



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8025)

FIRST QUARTERLY RESULTS ANNOUNCEMENT

(For the three 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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the directors of Asian Capital Resources (Holdings) Limited 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 Asian Capital Resources (Holdings) Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

UNAUDITED CONSOLIDATED RESULTS

The board of directors (the “Board”) of Asian Capital Resources (Holdings) Limited (the “Company”) present the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three months ended 31 March 2016 together with the comparative figures for the corresponding period in 2015 as follows:

	<i>Notes</i>	For the 3 months ending 31 March 2016 HK\$'000	For the 3 months ending 31 March 2015 HK\$'000
Turnover	2	3,550	2,813
Cost of Services		<u>–</u>	<u>–</u>
Gross Profit		3,550	2,813
Other Income		47	50
Staff costs		(812)	(2,447)
Depreciation and amortization		(150)	(1,101)
Operation lease rental		(383)	(583)
Other operating expenses		<u>(1,615)</u>	<u>(2,011)</u>
Profit/(Loss) from operating activities		637	(3,279)
Finance costs		<u>(244)</u>	<u>(329)</u>
Profit/(Loss) before taxation		393	(3,608)
Taxation	4	<u>–</u>	<u>–</u>
Profit/(Loss) for the period from Operation		393	(3,608)
Profit from disposal of subsidiaries	6	<u>7,680</u>	<u>–</u>
Profit/(Loss) for the period		8,073	(3,608)
Attributable to:			
Equity holders of the Company		4,272	(2,479)
Non Controlling Interest		<u>3,801</u>	<u>(1,129)</u>
		<u>8,073</u>	<u>(3,608)</u>
Profit/(Loss) per share			
– Basic	5	<u>0.24 cents</u>	<u>(0.14) cents</u>

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited Consolidated Statement of Changes in Equity for the three months ended 31 March 2016:

	Attributable to equity holders of the Company						Non Controlling interest	Total
	Issued Share Capital	Share Premium	Capital Reserve	Translation Reserve	Accumulated Loss	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2015	176,183	304,371	26,020	(3,587)	(401,961)	101,026	1,739	102,765
Movement of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,479)</u>	<u>(2,479)</u>	<u>(1,129)</u>	<u>(3,608)</u>
As at 31 March 2015	<u>176,183</u>	<u>304,371</u>	<u>26,020</u>	<u>(3,587)</u>	<u>(404,440)</u>	<u>98,547</u>	<u>610</u>	<u>99,157</u>
As at 1 January 2016	176,183	304,371	26,020	(3,751)	(413,804)	89,019	(19,212)	69,807
Movement of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,272</u>	<u>4,272</u>	<u>3,801</u>	<u>8,037</u>
As at 31 March 2016	<u>176,183</u>	<u>304,371</u>	<u>26,020</u>	<u>(3,751)</u>	<u>(409,532)</u>	<u>93,291</u>	<u>(15,411)</u>	<u>77,880</u>

Notes:

1. BASIS OF PREPARATION

The unaudited quarterly financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“the HKICPA”), and accounting principles general accepted in Hong Kong. The principal accounting policies adopted in preparing these financial statements are consistent with those followed in the Group’s annual audited consolidated financial statements for the year ended 31 December 2015.

2. TURNOVER

The Group’s turnover represents the invoiced value of service fees from the provision of management and consultancy services; and excludes intra-Group transactions as follows:

	For the three months ended	
	31 March	
	2016	2015
	HK\$’000	HK\$’000
Continuing Operation		
Management and consultancy fee	<u>3,550</u>	<u>2,813</u>
Total turnover	<u>3,550</u>	<u>2,813</u>

3. FINANCE COSTS

The finance costs represent the interest on amount due to the Company’s ultimate holding company, which bears interest at 5%.

4. TAXATION

No provision for Hong Kong Tax is required.

5. PROFIT PER SHARE

The calculation of basic profit per share for the three months ended 31 March 2016 is based on the net profit from ordinary activities attributable to shareholders of approximately HK\$4,272,000 (2015: loss HK\$2,479,000) and the weighted average number of ordinary shares of approximately 1,761,825,563 (2015: 1,761,825,563) during the period.

6. PROFIT FROM DISPOSAL OF SUBSIDIARIES

On 4 December 2015, the Company entered into a memorandum of understanding with an independent third party, pursuant to which the Company intended to dispose 100% equity interest in a subsidiary, Vega International Group Limited and on 24 March 2016, the Company entered into a Sales & Purchase Agreement which completed the disposal. The disposal included all managed receivables and payables reported under one of the subsidiaries.

	<i>HK\$'000</i>
Gain on Disposal of Vega International Group Limited and its subsidiaries (including managed receivables & payables)	7,715
Exchange difference arising on disposal transaction	<u>(35)</u>
Gain on disposal of subsidiaries	<u>7,680</u>
Non-Controlling Interest related to disposed subsidiaries	<u>3,801</u>

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 31 March 2016 (2015: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover and profit attributable to shareholders

The consolidated turnover of the Group for the three months ended 31 March 2016 was approximately HK\$3,550,000 (2015: HK\$2,813,000). The increase in turnover was attributed to the steady growth of the business sector. The unaudited consolidated profit from operating activities for the three months ended 31 March 2016 was approximately HK\$637,000 comparing with the loss of the corresponding period last year of approximately HK\$3,279,000.

The return to profit from operation is also attributed to the reduction of staff cost that was due to the restructuring of the Group's PRC operations and the reduction to the amortization expense of which all intangible assets being fully amortized in 2015.

Financial cost

The financial cost of the Group for the three months ended 31 March 2016 was approximately HK\$244,000 (2015: HK\$329,000) which decreased by approximately 25.84 % as compared to that of the same period of last year.

Liquidity, financial resources and capital structure

For the three months ended 31 March 2016, the Group's borrowing consists of a loan from the Company's immediate holding company of approximately HK\$22,593,000. The Group had a cash balance of approximately HK\$10,506,000 (2015: HK\$23,439,000).

The Group continues to adopt a prudent treasury policy to maintain its cash balance either in Hong Kong Dollars, or in the local currencies of the operating subsidiaries, maintaining a minimum exposure to foreign exchange risks.

The issued share capital of the Group for the three months ended 31 March 2016 was HK\$176,182,556 (2015: HK\$176,182,556).

Gearing Ratio

As at 31 March 2016, the gearing ratio of the Group, expressed as a percentage of net debt divided by total capital plus net debt, was 42.37% (2015: 68.34%).

Employee and remuneration policies

As at 31 March 2016, the Group employed a total of 9 employees (as at 31 March 2015: 46), of which 3 were located in Hong Kong, 5 were located in the PRC and 1 located in USA. The Group's remuneration policies are in line with the prevailing market practices and formulated on the basis of performance and experience of the employees. The salary and related benefits of the employees are rewarded on a performance related basis and the general remuneration structure of the Group is subject to review annually.

OPERATIONAL REVIEW

During the period under review, the Group was focusing its effort in its management services consultative on the financial related sector. Furthermore the Group continues to research, develop and explore investment opportunities which are strategic to its business operations. Both The Group and the Company does not have any financial difficulties to an extent that may seriously impair the Company's ability to continue its business and the revenue generated by the services provided sufficient cash-flow to operate efficiently.

The Board, looking forward, views that by concentrating on providing our services and expanding on its financial related services and private equity consultative will enhance the company's incremental business and the future value of the company.

Management services and financial related services

During the period under review the Company has been focused on actively developing and expanding the business in the management and consultative services in the financial services sector and completing the restructuring process for the Private Equity service provider structure in accordance to the new People's Republic of China's (PRC) legislations governing the Private Equity industry. The restructure was started during the first Quarter of 2015 ("The Company also clarifies that, following the closing of the acquisition in November 2014, an operational strategic decision was made to reduce the operational expense of the Subsidiary, resulting in the consolidating of the Subsidiary's Shanghai operations into its Guangzhou operations. Guangzhou is where the Company has been geographically concentrated in as well as most of the projected managed contracts are to be located," as disclosed in the announcement 23 March 2015) and has progressed throughout the year (as disclosed in the interim report, third quarter report and annual report of the year ended 31st December, 2015). We are pleased to report to the shareholders that after the disposal of the subsidiary in Shanghai, with a net liability position during the quarter under review, a fully restructured well efficient organizational structure is currently complete with a base for the services from the Qianhai Economic zone of the Shenzhen district. In addition, as a result of the disposal and the write off of the corresponding liability the Group would have a one- time gain of approximately HKD3,879,000, as a result of repositioning, taking full advantage of the economic zone policies, promulgated by the Government of the People's Republic of China. In addition, by adhering to the requirement of the attainment of government recognized qualified managers, the Group has taken the necessary steps to adhere to the currently updated stringent PRC Private Equity governing regulations.

In general both of the Company's onshore and offshore business restructuring and advisory services had been emergent and continues to develop and grow. The scope of services ranges from commercial restructuring advisory services to debt restructuring services. In regards of commercial restructuring advisory services the subsidiary includes aspects such as analyzing the business financials and ensuring that there are correlations with the operational metrics in order to fully understand the key drivers of underperformance whereby identifying improvement opportunities through detailed analysis of key commercial factors such as product and customer profitability, contract performance, customer acquisition costs, sales channel performance and store profitability. This is all completed together with quantifying and assessing the financial impacts of the performance of the tailored prepared improvement plans for the clients.

As for debt restructuring advisory services, the subsidiary targets clients that have solid operations but are highly geared and are about to breach or expect to breach its financial covenants or have insufficient headroom on its banking facilities. The subsidiary has been advising and leading negotiations for the clients with their lenders and creditors from the initial discussions to full documentation of agreed alternative solutions. In addition, our distressed debt advisory team has the expertise to deliver in-depth diagnosis of the client's financing requirements and provides comprehensive analysis of options, appraising achievable alternatives and exploring alternative fund sources.

The Company has just recently finalized, as normal course of business, the negotiations for the financial advisory roles as a strategic/general partner for a number of overseas investment opportunities, which are in line with the PRC directives of Chinese outbound foreign direct investments, covering regions in Europe, South East Asia and America. The Company is currently forming Joint Ventures with a number of geographically well placed strategic partners for the operations of the management services of the investment ventures. These investments will be funded by the increase demand of Chinese investors looking for investment opportunities overseas, acting as limited partners. This demand has been emerging because China has transformed rapidly from being an importer of capital into a major exporter of capital creating a substantial amount of capital outflow demand. In addition, with the trend of RMB liberalization on the horizon, the Group envisions it will be in a great position to take advantage of the future macro-economic environment.

Furthermore, apart from the aforementioned operations, the Group continues to research, develop and explore investment opportunities which are strategic to its business operations and which will contribute significantly to the return of the Company's shareholders.

Preliminary Environmental, Social and Governance Report

Although the Group's core business is not strongly tied to emissions that are hazardous to the environment the Group has adopted other ways to try to have an impact. During the period under review the Group have actively engaged in the Environmental, Social and Governance (ESG) process. The Board and the senior executives of the Company has participated in over 20 hours of ESG training. In addition, the Directors of the Group are currently very well diversified in respect of both professionally and geographically to ensure the Group will be prepared for ongoing ESG compliances.

For the Environmental aspect in particular, the Directors and senior executives have actively engaged in telephone conference meetings rather than the traditional face-to-face for all non-essential meetings. This will decrease the travel for the Board and the senior executives hence reducing the corresponding carbon emission produced from the traveling. Also, the Group has taken on an electronic based filing storage system whereby the amount of printed materials and hard copies of non-essential materials will be kept at a minimum in order to promote a more Green corporate culture.

As for the Social aspect, the Group will review and screen clients for their social and environmental effects to the society before engaging in consultation services with them. In addition, to the best knowledge of the Group none of the Directors and senior executives are under any legal disputes or have any outstanding legal issues.

Going forward the Group and its Board will continue to improve, enhance and promote the ESG process.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Deregistration and Winding-Up of various Subsidiaries in the Group

The Board has resolved that, in order to reduce the operating costs of the Group, those subsidiaries within the Group which no longer add value to, nor generate any income attributable to the Group, should be deregistered, or voluntarily wound up.

Those subsidiaries which are currently in the deregistration process are: Sinobase Asia Limited.

During the period the Kasun Asian Capital Resources Management Limited and South Pearl Limited (廣州南方明珠網絡有限公司) were de-registered.

As disclosed in the Company's 2015 Annual Report, Vega International Group Limited, Vega Capital Limited (廣州維嘉投資顧問有限公司) and Shanghai Zero2IPO M&A Fund Management Co Limited (上海清科凱盛投資管理有限公司) were disposed during the reporting period.

Those subsidiaries which are currently being voluntarily wound up are: Asian Information Investment Consulting Limited, BuyCollection.com Limited, and Myhome Network Limited.

MATERIAL LITIGATION AND CONTINGENT LIABILITIES

Nil

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Nil

DISCLOSURE OF INTERESTS

(A) Interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 March 2016, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares, or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571, ("SFO") which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such

provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) Long Positions in the Ordinary Shares of HK\$0.10 each (the “Shares”) of the Company

	Number of issued shares held, capacity and nature of interest					Percentage of the Company's issued Shares as at 31 March 2016
	Directly beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust	Total	
Directors						
Mr. Xie Xuan	-	-	518,014,782 <i>(Note 1)</i>	-	518,014,782	29.40%
Mr. Qiu Yue	15,430,000	-	18,620,436 <i>(Note 2)</i>	-	34,050,436	1.93%
	<u>15,430,000</u>	<u>-</u>	<u>536,635,218</u>	<u>-</u>	<u>552,065,218</u>	<u>31.33%</u>

Note 1: The controlled corporation is Glamour House Limited, which is accustomed to acting in accordance with Mr. Xie Xuan's instructions who is its sole director, and which is the beneficial owner as to 67.18% of Asian Dynamics International Limited.

Note 2: The controlled corporation is Lucky Peace Limited, which is incorporated in Samoa, and which is 100% wholly-owned by Mr. Qiu Yue.

Save as disclosed above, as at 31 March 2016, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(B) Interests and short positions of the Substantial Shareholders in the Shares, underlying shares and debentures of the Company

As at 31 March 2016, so far as was known to the Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had, or were deemed or taken to have, an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, were as follows:

(i) Long Positions in the Shares

Name of Shareholder	Capacity	Number of shares	Percentage of the Company's issued Shares as at 31 March 2016
Glamour House Limited	Interest of a controlled corporation (<i>Note 1</i>)	518,014,782	29.40%
Asian Dynamics International Limited	Beneficial owner (<i>Note 2</i>)	517,896,132	29.39%
Century Field Limited	Beneficial Owner	276,306,666	15.68%

Note 1: The controlled corporation is Glamour House Limited, which is accustomed to acting in accordance with Mr. Xie Xuan's instruction who is its sole director and which is the beneficial owner as to 67.18% of Asian Dynamics International Limited.

Note 2: The controlled corporation is Asian Dynamics International Limited, which is beneficially owned as to 67.18% by Glamour House Limited.

(ii) Long Position in the Underlying Shares

Nil

Save as disclosed above, as at 31 March 2016, the Directors of the Company were not aware of any other person (other than the Directors and the Supervisors of the Company) who had an interest and short position in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO and/or were directly or indirectly interested in 5% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate granted to any Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or their respective spouse or minor children to acquire such rights in any other body corporate.

COMPETING INTERESTS

None of the Directors or management shareholders of the Company or their respective associates had an interest in a business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

MANAGEMENT SHAREHOLDERS

As far as the Directors are aware of, other than Asian Dynamics International Limited, Glamour House Limited and Mr. Xie Xuan as disclosed above, there was no other person as at 31 March 2016 who was directly or indirectly interested in 5% or more of the shares then in issue of the Company and who was able, as a practicable matter, to direct or influence the management of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period ended 31 March 2016.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors.

The Company has made specific enquiry of all Directors and the Directors have confirmed that they have complied with all the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the three months ended 31 March 2016.

AUDIT COMMITTEE

In compliance with Rule 5.28 of the GEM Listing Rules, the Company has established an audit committee comprising independent non-executive Directors, namely Mr. Wu Jixue, Mr. Zheng Hongliang and Dr. Wang Yi have adopted terms of reference governing the authorities and duties of the audit committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls of the Group. The audit committee has reviewed the draft of this announcement and has provided advice and comments thereon.

On behalf of the Board
Xie Xuan
Chairman

Hong Kong, 12 May 2016

As at the date of this announcement, the executive directors of the Company are Mr. Xie Xuan (Chairman), Mr. XiaoJing, Mr. Qiu Yue and Dr. Feng Ke; and the independent non-executive directors are Mr. Wu Jixue, Mr. Zheng Hongliang and Dr. Wang Yi.

This announcement, for which the directors of Asian Capital Resources (Holdings) Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Asian Capital Resources (Holdings) Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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