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**ASIAN CAPITAL HOLDINGS LIMITED**

**卓亞資本有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8295)**

**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011**

**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.*

## HIGHLIGHTS

- The Group's overall revenue for the nine months ended 30 September 2011 was approximately HK\$16.93 million (2010: approximately HK\$16.88 million), marginally exceeding that of the corresponding period in 2010. The income mix has become much more diversified pursuant to the Group's adopted business strategy. Out of the overall revenue, corporate advisory income accounted for only approximately HK\$14.52 million or approximately 86%, compared to the nine months ended 30 September 2010 of approximately HK\$16.87 million or nearly 100%. Approximately HK\$2.41 million of revenue came from net securities gain (both realised and unrealised), or approximately 14% (2010: approximately HK\$0.01 million or less than 1%). Within the corporate advisory income, underwriting and placing activities contributed approximately HK\$1.99 million (2010: approximately HK\$1.36 million).
- Operating expenses for the nine months ended 30 September 2011 were approximately HK\$15.63 million (2010: approximately HK\$18.29 million), representing a decrease of approximately 15% for the corresponding period in 2010. The 2010 operating expenses included approximately HK\$4.15 million of listing expenses. After allowing this, there was indeed an 11% increase in operating expenses, generally reflecting higher staff costs incurred in 2011.
- Accordingly, the Group recorded a profit of approximately HK\$1.04 million for the nine months ended 30 September 2011 (2010: loss of approximately HK\$1.61 million).
- Earnings per share for the nine months ended 30 September 2011 was approximately HK0.09 cents (2010: losses per share of approximately HK0.16 cents).
- The Board does not recommend payment of an interim dividend for the three months and nine months ended 30 September 2011.

The board of directors (the “Board”) of Asian Capital Holdings Limited (the “Company”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months and nine months ended 30 September 2011 together with comparative unaudited figures for the corresponding periods in 2010, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months and nine months ended 30 September 2011

|   | Notes | Three months ended<br>30 September |                                 | Nine months ended<br>30 September |                                 |
|---|-------|------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
|   |       | 2011<br>(Unaudited)<br>HK\$'000    | 2010<br>(Unaudited)<br>HK\$'000 | 2011<br>(Unaudited)<br>HK\$'000   | 2010<br>(Unaudited)<br>HK\$'000 |
| <b>Revenue</b>  | 3     | <u>8,427</u>                       | <u>7,441</u>                    | <u>16,933</u>                     | <u>16,878</u>                   |
| Other income and gains  | 3     | <u>126</u>                         | <u>260</u>                      | <u>286</u>                        | <u>299</u>                      |
| Operating expenses  |       | <u>(6,013)</u>                     | <u>(5,949)</u>                  | <u>(15,634)</u>                   | <u>(18,292)</u>                 |
| <b>Profit/(Loss) before tax</b>   |       | <u>2,540</u>                       | <u>1,752</u>                    | <u>1,585</u>                      | <u>(1,115)</u>                  |
| Income tax expense  | 5     | <u>(448)</u>                       | <u>(263)</u>                    | <u>(545)</u>                      | <u>(497)</u>                    |
| <b>Profit/(Loss) for the period</b>   |       | <u><u>2,092</u></u>                | <u><u>1,489</u></u>             | <u><u>1,040</u></u>               | <u><u>(1,612)</u></u>           |
| <b>Other comprehensive<br/>income/(loss)</b>  |       |                                    |                                 |                                   |                                 |
| Revaluation surplus realised upon<br>redemption of available-for-sale<br>investments              |       | <u>2</u>                           | <u>–</u>                        | <u>–</u>                          | <u>–</u>                        |
| Changes in fair value of<br>available-for-sale<br>investments, net of tax                         |       | <u>1</u>                           | <u>12</u>                       | <u>(2)</u>                        | <u>(31)</u>                     |
| <b>Other comprehensive income/(loss)<br/>for the period, net of tax</b>                           |       | <u><u>3</u></u>                    | <u><u>12</u></u>                | <u><u>(2)</u></u>                 | <u><u>(31)</u></u>              |
| <b>Total comprehensive<br/>income/(loss) for the period</b>                                       |       | <u><u>2,095</u></u>                | <u><u>1,501</u></u>             | <u><u>1,038</u></u>               | <u><u>(1,643)</u></u>           |
| <b>Earnings/(Losses) per share<br/>attributable to ordinary<br/>equity holders of the Company</b> | 7     |                                    |                                 |                                   |                                 |
| – Basic (HK cents)  |       | <u><u>0.17</u></u>                 | <u><u>0.12</u></u>              | <u><u>0.09</u></u>                | <u><u>(0.16)</u></u>            |
| – Diluted (HK cents)  |       | <u><u>N/A</u></u>                  | <u><u>N/A</u></u>               | <u><u>N/A</u></u>                 | <u><u>N/A</u></u>               |

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2011

|  | Attributable to ordinary equity holders of the Company |               |              |              |             |             |              |               |
|--|--|---------------|--------------|--------------|-------------|-------------|--------------|---------------|
|  | Issued   | Share         | Contributed  | Share        | Asset       | Available-  | Retained     | Total         |
|  | capital  | premium       | surplus      | option       | revaluation | for-sale    | profits/     |               |
|  | (Unaudited)  | (Unaudited)   | (Unaudited)  | (Unaudited)  | (Unaudited) | investment  | (Accumulated |               |
| HK\$'000   | HK\$'000   | HK\$'000      | HK\$'000     | HK\$'000     | revaluation | losses)     |              |               |
| At 1 January 2011  | 12,000   | 43,886        | 9,000        | 1,990        | -           | 2           | 3,227        | 70,105        |
| Total comprehensive income for the period                  | -  | -             | -            | -            | -           | (2)         | 1,040        | 1,038         |
| Equity-settled share option arrangements                   | -  | -             | -            | 2,050        | -           | -           | -            | 2,050         |
| <b>At 30 September 2011 (Unaudited)</b>                    | <b>12,000</b>  | <b>43,886</b> | <b>9,000</b> | <b>4,040</b> | <b>-</b>    | <b>-</b>    | <b>4,267</b> | <b>73,193</b> |
| At 1 January 2010  | -  | 141           | 10,000       | -            | 348         | -           | 32,360       | 42,849        |
| Total comprehensive loss for the period                    | -  | -             | -            | -            | -           | (31)        | (1,612)      | (1,643)       |
| Acquisition of subsidiaries pursuant to the reorganisation | 1,000  | -             | (1,000)      | -            | -           | -           | -            | -             |
| Capitalisation issue                                       | 8,000  | (8,000)       | -            | -            | -           | -           | -            | -             |
| Placing of shares  | 3,000  | 57,000        | -            | -            | -           | -           | -            | 60,000        |
| Share placement expenses                                   | -  | (5,255)       | -            | -            | -           | -           | -            | (5,255)       |
| Equity-settled share option arrangements                   | -  | -             | -            | 1,230        | -           | -           | -            | 1,230         |
| Transfer to retained profits                               | -  | -             | -            | -            | (348)       | -           | 348          | -             |
| Interim 2010 dividend distributed by a subsidiary          | -  | -             | -            | -            | -           | -           | (29,000)     | (29,000)      |
| <b>At 30 September 2010 (Unaudited)</b>                    | <b>12,000</b>  | <b>43,886</b> | <b>9,000</b> | <b>1,230</b> | <b>-</b>    | <b>(31)</b> | <b>2,096</b> | <b>68,181</b> |

# NOTES TO THE THIRD QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 5 January 2010 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The shares of the Company are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The principal activity of the Company is investment holding. The subsidiaries are principally engaged in the provision of corporate advisory services and related activities, including investment activities.

## 2. BASIS OF PRESENTATION

The unaudited condensed consolidated third quarterly financial statements for the nine months ended 30 September 2011 (the “Third 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 (“HKICPA”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”).

The principal accounting policies and methods of computation used in the preparation of the Third Quarterly Financial Statements are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2010.

The HKICPA has issued a number of new and revised HKFRSs and interpretations that are first effective or available for early adoption for the current accounting period of the Company. The adoption of these new and revised HKFRSs has had no material effect on the Third Quarterly Financial Statements and there have been no significant changes to the accounting policies applied in these financial statements.

The Third Quarterly Financial Statements have been prepared under the historical cost convention, except for certain equity and fund investments which have been measured at fair values. The Third Quarterly Financial Statements are presented in Hong Kong dollars (“HK\$”), which is the Group’s functional currency. All values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation in full.

### 3. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents corporate advisory income and securities dealing commission and gain.

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

|   | Three months ended<br>30 September |                                 | Nine months ended<br>30 September |                                 |
|---|------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
|   | 2011<br>(Unaudited)<br>HK\$'000    | 2010<br>(Unaudited)<br>HK\$'000 | 2011<br>(Unaudited)<br>HK\$'000   | 2010<br>(Unaudited)<br>HK\$'000 |
| <b>Revenue</b>                              |                                    |                                 |                                   |                                 |
| Corporate advisory income                   | 5,755                              | 7,441                           | 14,521                            | 16,869                          |
| Securities dealing commission and gain, net | 2,672                              | –                               | 2,412                             | 9                               |
|   | <u>8,427</u>                       | <u>7,441</u>                    | <u>16,933</u>                     | <u>16,878</u>                   |
| <b>Other income and gains</b>               |                                    |                                 |                                   |                                 |
| Reversal of other payables                  | –                                  | 170                             | –                                 | 170                             |
| Interest income                             | 139                                | 75                              | 273                               | 102                             |
| Others                                      | (13)                               | 15                              | 13                                | 27                              |
|   | <u>126</u>                         | <u>260</u>                      | <u>286</u>                        | <u>299</u>                      |

### 4. OPERATING SEGMENT INFORMATION

The Group focuses on the provision of corporate advisory and related activities, including investment activities. Information reported to the Group's chief operating decision maker, for the purpose of resource allocation and performance assessment, is concentrated on the operating results of the Group as a whole as the Group's resources are integrated and no discrete financial information is available. Accordingly, no segment analysis is presented.

### 5. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2010: 16.5%) for the three months and nine months ended 30 September 2011 and 2010.

|                     | Three months ended<br>30 September |                                 | Nine months ended<br>30 September |                                 |
|---------------------|------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
|                     | 2011<br>(Unaudited)<br>HK\$'000    | 2010<br>(Unaudited)<br>HK\$'000 | 2011<br>(Unaudited)<br>HK\$'000   | 2010<br>(Unaudited)<br>HK\$'000 |
| Current – Hong Kong | <u>448</u>                         | <u>263</u>                      | <u>545</u>                        | <u>497</u>                      |

There was no significant unprovided deferred tax for the relevant periods and at the end of each reporting period.

## 6. DIVIDENDS

|   | Three months ended<br>30 September |                                 | Nine months ended<br>30 September |                                 |
|---|------------------------------------|---------------------------------|-----------------------------------|---------------------------------|
|   | 2011<br>(Unaudited)<br>HK\$'000    | 2010<br>(Unaudited)<br>HK\$'000 | 2011<br>(Unaudited)<br>HK\$'000   | 2010<br>(Unaudited)<br>HK\$'000 |
| Interim dividends distributed by subsidiaries ( <i>Note</i> ) | -                                  | -                               | -                                 | 29,000                          |

*Note:* The amount represented interim dividend declared and paid by the Company's subsidiaries to their then shareholders prior to the listing of the Company on the GEM of the Stock Exchange during the nine months ended 30 September 2010. The rate of dividend and the number of shares ranking for dividend are not presented as such information is not meaningful for the purpose of the Third Quarterly Financial Statements.

The Board does not recommend payment of an interim dividend for the three months and nine months ended 30 September 2011.

## 7. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

The calculations of basic earnings per share for the three months and nine months ended 30 September 2011 are based on the unaudited consolidated profit of HK\$2,092,000 and HK\$1,040,000 for each of the three months and nine months ended 30 September 2011 respectively (three months and nine months ended 30 September 2010: consolidated profit of HK\$1,489,000 and consolidated loss of HK\$1,612,000 respectively) and the weighted average number of 1,200,000,000 shares in issue for each of the three months and nine months ended 30 September 2011 respectively (three months and nine months ended 30 September 2010: 1,200,000,000 and 1,015,384,615 shares respectively).

No adjustment had been made to the basic earnings per share amounts presented for the three months and nine months ended 30 September 2010 and 30 September 2011 as the conversion of the outstanding share options during the period had an anti-dilutive effect on the basic earnings per share.

## 8. APPROVAL OF THE THIRD QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Third Quarterly Financial Statements were approved and authorised for issue by the Board on 8 November 2011.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business review

The Group is principally engaged in corporate advisory and related activities involving the provision of a variety of corporate finance advisory services with a primary focus on companies listed in Hong Kong. The scope of corporate advisory services and related activities offered by the Group includes one or more of the following:

- (i) the resumption of trading in the shares of companies listed on the Stock Exchange, the trading of which generally has been suspended for more than ten business days (“Corporate Resumption”);
- (ii) advising on corporate finance activities of companies (whether listed or unlisted), including mergers and acquisitions, arranging pre-initial public offering fund raising for listing candidates and acting as independent financial adviser to listed companies;
- (iii) acting as sponsor in initial public offering and listing of shares on the Stock Exchange (“IPO”), advising listed companies on compliance requirements, and acting as compliance adviser to listed companies (whether post-IPO or post-resumption);
- (iv) services related to litigation support and distressed asset recovery; and
- (v) dealing and investment in securities, as principal and agent.

Corporate Resumption services of the Group remained active during the nine months ended 30 September 2011. The Corporate Resumption of Tack Fat Group International Limited (“Tack Fat”) (Stock Code: 928) was successfully completed in the third quarter of 2011 with its shares resumed trading on the Stock Exchange on 9 August 2011. Tack Fat’s shares, for which the Group underwrote and was allocated some as the open offer was under-subscribed, performed well above their subscription price. Trading in the shares of China Medical and Bio Science Limited (Stock Code: 8120) resumed on 1 November 2011 following the satisfaction of the resumption conditions imposed by the Stock Exchange. Fee income receivable upon completion of this transaction will be booked in the fourth quarter this year. In the case of Smart Union Group (Holdings) Limited (“Smart Union”) (Stock Code: 2700), which received Stock Exchange’s in-principle, conditional resumption approval in June 2011, its shares are scheduled to resume trading on 11 November 2011 based on the expected timetable. In this transaction, the Group took on placing and underwriting commitments for the restructured new shares and convertible bonds of Smart Union and has taken up some shares and convertible bonds in November 2011 upon completion of the restructuring of Smart Union. The relevant income will be reflected in the fourth quarter of 2011. The resumption proposal of First Natural Foods Holdings Limited (Provisional Liquidators Appointed) (Stock Code: 1076), having been rejected by the Listing Committee of the Stock Exchange, and whose decision was upheld by the Listing (Review) Committee of the Stock Exchange in March 2011, was finally accepted by the Listing Appeals Committee of the Stock Exchange upon the appeal hearing held in September 2011. Resumption conditions were imposed, and are to be satisfied by 31 March 2012.

As foreshadowed in the first quarter this year, revenue for the nine months ended 30 September 2011 reflected some achievements in income diversification. Corporate Resumption remained the highest contributor, with revenue booked from eight assignments. There were 11 mergers and acquisitions projects during the reporting period that contributed healthily to the revenue. The Group's six assignments from IPO and compliance advisory work also recorded a more significant growth in revenue contribution.

The Group only booked revenue from one assignment in respect of litigation support and distressed asset recovery during the reporting period with two assignments still in active pursuit.

During the third quarter of 2011, Asian Capital (Corporate Finance) Limited ("Asian Capital"), a wholly-owned subsidiary of the Company, completed the underwriting in the open offer of Tack Fat for approximately HK\$150 million. The Group was allotted with some Tack Fat shares. In August 2011, Asian Capital entered into a placing agreement on a fully underwritten basis to place the restructured new shares and convertible bonds of Smart Union for approximately HK\$90.10 million. Approximately HK\$79.00 million worth of convertible bonds were sub-underwritten to the investor of Smart Union and one other stock broker. In November 2011, two further placing agreements were arranged for the restructured new shares of Smart Union for an aggregate sum of approximately HK\$9.58 million. As at the date of this announcement, two of the aforesaid three placing agreements have been completed, with the remaining placing agreement pending approval from the High Court of Hong Kong which is being sought. The Group has therefore taken up some shares and convertible bonds of Smart Union, to be reflected in the fourth quarter of 2011.

During the reporting period, the Group's securities portfolio (including the Tack Fat shares mentioned above) recorded net realised and unrealised gains of approximately HK\$2.41 million against the September 2011 month end marked to market exposure of approximately HK\$9.73 million.

The Group's investment in the CEG-MCL Renaissance Fund Segregated Portfolio was refunded in full pursuant to the terms of fund as the fund had been underinvested. The Group continues to explore avenues to deploy its capital through underwriting and placing opportunities by identifying suitable investment propositions.

## **Financial review**

The Group's overall revenue for the nine months ended 30 September 2011 was approximately HK\$16.93 million (2010: approximately HK\$16.88 million), marginally exceeding that of the corresponding period in 2010. The income mix has become much more diversified pursuant to the Group's adopted business strategy. Out of the overall revenue, corporate advisory income accounted for only approximately HK\$14.52 million or approximately 86%, compared to the nine months ended 30 September 2010 of approximately HK\$16.87 million or nearly 100%. Approximately HK\$2.41 million of revenue came from net securities gain (both realised and unrealised), or approximately 14% (2010: approximately HK\$0.01 million or less than 1%). Within the corporate advisory income, underwriting and placing activities contributed approximately HK\$1.99 million (2010: approximately HK\$1.36 million).

Operating expenses for the nine months ended 30 September 2011 were approximately HK\$15.63 million (2010: approximately HK\$18.29 million), representing a decrease of approximately 15% for the corresponding period in 2010. The 2010 operating expenses included approximately HK\$4.15 million of listing expenses. After allowing this, there was indeed an 11% increase in operating expenses, generally reflecting higher staff costs incurred in 2011.

Accordingly, the Group recorded a profit of approximately HK\$1.04 million for the nine months ended 30 September 2011 (2010: loss of approximately HK\$1.61 million). Earnings per share for the nine months ended 30 September 2011 was approximately HK0.09 cents (2010: losses per share of approximately HK0.16 cents).

## **Outlook**

The Group is deploying its capital into areas where the Group has sufficient knowledge and believes that those investments represent good value propositions. In most cases, these investments are complimentary to Corporate Resumption and mergers and acquisitions businesses. While making investment decisions, the Group's management is mindful of the possible effects of the sustained weakness of the United States dollars because of its debt levels, excessive money supply and low interest rates, sovereign debt crisis in Europe with knock on effects to its financial system and the tightening of liquidity in the People's Republic of China in the wake of rising inflation. The securities portfolio held by the Group is similarly exposed to market and liquidity risks.

## **SHARE OPTIONS SCHEMES**

The Company has adopted a pre-IPO share option scheme (the "Pre-IPO Share Option Scheme") and a share option scheme (the "Share Option Scheme") on 7 June 2010. The principal terms of the two schemes were summarised in the sections headed "Pre-IPO Share Option Scheme" and "Share Option Scheme" in Appendix V to the Company's prospectus dated 11 June 2010.

The purpose of the Pre-IPO Share Option Scheme and the Share Option Scheme is to enable the Company to grant options to the participants as incentive or rewards for their contributions to the Group.

### **Pre-IPO Share Option Scheme**

Options to subscribe for an aggregate of 120,000,000 shares at an exercise price of HK\$0.20 were granted to 24 participants by the Company, each at a consideration of HK\$1.00 under the Pre-IPO Share Option Scheme. All the available options under the Pre-IPO Share Option Scheme were granted on 10 June 2010 and no further options could be granted under the Pre-IPO Share Option Scheme thereafter.

As at 30 September 2011, details of the options granted under the Pre-IPO Share Option Scheme were as follows:

| Name of grantee                               | Exercise period<br>(dd/mm/yy) | Number of options                           |                                   |                                   |                                | Outstanding<br>as at<br>30 September<br>2011 | Approximate<br>percentage<br>of issued<br>share capital<br>of the<br>Company |
|---|-------------------------------|---|-----------------------------------|-----------------------------------|--------------------------------|--|--|
|   |                               | Outstanding<br>as at<br>31 December<br>2010 | Exercised<br>during<br>the period | Cancelled<br>during<br>the period | Lapsed<br>during<br>the period |  |  |
| <b>Directors</b>                              |                               |   |                                   |                                   |                                |  |  |
| Mr. YEUNG Kai Cheung<br>Patrick ("Mr. Yeung") | 10/06/12 – 09/06/20           | 10,000,000                                  | -                                 | -                                 | -                              | 10,000,000                                   | 0.83%  |
| Mr. CHAN Hok Leung                            | 10/06/12 – 09/06/20           | 10,000,000                                  | -                                 | -                                 | -                              | 10,000,000                                   | 0.83%  |
| Mr. XIN Luo Lin                               | 10/06/12 – 09/06/20           | 10,000,000                                  | -                                 | -                                 | -                              | 10,000,000                                   | 0.83%  |
| Mr. CHAN Kai Nang                             | 10/06/12 – 09/06/20           | 6,000,000                                   | -                                 | -                                 | -                              | 6,000,000                                    | 0.50%  |
| Mr. YI Xiqun                                  | 10/06/12 – 09/06/20           | 6,000,000                                   | -                                 | -                                 | -                              | 6,000,000                                    | 0.50%  |
| Employees of the Group                        | 10/06/12 – 09/06/20           | 61,500,000                                  | -                                 | -                                 | (6,500,000)                    | 55,000,000                                   | 4.58%  |
| Consultant to the Group                       | 10/06/12 – 09/06/20           | 3,000,000                                   | -                                 | -                                 | (3,000,000)                    | -  | -  |
| Total   |                               | <u>106,500,000</u>                          | <u>-</u>                          | <u>-</u>                          | <u>(9,500,000)</u>             | <u>97,000,000</u>                            | <u>8.07%</u>   |

The options granted under the Pre-IPO Share Option Scheme shall vest in the relevant option holder in tranches in the following manner:

- (a) 10% of the option shall vest on 10 June 2012;
- (b) 20% of the option shall vest on 10 June 2013;
- (c) 30% of the option shall vest on 10 June 2014; and
- (d) 40% of the option shall vest on 10 June 2015.

### Share Option Scheme

During the nine months ended 30 September 2011, no option was granted, exercised or lapsed under the Share Option Scheme.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2011, interests and short positions of the directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (“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 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 Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the directors to be notified to the Company and the Stock Exchange, were as follows:

### Long positions in shares and underlying shares of the Company

| Name of director   | Capacity                           | Number of ordinary shares held | Number of underlying shares pursuant to share option | Aggregate interests | Approximate percentage of shareholding in the Company |
|--------------------|------------------------------------|--------------------------------|--|---------------------|---|
| Mr. Yeung          | Interest of controlled corporation | 630,000,000<br>(Note 1)        | –  | 630,000,000         | 52.50%  |
|                    | Beneficial owner                   | –                              | 10,000,000<br>(Note 2)                               | 10,000,000          | 0.83%   |
| Mr. CHAN Hok Leung | Beneficial owner                   | –                              | 10,000,000<br>(Note 2)                               | 10,000,000          | 0.83%   |
| Mr. XIN Luo Lin    | Beneficial owner                   | –                              | 10,000,000<br>(Note 2)                               | 10,000,000          | 0.83%   |
| Mr. CHAN Kai Nang  | Beneficial owner                   | –                              | 6,000,000<br>(Note 2)                                | 6,000,000           | 0.50%   |
| Mr. YI Xiqun       | Beneficial owner                   | –                              | 6,000,000<br>(Note 2)                                | 6,000,000           | 0.50%   |

#### Notes:

- These 630,000,000 shares are owned by Master Link Assets Limited (“Master Link”), a company whose entire issued share capital is owned by Mr. Yeung. By virtue of the SFO, Mr. Yeung is deemed to be interested in the 630,000,000 shares owned by Master Link.
- These shares represent the underlying interest in shares pursuant to the options granted to the directors by the Company under the Pre-IPO Share Option Scheme. Further details are set out in the paragraph headed “Pre-IPO Share Option Scheme” under the section headed “Share Option Schemes” above.

Save as disclosed above, as at 30 September 2011, none of the directors and chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or 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 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 Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the directors to be notified to the Company and the Stock Exchange.

## **SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

As at 30 September 2011, so far as was known to the directors of the Company, the following persons (other than the directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who are directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group were as follows:

### **Long positions in shares of the Company**

| <b>Name of shareholder</b>  | <b>Capacity</b>                    | <b>Number of shares held</b> | <b>Approximate percentage of shareholding in the Company</b> |
|---|------------------------------------|------------------------------|--|
| Master Link ( <i>Note 1</i> )   | Beneficial owner                   | 630,000,000                  | 52.50%   |
| Mr. LIM Hua Min (“Mr. Lim”) ( <i>Note 2</i> )                           | Interest of controlled corporation | 252,955,791                  | 21.08%   |
| Phillip Capital (HK) Limited (“Phillip Capital (HK)”) ( <i>Note 2</i> ) | Beneficial owner                   | 252,955,791                  | 21.08%   |
| Ms. LAM Pik Wah   | Beneficial owner                   | 90,000,000                   | 7.50%  |

#### *Notes:*

1. Master Link is an investment holding company incorporated on 8 January 1999 under the laws of the British Virgin Islands with limited liability, the entire issued share capital of which is wholly and beneficially owned by Mr. Yeung.
2. Phillip Capital (HK) is an investment holding company incorporated on 17 January 2006 under the laws of Hong Kong with limited liability, which is owned as to 85% by Mr. Lim. By virtue of the SFO, Mr. Lim is deemed to be interested in the 252,955,791 shares owned by Phillip Capital (HK).

Save as disclosed above, as at 30 September 2011, the directors of the Company were not aware of any other person (other than the directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or who is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

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

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the nine months ended 30 September 2011.

## **INTERESTS OF THE COMPLIANCE ADVISER**

As notified by VC Capital Limited ("VC Capital"), the compliance adviser of the Company, neither VC Capital nor its directors or employees or associates had any interests in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 30 September 2011.

Pursuant to the agreement dated 17 June 2010 entered into between VC Capital and the Company, VC Capital received and will receive fees for acting as the compliance adviser of the Company.

## **DIRECTORS' INTERESTS IN A COMPETING BUSINESS**

For the nine months ended 30 September 2011, the directors of the Company are not aware of any business or interest of the directors, the controlling shareholders of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

## **AUDIT COMMITTEE**

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises three independent non-executive directors, namely Mr. Chan Kai Nang (chairman of the audit committee), Mr. Tsui Pui Yan and Mr. Yi Xiqun.

Since the listing of the Company on GEM of the Stock Exchange, the Group has engaged a professional accounting firm (the "Internal Auditors") to conduct regular internal audits and to report to the audit committee. The Third Quarterly Financial Statements have been reviewed by the Internal Auditors and they confirm that they have not identified any matters that need to be brought to the attention of the audit committee.

The audit committee has reviewed the Third Quarterly Financial Statements and is of the opinion that the preparation of those statements complies with the applicable accounting standards and that adequate disclosures have been made.

By order of the Board  
**Asian Capital Holdings Limited**  
**YEUNG Kai Cheung Patrick**  
*Executive Chairman*

Hong Kong, 8 November 2011

*As at the date of this announcement, the Board comprises Mr. YEUNG Kai Cheung Patrick (executive chairman) and Mr. CHAN Hok Leung being executive directors; Mr. XIN Luo Lin (honorary chairman) being non-executive director; and Mr. YI Xiqun, Mr. CHAN Kai Nang and Mr. TSUI Pui Yan being independent non-executive directors.*

*This announcement will remain on the website of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This announcement will also be published and remains on the website of the Company at [www.asiancapital.com.hk](http://www.asiancapital.com.hk).*