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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)

PROFIT WARNING

This announcement is made by Asian Capital Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10(2) of the Rules Governing the Listing of Securities on the Growth Enterprises Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”). References are made to the announcements of the Company dated 21 May 2014 and 20 June 2014 (the “**Announcements**”) in relation to, among others, the entering into the MOU and Letter of Undertaking, and the Proposed Subscription. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board wishes to inform the Shareholders and potential investors that, based on a preliminary review of the unaudited financial information of the Company and its operating subsidiaries, the Group is expected to record after-tax losses for the three months and six months ended 30 June 2014 as compared to after-tax profits for the corresponding periods in 2013, and the loss for the first half of 2014 is expected to be approximately HK\$2 million (the “**Statement**”).

Based on the information available for the time being, the Board considers that the expected losses for the three months and six months ended 30 June 2014 were mainly attributable to the investment losses incurred. Notwithstanding the aforesaid anticipated after-tax losses, the Group remains debt free and its overall financial position continues to be sound.

This announcement is made solely on the basis of the preliminary assessment made by the management of the Group with reference to information available for the time being, including the unaudited financial information of the Company and its operating subsidiaries for the three months and six months ended 30 June 2014 which is still in the process of being finalised and is not based on any figures or information reviewed or audited by the Company’s auditors. Further details of the Group’s performance will be provided in the interim results of the Group for the six months ended 30 June 2014, which is expected to be published on or before 14 August 2014.

With the publication of the Company's announcement dated 21 May 2014, the offer period has commenced since 21 May 2014. Pursuant to Rule 10 of the Takeovers Code, the Statement constitutes a profit forecast and must be reported on by the Company's financial adviser and auditors or consultant accountants (the **"Profit Forecast Reports"**) under Rule 10.4 of the Takeovers Code. As at the date of this announcement, the Company has not engaged any financial adviser and auditors or consultant accountants for the purpose of the Profit Forecast Reports. Taking into account (i) the practical difficulties to include the Profit Forecast Reports in this announcement in terms of the additional time required for the preparation of the Profit Forecast Reports by the Company's financial adviser and auditors or consultant accountants; and (ii) the requirements of timely disclosures of the inside information under Rule 17.10(2) of the GEM Listing Rules and Part XIVA of the SFO, the Profit Forecast Reports have not been prepared as required under Rule 10 of the Takeovers Code. The Profit Forecast Reports are expected to be contained in the relevant circular in relation to the Proposed Subscription, if materialises, to be despatched to the Shareholders under the Takeovers Code (the **"Circular"**). However, the requirement under Rule 10.4 of the Takeovers Code to prepare the Profit Forecast Reports will no longer apply in the event that the interim results of the Group for the six months ended 30 June 2014 are published in accordance with Rule 10.9 of the Takeovers Code before the despatch of the Circular.

Shareholders and potential investors of the Company shall be aware that the MOU is non-legally binding. As at the date of this announcement, other than the MOU and the Letter of Undertaking, no formal or legally binding agreement has been entered into in respect of the Proposed Subscription. There is no assurance that any discussion mentioned in the Announcements will either be materialised or eventually be consummated. The discussion in relation to the Proposed Subscription set out in the MOU may or may not proceed, and the terms of the Proposed Subscription are subject to negotiations between the Company and the Subscriber. As such, the discussion may or may not lead to the making of a general offer for the Shares. Shareholders and potential investors are advised to exercise extreme caution with dealing in the Shares.

Shareholders and potential investors of the Company should also note that the Statement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus are advised to exercise caution in placing reliance on the Statement in assessing the merits and demerits of the MOU and the Proposed Subscription as disclosed in the Announcements and/or when dealing in the Shares.

By order of the Board
Asian Capital Holdings Limited
Li Pui Yee
Company Secretary

Hong Kong, 8 July 2014

Executive Directors:

Mr. YEUNG Kai Cheung Patrick (*Executive Chairman*)

Mr. CHAN Hok Leung

Non-executive Director:

Mr. XIN Luo Lin (*Honorary Chairman*)

Independent non-executive Directors:

Mr. CHAN Kai Nang

Mr. TSUI Pui Yan

Mr. YI Xiqun

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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.

The Directors jointly and severally accept fully responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

This announcement will remain on the website of the Growth Enterprise Market of the Stock Exchange 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.