 2014
	HK$'000	*HK$'000*
Opening balance	**2,380**	25
Provision for receivables impairment	**750**	2,393
Reversal of allowance for impairment upon recovery	**(1,000)**	–
Receivables written off during the period/year as uncollectible	**–**	(38)
Closing balance	**2,130**	2,380

10. TRADE PAYABLES

Included in trade payables are clients monies of HK$215,000 (2014: HK$45,000) which are segregated in the trust accounts.

Trade payables excluding clients monies, based on the settlement due dates, are all due within 30 days (2014: due within 30 days) as at the end of the reporting period.

* *For identification purpose only*

11. SHARE CAPITAL

	Note	Number of shares	Nominal value HK$
Ordinary shares of HK$0.01 per share			
Authorised:			
As at 31 December 2014, 1 January 2015 and 31 March 2016		10,000,000,000	100,000,000
Issued and fully paid:			
As at 31 December 2014 and 1 January 2015		1,451,540,000	14,515,400
Allotment of new shares pursuant to:–			
Pre-IPO share option scheme		68,200,000	682,000
New Shares Placing Agreement	*a*	400,000,000	4,000,000
Subscription Agreement	*b*	1,630,756,836	16,307,568
As at 31 March 2016		3,550,496,836	35,504,968

(a) On 5 January 2016, the Company entered into a placing agreement (the "New Shares Placing Agreement") with an independent placing agent (the "New Shares Placing Agent") pursuant to which the New Shares Placing Agent procured placees to subscribe for 400,000,000 new shares of the Company (the "New Placing Shares") at the placing price of HK$0.3876 per New Placing Share, raising a gross proceed of HK$155,040,000 (the "New Shares Placing").

(b) On 28 October 2015, Jinhui Capital Company Limited ("Jinhui") and Kang Bang Qi Hui (HK) Company Limited ("Kang Bang") (ZZ Capital together with Jinhui and Kang Bang collectively, the "ZZ Capital Group") entered into a subscription agreement (as amended and supplemented by the supplemental subscription agreement dated 5 January 2016) (the "Subscription Agreement") with the Company. Pursuant to the Subscription Agreement, Jinhui and Kang Bang subscribed a total of 1,630,756,836 new shares of the Company (the "Subscription Shares") for an aggregate consideration of HK$485,965,537 in cash at the subscription price of approximately HK$0.298 per Subscription Share (the "Subscription").

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The International Monetary Fund (the "IMF") noted in 2015, global economic activity remained subdued, with China's year-on-year gross domestic product ("GDP") growth slowed to 6.9% and Hong Kong to 2.4%. Growth in emerging market and developing economies – while still accounting for over 70% of global growth – declined for the fifth consecutive year, yet a modest recovery continued in advanced economies. The United States Federal Reserve raised rates from near zero in December 2015, its first policy tightening in nearly a decade, but suspended further increases whilst other economies reduced their interest rates or otherwise relaxed their monetary policies. China's economic growth slowed further during the first three months of 2016 and Chinese state media reported that the nation's GDP grew at 6.7% between January and March. Meanwhile, the producer price index (PPI), declined year-on-year for the 49th consecutive month, down 4.3% in March, albeit at a slower rate of decline than in February.

During the 2015 calendar year, a total of 138 companies were newly listed in Hong Kong (including migrations to the Main Board of the Stock Exchange ("Main Board")), exceeding the 122 companies listed the year before. Funds raised from initial public offerings ("IPOs") in 2015 grew 12.4% year-on-year to HK$261.3 billion, marking the highest amount of capital being raised globally. Yet locally, with restrain on Chinese visitors, Hong Kong has experienced its tough in the retail sector since the SARS time.

The Group was very busy with corporate resumption work; much of the work done during the 2015/16 15-month Period led to resumption of trading of the relevant shares past the reporting period: China Billion Resources Limited (Stock code: 274) resumed trading on 26 May 2016 and The Grande Holdings Limited (Stock code: 186) resumed trading on 30 May 2016. In the resumption case of First Mobile Group Holdings Limited ("First Mobile") (Stock code: 865) which involves a reverse takeover, the company received approval-in-principle of its new listing application from the Stock Exchange in February 2016 and given the latest progress, resumption is expected to take place in the second half of 2016.

Asian Capital (Corporate Finance) Limited ("Asian Capital (Corporate Finance)"), a wholly-owned subsidiary of the Company, was engaged as the sole sponsor in five IPO engagements during the reporting period. We exited one of them, and one other case which was a GEM spin off from a long established retail group submitted the listing application in April 2015 but unfortunately failed to obtain the Stock Exchange's approval for listing on the ground of sustainability.

Mergers and acquisitions ("M&As"), debt restructuring works, fund raising, independent financial advisory and compliance adviser assignments have made steady contributions to the Group's corporate advisory income.

Notwithstanding a hefty sum having been allocated towards underwriting within the intended use of proceeds from the Subscription and the New Shares Placing (the "Use of Proceeds"), we continued to be prudent in the wake of market volatilities. During the 2015/16 15-month Period, Asian Capital (Corporate Finance) only completed the sub-underwriting in an open offer for a company listed on the Main Board and the placing of new shares for CIG Yangtze Ports PLC (Stock code: 8233). In February 2016, Asian Capital (Corporate Finance) entered into an underwriting agreement for approximately HK$50.60 million in an open offer for First Mobile on a fully sub-underwritten basis, the underwriting is expected to be completed in the second half of 2016. We also obtained arrangement fees from financing and shares disposal transactions.

The Group unwound almost all of its pre-existing equities investments, and duly received repayment of all its interest-bearing assets during the reporting period.

In June and July 2015, the Group through its wholly-owned subsidiary, Asian Capital (Resources) Limited, granted a secured loan for HK$21.50 million (the "ACR Loan") to Wongs Investment Development Holdings Group Limited (In liquidation) ("Wongs Investment") (background of such loan was disclosed in the paragraph headed "Advance to Entity" on page 10 of the Company's 2015 third quarterly report). Asian Capital (Corporate Finance) was simultaneously engaged by Wongs Investment to dispose of its shares in China Kingstone Mining Holdings Limited (Stock code: 1380). We concluded the shares disposal for Wongs Investment and received repayment of the ACR Loan towards the end of 2015.

On 2 February 2016, ZZ Capital and Asian Capital (Corporate Finance) entered into the IAM Agreement. The transactions contemplated under the IAM Agreement constitute continuing connected transactions of the Company under Chapter 20 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules") and were approved by the independent shareholders of the Company on 21 March 2016. Pursuant to the IAM Agreement, Asian Capital (Corporate Finance) acts as an investment manager of ZZ Capital to provide investment advice and management services in managing a portfolio of listed securities under the IAM Agreement (the market value of which amounted to approximately HK$4 billion as at the date of the IAM Agreement) (the "Investment Portfolio") to ZZ Capital. Details of the IAM Agreement were contained in the circular of the Company dated 4 March 2016. On 28 March 2016, ZZ Capital entered into a share transfer agreement and dispose of about half of the assets in the Investment Portfolio (the "Disposal"). The Disposal gave rise to a performance fee of approximately HK$127.47 million payable to Asian Capital (Corporate Finance) for the period ended 31 March 2016, and a further performance fee of approximately HK$191 million upon the receipt of more than half of the Disposal proceeds by ZZ Capital. Despite this strong surge in revenue, it is unlikely that revenue from the IAM Agreement will continue to be the dominating income stream, as the Group has maintained its existing businesses in corporate advisory, corporate resumption, IPO, placing and underwriting, investment as well as money lending, and, more importantly, under the new management team, M&A activities will give rise to diversified global revenue and profitability in the foreseeable future.

Financial Review

Results of the Group

For the 2015/16 15-month Period, with the contribution under the IAM Agreement, revenue and other income grew to approximately HK$168.61 million (2014 12-month Period: HK$24.42 million). Revenue from investment advisory services under the IAM Agreement accounted for approximately HK$127.47 million. All round increases in corporate advisory income, at approximately HK$33.62 million (2014 12-month Period: HK$24.77 million), placing and underwriting service income/commission, at approximately HK$3.16 million (2014 12-month Period: HK$0.13 million) as well as interest income from loans receivables also contributed to the outstanding performance.

There was a modest net investment income on financial assets of approximately HK$0.13 million during the 2015/16 15-month Period, compared to a net investment loss of HK$2.48 million recorded in the 2014 12-month Period. Interest income from bank deposits and listed investments (fully redeemed by June 2015) came lower at approximately HK$1.31 million (2014 12-month Period: HK$1.41 million) and HK$0.04 million (2014 12-month Period: HK$0.10 million) respectively. Interest income from loans receivables at approximately HK$2.73 million (2014 12-month Period: HK$0.19 million) was 14.37 times of that of the 2014 12-month Period as we ventured into active lending.

Operating expenses during the 2015/16 15-month Period at approximately HK$42.73 million (2014 12-month Period: HK$26.53 million) were proportionately higher representing increased staff costs which included bonus provisions on account of satisfactory financial performance, higher professional fees, placing expenses as well as value-added tax and surtax charged on the investment advisory income, as partially mitigated by certain reversal of impairment loss on trade receivables due to some recovery of doubtful debts.

The resultant pre-tax profit for the 2015/16 15-month Period was approximately HK$125.88 million, compared to a pre-tax loss of HK$2.12 million for the 2014 12-month Period.

With income tax expense rising to approximately HK$13.21 million (2014 12-month Period: income tax credit of HK$0.79 million) as a result of enhanced profitability, total comprehensive income for the 2015/16 15-month Period came at approximately HK$112.67 million, against the total comprehensive loss of HK$1.33 million for the 2014 12-month Period. Basic earnings per share for the 2015/16 15-month Period was approximately HK4.50 cents (2014 12-month Period: basic loss per share of HK0.09 cent). Diluted earnings per share for the 2015/16 15-month Period was approximately HK4.44 cents (2014 12-month Period: diluted loss per share of HK0.09 cent).

Following full repayment in 2015 and in the absence of new advances, as at 31 March 2016, there were no loans receivables outstanding. With most of the Group's investments having been sold or redeemed during 2015, investments at fair value through profit or loss reduced to approximately HK$0.14 million as at 31 March 2016 (31 December 2014: HK$6.27 million).

Trade receivables as at 31 March 2016, after allowing for debt provisioning, increased significantly to approximately HK$128.94 million (31 December 2014: HK$2.66 million), mainly because of the accrual of the investment advisory income amounting to approximately HK$127.47 million, to be received within 90 days from the date of receipt of Disposal proceeds by ZZ Capital pursuant to the IAM Agreement.

Other payables and accruals as at 31 March 2016 increased to approximately HK$15.88 million (31 December 2014: HK$5.04 million), as professional fees were higher and the value-added tax and surtax charged on the investment advisory income were booked under accounts payable.

As at 31 March 2016, tax payable increased by 20.02 times to approximately HK$13.03 million (31 December 2014: HK$0.62 million) as a result of higher tax provisions both in Hong Kong because of better operating profits and in China arising from the withholding taxes in relation to the performance fee earned under the IAM Agreement.

Following the Subscription and the New Shares Placing, the Group's net assets value as at 31 March 2016 advanced to approximately HK$893.06 million (31 December 2014: HK$130.43 million), some 5.85 times higher than the 2014 year end level. This strong balance sheet will enable the new management to pursue its international M&A plans whilst our existing corporate advisory activities continue. The net assets value per share as at 31 March 2016 was approximately HK25.15 cents (31 December 2014: HK8.99 cents).

Liquidity and financial resources

Amidst the ZZ Capital Group investment, the Group continued to adopt a prudent financial management strategy and maintained a healthy liquidity position. With all the loans receivables having been repaid in 2015, funds raised from the Subscription, the New Shares Placing and the exercising of the options (the "Pre-IPO Share Options") granted by the Company pursuant to the pre-IPO share option scheme adopted by the Company on 7 June 2010, added with the earnings retained for the 2015/16 15-month Period, the Group's cash and bank balances rose to approximately HK$787.86 million as at 31 March 2016 (31 December 2014: HK$113.90 million). As at 31 March 2016, the Group had net current assets of approximately HK$889.61 million (31 December 2014: HK$126.08 million), and the current ratio was approximately 31.10 (31 December 2014: 20.78).

The Group's operations and investments were financed principally by revenues generated from business operations and available bank balances. Funds are largely placed with financial institutions with maturities timed to cover any known capital, investment or underwriting commitments. The Group had no borrowing and the gearing ratio of the Group, calculated as total borrowings over shareholders' funds, was nil as at 31 March 2016 (31 December 2014: Nil).

During the 2015/16 15-month Period, all billings were in Hong Kong dollars even for the performance fee receivable under the IAM Agreement which was computed in Renminbi but fixed for Hong Kong dollars at the time of billing, and most of the business transactions, assets and liabilities were denominated in Hong Kong dollars, the Group had minimal exposure to foreign currency risks. The Group will continue to monitor its foreign currency exposure closely and will consider using hedging instruments if available should the need arise.

Capital structure

Save for the issue of new shares upon the exercise of the Pre-IPO Share Options, the Subscription and the New Shares Placing, there has been no material change in the capital structure of the Company during the 2015/16 15-month Period. The capital of the Company comprises only ordinary shares.

Total equity attributable to ordinary equity holders of the Company amounted to approximately HK$893.06 million as at 31 March 2016 (31 December 2014: HK$130.43 million). This increase was mainly attributable to the combined effects of the exercising of the Pre-IPO Share Options and net proceeds from the Subscription and the New Shares Placing, together with the increase in the retained profits.

Future plans for material investments or capital assets

In May 2016, the Development of the Shenzhen Municipal Government Financial Services Office approved the Group's application for the setting up of a wholly-owned foreign funded equity investment management enterprise (the "Foreign Enterprise") in Qianhai, Shenzhen. The approved business scope of the Foreign Enterprise include (i) initiate the establishment of equity investment enterprise; (ii) entrusted with the management of equity investment enterprise's investment business and provide related services; (iii) equity investment advisory; and (iv) other business as approved or permitted by the relevant authority. As part of the Use of Proceeds, the Group is planning to actively engage this new avenue for investing in the People's Republic of China ("PRC").

In addition, with the hiring of Mr. Cho Michael Min-kuk and Mr. Chen Jianfeng Peter, together with other newly joined senior professional staff, the Group intends to actively pursue international M&A opportunities, seeking to partner with strategic investors to enhance profitability which will give the Group long term sustainability.

Material acquisitions and disposals of subsidiaries and affiliated companies

The Group had no material acquisitions and disposals of subsidiaries and affiliated companies during the 2015/16 15-month Period.

Dividend

The Board does not recommend the payment of a dividend for the 2015/16 15-month Period (2014 12-month Period: Nil).

Outlook

In June 2016, the World Bank has slashed its 2016 global economic forecast by 0.5% to 2.4% citing mediocre growth in advanced economies, and is more pessimistic than the IMF's outlook. Its president also warned that a vote by Britons to leave the European Union would further undermine confidence in global trade and hit growth, rebounding on economies such as the United Kingdom that rely on exports to drive growth. Meanwhile, Federal Reserve has maintained status quo on key rate until uncertainty clears.

2016 marks the first year of China's National 13th Five-Year Plan. While it will take time for reform to be implemented and take effect, and Mainland officials are confident of sustained economic growth, international rating agencies, and more recently China's domestic political/economic commentaries as well as analysts from financial institutions, tend to be much more cautious. The Belt and Road Initiative is gradually taking shape with Hong Kong seeking to play a role in at least as a finance centre. The long awaited Shenzhen-Hong Kong Stock Connect is expected to commence later in 2016 and help Hong Kong maintain competitive in the capital markets, but London and Singapore continue to pose real competitive threats to Hong Kong.

As at the date of this announcement, the Group has on hand five corporate resumption (one such case is expected to be resumed for trading in the second half of 2016) and three active IPO engagements. We also continue to work on a diversified portfolio of M&As and other corporate financial advisory assignments.

As at 31 March 2016, our investment portfolio came down to only approximately HK$0.14 million (31 December 2014: HK$6.27 million) and all loans receivables were fully repaid in 2015. In furtherance of the Group's business activities, we have obtained a money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and will continue to look for securities based lending.

As part of the Group's investment advisory and management business, we will continue to provide investment advisory and management services to ZZ Capital under the IAM Agreement, building up a suitable team and will actively seek to develop this business towards external customers. As disclosed in the Company's announcements dated 22 April 2016 and 13 June 2016, the Board expects that the Group will record a substantial increase in revenue and pre-tax profit for the three months ending 30 June 2016, which was mainly attributable to the booking of performance fee arising from the Disposal under the IAM Agreement. The amount of performance fee to be recognised by the Group in the three months ending 30 June 2016 will be approximately HK$191 million. As somewhat alluded to in the section headed "Business Review" above, this magnitude of revenue is considered exceptional in nature as the Disposal accounted for about half of the underlying Investment Portfolio and is not expected to be easily repeated in the foreseeable future. It is noted that the annual cap of the remuneration payable to the Group by ZZ Capital under the IAM Agreement (the "Annual Cap") for each of the periods from 1 April 2016 to 31 March 2017 and from 1 April 2017 to 31 March 2018 as approved by the independent shareholders of the Company is HK$250 million. Applying the market value of the remaining securities under the Investment Portfolio as of the close of business on 16 June 2016, assuming a complete disposal of the remaining Investment Portfolio, the performance fee so generated will only be approximately HK$18 million. Accordingly, whilst the Company is not expecting that the Annual Cap(s) will be exceeded, it will re-comply with the announcement and shareholders' approval requirements in accordance with the GEM Listing Rules should the Board consider an increase necessary.

With the new capital from the Subscription and the New Shares Placing enriching our financial strength, coupled with the retained profits, the shareholders' equity as at 31 March 2016 rose to HK$893.06 million. In line with the Use of Proceeds, the new management team has been engaged (details and costs of the appointments of chief executive officer and chief financial officer were contained in the Company's announcement dated 12 May 2016) and they are in the process of building up the advisory and investment teams in Hong Kong, North America, Europe and the Middle East and potentially leveraging on ZZ Capital's expertise, relationships and fund raising capabilities to pursue international M&A deals which will enhance the overall value for all constituents including shareholders of the Company.

Furthermore, the Foreign Enterprise to be set up in Qianhai, Shenzhen will enable the Group to invest into the equities market in the PRC to further diversify and broaden our revenue base.

The new management wishes to build a business eco-system via the Group to create long term drivers for sustainable growth. Besides the normal business chain of "financing-investment-management-exit", the Group's business will be supplemented with value-added services, such as business development, management consultancy and research. Through various channels, the Group will build a business eco-system covering different industries, talent and project resources as well as financing channels and relationship networks.

To facilitating international M&As yet reflecting the support of the ZZ Capital Group, the Board has proposed to change the Company's name to ZZ Capital International Limited (中植資本國際有限公司) and a special resolution will be proposed at the forthcoming annual general meeting of the Company to be convened and held as soon as practicable for the shareholders of the Company to consider and, if thought fit, approve the change of Company's name.

EVENTS AFTER THE REPORTING PERIOD

(i) A series of changes in Directors, chairman of the Board, chief executive officer, compliance officer, composition of the audit committee, remuneration committee and nomination committee, authorised representatives, process agent and company secretary of the Company and the appointment of chief financial officer of the Group have taken place following the completion of the general offers made by Jinhui. Details were disclosed in the announcements of the Company dated 6 April 2016, 12 May 2016 and 17 June 2016.

(ii) As disclosed in the Company's announcements dated 22 April 2016 and 13 June 2016, the Board expects that the Group will record a substantial increase in revenue and pre-tax profit for the three months ending 30 June 2016, which was mainly attributable to the booking of performance fee arising from the Disposal under the IAM Agreement. The amount of performance fee to be recognised by the Group in the three months ending 30 June 2016 will be approximately HK$191 million. Based on the latest unaudited financial information and estimation of the Company and its operating subsidiaries, the Group is expected to record a revenue of about HK$198 million for the three months ending 30 June 2016.

(iii) In May 2016, the Development of the Shenzhen Municipal Government Financial Services Office approved the Group's application for the setting up of a wholly-owned Foreign Enterprise in Qianhai, Shenzhen based on Asian Capital (Corporate Finance)'s qualification as a Qualified Foreign Limited Partnership. The Group is in the process of registering the Foreign Enterprise.

Save as disclosed above, the Directors are not aware of any significant events requiring disclosure that have taken place subsequent to 31 March 2016 and up to the date of approval of this announcement.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had made specific enquiries to all the relevant Directors who confirmed their compliance with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the 2015/16 15-month Period. No incident of non-compliance was noted by the Company during this period.

CORPORATE GOVERNANCE CODE

The Company has applied the principles and complied with all the code provisions set out in the Corporate Governance Code (the "Code") contained in Appendix 15 of the GEM Listing Rules throughout the 2015/16 15-month Period, with the exception of deviations from code provisions A.2.1 and A.6.7 of the Code.

In accordance with the code provision A.2.1 of the Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual.

During the 2015/16 15-month Period and up until 12 May 2016, Mr. Yeung Kai Cheung Patrick acted as the executive chairman and the chief executive officer (the "CEO") of the Company. This was because the Board considered that the Company was in its growing stage and it would be beneficial to the Group for Mr. Yeung to assume both roles as the executive chairman and CEO of the Company, since the two roles tended to reinforce each other and were mutually enhancing in respect of the Group's continual growth and development. The Group had in place an effective internal control system, including the engagement of internal auditor to conduct internal audit, to perform check and balance functions.

Following the appointment of Ms. Duan Di as the chairman of the Board and Mr. Cho Michael Min-kuk as the CEO on 12 May 2016, the roles of chairman of the Board and the CEO have since been separated in compliance with code provision A.2.1 of the Code.

Mr. Yi Xiqun was absent from the extraordinary general meetings of the Company held on 18 February 2016 due to sickness and on 21 March 2016 due to his other important engagements. This was a deviation from the code provision A.6.7 of the Code which requires that independent non-executive directors should attend general meetings.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the 2015/16 15-month Period.

REVIEW OF RESULTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the 2015/16 15-month Period.

The figures in respect of the Group's consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, and the related notes thereto for the 15-month period ended 31 March 2016 as set out in this preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the 15-month period ended 31 March 2016. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

By Order of the Board
Asian Capital Holdings Limited
Duan Di
Chairman

Hong Kong, 17 June 2016

As at the date of this announcement, the Board comprises Ms. DUAN Di (Chairman), Mr. CHO Michael Min-kuk (Chief Executive Officer), Mr. CHEN Jianfeng Peter, Ms. ZHANG Yun, Mr. YEUNG Kai Cheung Patrick and Mr. CHAN Hok Leung being executive Directors; Mr. XIN Luo Lin being non-executive Director; and Mr. CHAN Kai Nang and Mr. TSUI Pui Yan being independent non-executive Directors.

This announcement will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.asiancapital.com.hk.