ASIAN CAPITAL HOLDINGS LIMITED
卓亞資本有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8295)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

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.

FINANCIAL HIGHLIGHTS

- Absent contributions from new listings and the Asset Recovery Assignment, the Group's corporate advisory income for the Financial Year at HK$24.77 million was 8.6% down from 2013. Placing, underwriting and securities dealing commission in aggregate also came down substantially to only HK$0.17 million (2013: HK$4.54 million).

- The overall performance of the Group for the Financial Year was further dragged by the aggregated net investment loss of approximately HK$2.48 million (2013: net investment income of HK$8.36 million).

- Net interest income at HK$1.70 million was 84.8% higher than 2013, reflecting the investment strategies that the Group adopted in 2014.

- Overall revenue and other income at HK$24.42 million was accordingly substantially behind that of 2013, by 40.3%.

- With the exclusion of the outsourced professional fee for the Asset Recovery Assignment occasioned in 2013, lower bonus provisions and decrease in underwriting expenses, and despite significant provisions for trade receivables and office relocation costs, operating expenses came down by 11.6% on a year-on-year basis to HK$26.53 million.

- Helped by income tax credit, loss for the Financial Year was mitigated to HK$1.33 million, compared to an income of HK$8.64 million in 2013.

- Total equity attributable to ordinary equity holders of the Company advanced to HK$130.43 million as at 31 December 2014 (2013: HK$128.45 million), as a result of exercising of certain Pre-IPO Share Options and clawing back of share option reserve which together more than offsetting the loss for the Financial Year.

- Cash and cash equivalents remained at close to HK$114 million as at the Financial Year end; with the Group continuing to identify suitable opportunities whilst pursuing strategic alliances to enhance our business prospects and strengthen our capabilities thereby increasing our shareholders' value.

- The Board does not recommend the payment of a dividend for the Financial Year (2013: 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 year ended 31 December 2014 (the "Financial Year") together with comparative figures for 2013.

The financial information set out in this announcement below does not constitute the Group's statutory accounts for the Financial Year, 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 year ended 31 December 2014

	Note	**2014** *HK\$'000*	2013 *HK\$'000*
REVENUE	*4*	**24,937**	31,638
Net investment (loss)/income	*4*	**(2,478)**	8,363
Net interest income	*4*	**1,696**	923
Other income and gains	*4*	**261**	–
Revenue and other income	*4*	**24,416**	40,924
Operating expenses		**(26,532)**	(30,004)
(LOSS)/PROFIT BEFORE TAX	*5*	**(2,116)**	10,920
Income tax credit/(expense)	*6*	**785**	(2,285)
(LOSS)/PROFIT FOR THE YEAR		**(1,331)**	8,635
Other comprehensive income		**–**	–
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(1,331)**	8,635
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	*8*		
Basic *(HK cents)*		**(0.09)**	0.60
Diluted *(HK cents)*		**(0.09)**	0.60

The Board does not recommend the payment of a dividend for the Financial Year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
NON-CURRENT ASSETS			
Plant and equipment		**3,385**	724
Intangible asset		**866**	866
Deposits		**100**	100
Total non-current assets		**4,351**	1,690
CURRENT ASSETS			
Trade receivables	*9*	**2,658**	9,066
Other assets and receivables		**9,572**	2,395
Investments at fair value through profit or loss		**6,273**	15,423
Cash held on behalf of clients		**45**	6
Cash and cash equivalents		**113,901**	113,739
Total current assets		**132,449**	140,629
CURRENT LIABILITIES			
Trade payables	*10*	**702**	3,847
Other payables and accruals		**5,036**	6,426
Tax payable		**615**	3,149
Deferred tax liabilities		**21**	451
Total current liabilities		**6,374**	13,873
NET CURRENT ASSETS		**126,075**	126,756
Net assets		**130,426**	128,446
EQUITY			
Equity attributable to owners of the Company			
Issued capital	*11*	**14,515**	14,400
Reserves		**115,911**	114,046
Total equity		**130,426**	128,446
Total assets		**136,800**	142,319
Total equity and liabilities		**136,800**	142,319

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	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 2013	14,400	65,898	9,000	5,913	22,334	117,545
Total comprehensive income for the year	–	–	–	–	8,635	8,635
Equity-settled share option arrangements	–	–	–	2,266	–	2,266
At 31 December 2013 and 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	**14,515**	**69,464**	**9,000**	**7,809**	**29,638**	**130,426**

NOTES

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. 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 Group'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 HKFRS 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 below revised HKFRSs for the first time for the current year's consolidated financial statements.

Amendment to HKAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment does not have a significant effect on the Group's consolidated financial statements.

Amendments to HKAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removes certain disclosures of the recoverable amount of cash generating units which have been included in HKAS 36 by the issue of HKFRS 13.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 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, as well as investment in various types of assets. 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. Accordingly, no segment analysis is presented. The Board has been identified as the chief operating decision-maker, who is responsible for making strategic decisions, allocating resources and assessing performance of the operating segments.

Geographical information

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

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**23,407**	30,245
Mainland China	**1,280**	1,393
Japan	**250**	–
	24,937	31,638

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

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

	2014	2013
	HK$'000	*HK$'000*
Hong Kong	**4,251**	1,590

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:

	2014	2013
	HK$'000	*HK$'000*
Customer A	**4,610**	2,656

4. REVENUE AND OTHER INCOME

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

	2014	2013
	HK$'000	*HK$'000*
Revenue		
Corporate advisory income	**24,771**	27,094
Placing and underwriting service income/commission	**126**	4,346
Securities dealing commission	**40**	198
	24,937	31,638
Net investment (loss)/income		
Net fair value loss on financial assets measured at fair value through profit or loss	**(722)**	(1,015)
Realised (loss)/gains on financial assets measured at fair value through profit or loss and other investments	**(1,756)**	9,378
	(2,478)	8,363
Net interest income		
Interest income from financial assets		
– Bank deposits	**1,406**	794
– Listed investments	**101**	92
– Other interest-bearing assets	**189**	37
	1,696	923
Other income and gains		
Gain on disposal of plant and equipment	**261**	–
Revenue and other income	**24,416**	40,924

During the fourth quarter of the current financial year ended 31 December 2014, management performed a review of the nature of the Group's principal activities and their presentation in the Group's consolidated financial statements. As a result of the review, whilst management considered that the revenue of the Group had correctly included the fee income from corporate advisory services, placing and underwriting services and securities dealings, as well as gains or losses on investments at fair value through profit or loss, it would be more appropriate to present such gains or losses on investments at fair value through profit or loss on a separate line. Such revised presentation better reveals the nature of the Group's investment income/(loss) and is more consistent with the current market practice. The gains or losses on investments at fair value through profit or loss recognised for the financial year ended 31 December 2014 were a loss of HK$2,478,000. The corresponding amount for 2013 was an income of HK$8,363,000. There is no impact on the profit or loss, basic and diluted earnings or loss per share for the prior years.

5. (LOSS)/PROFIT BEFORE TAX

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

	2014	2013
	HK$'000	*HK$'000*
Depreciation	**768**	326
Minimum lease payments under operating leases on land and buildings	**3,386**	2,741
Auditor's remuneration		
Audit fees	**610**	600
Non-audit fees	**140**	–
Professional fees	**968**	4,623
Impairment loss on trade receivables*	**2,393**	25
Employee benefit expense (including directors' remuneration):		
Wages, salaries, allowances and bonuses	**12,242**	14,692
Equity-settled share option expense	**1,003**	2,266
Pension scheme contributions (defined contribution scheme)	**277**	259

* Impairment loss on trade receivables for a total of HK$2,393,000 was provided mainly against receivables from two listed company clients for whom advisory works are ongoing as at the date of this announcement. One of the clients has been going through a reverse takeover process with application for new listing submitted to the Stock Exchange in October 2014, and the Group's collection hinges upon whether the reverse takeover will be approved by the Stock Exchange and the relevant transactions becoming unconditional. The other client is in financial difficulties and is going through a self-restructuring.

6. INCOME TAX (CREDIT)/EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2014	2013
	HK$'000	*HK$'000*
Group:		
Current tax		
Provision for the year	**715**	1,688
Adjustments in respect of prior years	**(1,070)**	146
Total current tax	**(355)**	1,834
Deferred tax		
Origination and reversals of temporary differences	**(430)**	451
Total deferred tax	**(430)**	451
Income tax (credit)/expenses	**(785)**	2,285

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

	2014	2013
	HK$'000	*HK$'000*
(Loss)/profit before tax	**(2,116)**	10,920
Tax at the statutory tax rate	**(349)**	1,801
Adjustments in respect of prior years	**(1,070)**	146
Income not subject to tax	**(816)**	(183)
Expenses not deductible for tax	**356**	521
Unused tax losses not recognised	**136**	–
Others	**958**	–
Tax charge at the Group's effective rate	**(785)**	2,285

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

7. DIVIDENDS

The Board does not recommend payment of a dividend for the year ended 31 December 2014 (2013: Nil).

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

The calculation of basic (loss)/earnings per share amounts is based on the (loss)/profit for the year attributable to ordinary equity holders of the Company, and the weighted average number of 1,446,165,205 shares in issue for the year ended 31 December 2014 (2013: 1,440,000,000 shares).

No adjustment was made to the basic (loss)/earnings per share presented for the years ended 31 December 2014 and 2013 as the share options had anti-dilutive effect on the basic (loss)/earnings per share.

9. TRADE RECEIVABLES

	Group	
	2014	2013
	HK$'000	*HK$'000*
Trade receivables	**5,038**	9,091
Less: impairment loss on trade receivables	**(2,380)**	(25)
Trade receivables – net	**2,658**	9,066

The Group's normal trading term with its customers is that payment is due upon the issuance of invoices. 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 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 aged analysis of the trade receivables which are not considered to be individually or collectively impaired as at the end of the reporting period, based on the invoice dates and net of provisions, is as follows:

	Group	
	2014	2013
	HK$'000	*HK$'000*
Current to 30 days	**1,026**	844
31 to 60 days	**896**	527
61 to 90 days	**62**	158
Over 90 days *(note (a))*	**674**	7,537
	2,658	9,066

Notes:

(a) The amount for the year ended 31 December 2013 primarily represented an advisory service fee derived from a distressed asset recovery assignment that was concluded in the first quarter of 2013.

(b) All of the above receivables 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 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. Details of the impairments made are on note 5.

The invoice dates of the above trade receivables are generally the same as the corresponding due dates.

(c) Up to the date of this announcement, subsequent settlement of trade receivables as at 31 December 2014 amounted to approximately HK$2,084,000.

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

	Group	
	2014	2013
	HK$'000	*HK$'000*
At 1 January 2014	**25**	–
Provision for receivables impairment	**2,393**	25
Receivables written off during the year as uncollectible	**(38)**	–
At 31 December 2014	**2,380**	25

10. TRADE PAYABLES

Included in trade payables are clients monies of HK$45,000 (2013: HK$6,000) which are segregated in the trust accounts.

Trade payables excluding clients monies, based on the settlement due dates, are all due within 30 days (2013: due within 30 days) as at the end of the reporting period.

11. SHARE CAPITAL

	Number of shares	Nominal value *HK$*
Ordinary shares of HK$0.01 per share		
Authorised:		
As at 31 December 2013, 1 January 2014 and 31 December 2014	10,000,000,000	100,000,000
Issued and fully paid:		
As at 31 December 2013 and 1 January 2014	1,440,000,000	14,400,000
Allotment of new shares pursuant to pre-IPO share option scheme	11,540,000	115,400
As at 31 December 2014	1,451,540,000	14,515,400

12. EVENT AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2014 and up to the date of this announcement.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The global economy has been struggling to regain growth momentum as many affluent countries continue to grapple with the aftermath of the global financial crisis, and prospects of emerging economies are proving less promising than people have expected. Global growth in 2014 was lower than what most had expected, continuing a pattern of undershooting forecasts. While economic activities in the United States ("US") and the United Kingdom ("UK") have picked up as unemployment heals and monetary policy remains accommodative, the recovery has caused massive revaluation in the Euro area, whilst Japan pushed for a risky monetary easing with corresponding devaluation. China, meanwhile, is undergoing an inevitable slowdown whilst clamping down corruptions. Disappointing growth in other developing countries in 2014 reflected weak external demand and manifested structural internal deficiencies and constraints.

Fueled by supportive government policies, expectations for more state-owned enterprise reforms and the Shanghai-Hong Kong Stock Connect, the Mainland's Shanghai Composite Index rose 52.9% in 2014, making it one of the best performing markets worldwide. With political upheavals and weaken growth, Hong Kong's Hang Seng Index experienced high volatilities, after hitting a six-year high of over 25,000 points, just managed to rise by 1.3% by the year end. Continued to be a most preferred place for listing for China enterprises, Hong Kong's initial public offerings ("IPOs") market nevertheless remained strong in 2014, with 122 new listings and total funds raised of HK$227.7 billion, compared to 102 IPOs (HK$169.0 billion) in 2013. As in 2013, Hong Kong ranked second in IPO activities worldwide in 2014.

In line with the Group's goal to look for suitable strategic alliance, in May 2014, the Company entered into a memorandum of understanding ("MOU") in respect of the proposed subscription in new shares of the Company (the "Proposed Subscription") by Huarong (HK) International Holdings Limited ("Huarong"). The Proposed Subscription however did not come to fruition, and the MOU lapsed in July 2014.

We accomplished the corporate resumption for Ausnutria Dairy Corporation Limited (stock code: 1717) in August 2014. In the resumption case of First Mobile Group Holdings Limited ("First Mobile") (stock code: 865) which involves a reverse takeover, we represented the company at the hearing for a review of the Listing Committee's decision to cancel the listing of the company's shares, and successfully obtained a decision from the Listing (Review) Committee to grant an extension for the company to submit a new listing application. Work on the reverse takeover therefore proceeded, and First Mobile submitted the new listing application in October 2014 and the vetting process is continuing.

During the Financial Year, the Group generated income from a diversified portfolio of corporate financial advisory assignments, including mergers and acquisitions ("M&As"), independent financial advisory, fund raising, compliance and other corporate advisory and related activities, enunciating the skills and versatility of our team.

The Group acted as a co-manager in respect of the IPO of Hang Fat Ginseng Holdings Company Limited (stock code: 911) and earned some placing and underwriting income. The Group also recorded certain securities dealing commission during the Financial Year.

Following a fairly substantial realisation in 2013, and to streamline the Group's balance sheet, the Group reduced most of its investment in securities, and, unfortunately, recorded a net realised loss during the Financial Year. The remaining securities investment with a modest book value also produced a net fair value loss. Nevertheless, the Group's bank balances and investment in interest bearing assets contributed some steady income.

On the administration front, we renewed our Shanghai office tenancy and moved our Hong Kong office to a new, larger premises during the Financial Year.

Financial Review

Results of the Group

The Group's corporate advisory income for the Financial Year was approximately HK$24.77 million (2013: HK$27.09 million), representing a decline of approximately 8.6% compared to preceding year's income which included a significant contributions from a distressed asset recovery assignment (the "Asset Recovery Assignment") and two new listings. In the absence of new listings and to avoid exposing the Group to undue capital markets risks, activities and thus revenue from placing and underwriting came down substantially from 2013, and was only approximately HK$0.13 million (2013: HK$4.35 million). For similar reasons, securities dealing commission dropped to approximately HK$0.04 million (2013: HK$0.20 million). As a result, the Group recorded a fairly subdued total revenue of approximately HK$24.94 million for the Financial Year, approximately 21.2% down from the 2013 level of approximately HK$31.64 million.

These revenue levels barely reflect the intensity of our team's activities throughout the year, with several assignments having success fee elements which hopefully will benefit our fee income and bottom line over time.

The overall performance of the Group for the Financial Year was further dragged by the aggregated net investment loss of approximately HK$2.48 million (2013: net investment income of HK$8.36 million). Nevertheless, net interest income contributed approximately HK$1.70 million (2013: HK$0.92 million) representing a 84.8% year-to-year increase, reflecting the investment strategies that we had adopted in 2014.

Across the Financial Year end, out of extra caution, the Group made significant provisions for impairment loss on trade receivables in the sum of approximately HK$2.39 million primarily in respect of ongoing corporate restructuring advisory assignments for two listed companies. Notwithstanding this and higher rental and expenses arising from office relocation, operating expenses for the Financial Year were approximately HK$26.53 million (2013: HK$30.00 million), approximately 11.6% lower than that of the preceding year. This decrease was mainly caused by the exclusion of the outsourced professional fee for the Asset Recovery Assignment occasioned in 2013, lower bonus provisions and decrease in underwriting expenses.

Accordingly, the Group suffered a modest loss for the Financial Year of approximately HK$1.33 million, against the 2013 income of approximately HK$8.64 million. Loss per share for the Financial Year was approximately HK0.09 cents (2013: earnings per share of HK0.60 cents).

As a result of office relocation in Hong Kong giving rise to fitting out costs and replacement of company cars, plant and equipment increased by approximately HK$2.67 million to HK$3.39 million (2013: HK$0.72 million) as at 31 December 2014. The Group's trade receivables (after provisions) came down to approximately HK$2.66 million (2013: HK$9.07 million) and the Group's trade payables amounted to approximately HK$0.70 million (2013: HK$3.85 million) at the Financial Year end: the trade receivables and payables in 2013 included revenue and outsourced cost associated with the Asset Recovery Assignment. Other assets and receivables increased to approximately HK$9.57 million (2013: HK$2.40 million) as at 31 December 2014, as we took on some interest bearing assets during the Financial Year. The investments at fair value through profit or loss were reduced to approximately HK$6.27 million as at 31 December 2014 (2013: HK$15.42 million), following divestments made and redemption of interest bearing securities occasioned in 2014. Other payables and accruals came lower at approximately HK$5.04 million (2013: HK$6.43 million), mainly because of lower bonus provisioning.

As a result of the exercising of certain share options (the "Pre-IPO Share Options") granted under the pre-IPO share option scheme adopted by the Company on 7 June 2010 (the "Pre-IPO Share Option Scheme") and clawback of share option reserve which together more than offsetting the loss for the Financial Year, the net assets value of the Group as at 31 December 2014 achieved a new height, and stood at approximately HK$130.43 million (2013: HK$128.45 million). The net assets value per share as at 31 December 2014 was approximately HK8.99 cents (2013: HK8.92 cents).

Liquidity and financial resources

The Group continued to adopt a prudent financial management strategy and maintained a healthy liquidity position throughout 2014. The Group had cash and cash equivalents of approximately HK$113.90 million as at 31 December 2014 (2013: HK$113.74 million). As at 31 December 2014, the Group had net current assets of approximately HK$126.08 million (2013: HK$126.76 million), and the current ratio was approximately 20.78 (2013: 10.14).

The Group's operations and investments were financed principally by revenues generated from business operations and available bank balances. The Group had no borrowing and the gearing ratio of the Group, calculated as total borrowings over shareholders' funds, was nil as at 31 December 2014 (2013: Nil). Funds are largely placed with financial institutions with maturities timed to cover any known capital, investment or underwriting commitments.

During the Financial Year, the Group had minimal exposure to foreign currency risks, as most of the business transactions, assets and liabilities were denominated in Hong Kong dollars. The Group will continue to monitor its foreign currency exposure closely and will consider using hedging instruments if available in respect of significant foreign currency exposure should the need arise.

Capital structure

Save for the issue of new shares upon the exercise of certain Pre-IPO Share Options, there has been no change in the capital structure of the Company during the Financial Year. The capital of the Company comprises only ordinary shares.

Total equity attributable to ordinary equity holders of the Company amounted to approximately HK$130.43 million as at 31 December 2014 (2013: HK$128.45 million). This increase was mainly attributable to the combined effects of the exercising of certain Pre-IPO Share Options and the clawback of the share option reserve, net of the loss for the Financial Year.

Future plans for material investments or capital assets

The Group had no plans for material investments or acquisitions of capital assets as at 31 December 2014, but will actively pursue opportunities for investments to enhance its profitability in the ordinary course of its business. The Group will also upgrade its information technology facilities for better and more secured service delivery.

Material acquisitions and disposals of subsidiaries and associated companies

The Group had no material acquisitions and disposals of subsidiaries and associated companies during the Financial Year.

Dividend

The Board does not recommend the payment of a dividend for the Financial Year (2013: Nil).

Outlook

Masked by sharp drop in oil prices coupled with the strengthening of the US dollars, a series of asset repricing took place. Reduced growth rates and infrastructure investments in several developing countries fuelled the downfall of commodity prices, causing many countries, especially in the Eurozone, looking to deflationary rather than inflationary threats. Interest rate cuts elsewhere and fluctuating domestic economic data may be contributing to the US apparently holding off interest rate rise. Barring major geopolitical upheaval, with low oil prices and low interest rates, global economic growth in 2015 has been forecast to hold at a rate of about 3.5%. The US is likely to continue to grow, but the expansionary phase will fluctuate, causing a moderation in profitability, joined by a variety of cost pressures and wealth reshuffling demands. European economies may have more scope to recover, but there are dark clouds – from slowing exports to emerging markets, especially hurting Germany as the growth engine, as well as political/economic development and consequences of the Greece rescue. China will continue with its "soft fall", as the government looks set to provide stimuli to various sectors of the economy whilst loosening monetary policy, to seek to avert falling exports and to defend a growth rate of 7%.

The continuing low interest rate regime in Hong Kong and elsewhere is providing ample market liquidity. At the same time, with incentives provided by the Shanghai-Hong Kong Stock Connect, possibly extending to Shenzhen-Hong Kong later in 2015, more Chinese companies – both state and privately owned, will see Hong Kong as the ideal place for listing to raise capital and enhance their international profile. Property markets in China and Hong Kong remain wild cards that can make life gloomy: medium size developers in China are having continuing difficulties to obtain financing even at double digit interest rates; and in Hong Kong, supply in residential properties is finally catching up and regulators are seeking to put a lid on the ballooning apartment prices. Sentiments against Mainland's visitors will take its toll on the retail sectors, filtering gradually to retail properties.

As at the date of this announcement, the Group has on hand six corporate resumption and two IPO engagements. We also continue to work on a diversified portfolio of M&As and other corporate financial advisory assignments.

As at 31 December 2014, our overall investment portfolio including interest bearing assets amounted to approximately HK$13.27 million, with over half of which being interest bearing assets. Although our interest bearing assets on book are to be fully redeemed in 2015 thereby averting valuation fluctuations, equity investments are by their nature subject to market and other risks and may impact the Group's profitability from time to time. The Group's cash position, being close to HK$114 million is still at a very high level. With our strong liquidity position, we are able to be versatile and flexible in seeking new engagements, and will continue to identify suitable opportunities in underwriting, placing and investment in various types of assets to strengthen our income source, and enhance our profitability to promote long term growth and prosperity of the businesses of the Group.

Following the lapse of the Proposed Subscription by Huarong, the Directors are actively pursuing strategic alliances which will be able to enhance our business prospects and strengthen our capabilities thereby increasing our shareholders' value.

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 Directors who confirmed their compliance with the required standard of dealings and the code of conduct regarding securities transactions by the Directors throughout the year ended 31 December 2014. 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 contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31 December 2014, with the exception of one deviation: that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

Mr. YEUNG Kai Cheung Patrick is the executive chairman and the chief executive officer of the Company (the "CEO"). The Board considers that the Company is still 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 tend to reinforce each other and are mutually enhancing in respect of the Group's continual growth and development. When the Group has developed to a more sizeable organisation, the Board will consider splitting the two roles. With their strong business and governance experience, the Directors do not expect any issues of concern would arise due to the combined role of Mr. Yeung. The Group also has in place an effective internal control system, including the engagement of a professional accounting firm to conduct internal audit, to perform check and balance functions.

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

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the Financial Year.

REVIEW OF RESULTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 December 2014.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2014 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. 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
YEUNG Kai Cheung, Patrick
Executive Chairman

Hong Kong, 18 March 2015

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. CHAN Kai Nang, Mr. TSUI Pui Yan and Mr. YI Xiqun, 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.