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

(Stock Code: 8025)

## **INITIATION OF THE CLOSURE OF THE BUSINESS OF A SUBSIDIARY IN WHICH THE COMPANY HOLDS A 60% INTEREST**

This announcement is made pursuant to Rule 17.10 of the GEM Listing Rules.

On 27 October 2009 the Board was informed by the management of Ever-OK that Ever-OK is not operating as a profitable entity, and that the achievement of profitability in the foreseeable future is not a realistic possibility. Given that information, and given the Board's desire to focus on the newly acquired IPTV business, the Board has determined that it is in the best interests of the Company, and the Company's shareholders as a whole, to initiate the closure of the business of Ever-OK, with immediate effect. The Company currently owns a 60% stockholding interest in Ever-OK.

**Holders of the securities of the Company and potential investors are advised to exercise caution when dealing in the Company's shares.**

This announcement is made by the board of directors (the "Board") of Asian Capital Resources (Holdings) Limited (the "Company") and its subsidiaries (the "Group") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

### **INITIATION OF THE CLOSURE OF BUSINESS**

On 27 October 2009 the Board was informed by the management of Ever-OK International Co., Limited ("Ever-OK"), a logistics company specializing in freight-forwarding in the People's Republic of China (the

“PRC”), that due to the prolonged downturn in the economy, which has had a profoundly negative impact on the business of Ever-OK, that Ever-OK is not operating as a profitable entity, and that the achievement of profitability in the foreseeable future is not a realistic possibility. Given that information, and given the Board’s desire to focus on the newly acquired internet protocol television (“IPTV”) business, the Board has determined that it is in the best interests of the Company, and the Company’s shareholders as a whole, to initiate the closure of the business of Ever-OK, with immediate effect.

During the initial phases of the closure of the business of Ever-OK, the Board will be concentrating on collecting all receivables that are due and owing to Ever-OK, whilst at the same time discharging all the payables that are due from Ever-OK to its debtors. The Board envisages that during the initial phase of the closure of business that all the current staff and employees will be retained in the short term to facilitate the continuance of the current business operations of Ever-OK, however upon termination of Ever-OK’s business, all the existing staff and employees will be awarded redundancy payments, as applicable, in accordance with the laws of the PRC. As part of the initial phase of the closure operation, the Board also intends to appoint a firm of accountants, which are based in the PRC, to value and realize the assets of Ever-OK at their current market value. Any proceeds received from the realization of the assets of Ever-OK will be applied towards the development and funding of the IPTV business.

In the Company’s 2009 Interim Report, shareholders and potential investors in the Company’s securities were informed, as stated therein, that “Given the difficulties that the Board has encountered with the Group’s logistics division, the Board has attempted to reduce this division’s operating costs in order to reduce the losses which have been incurred which are a result of the impact of the reduced turnover of this division, which is directly attributable to the general downturn in the global economy. The Board believes that the reduction of this division’s operating costs will offset the general downturn in turnover, and, with this in mind, the Board has not precluded closing more of the operating divisions and subsidiaries of the Group’s logistics business to further the aim of achieving profitability through other investments and operations of the Group which has been the Board’s strategy since September, 2008.

The Board is now in the process of diversifying the Group’s entire operational base, and to this end has been concentrating on increasing the allocation of available funds to the newly acquired IPTV services business of the Group, whilst reducing funding allocations to the Group’s logistics division. The Board is constantly reviewing the viability of the logistics division, and in future intends to review whether, given the poor returns that have been achieved from this division, and in the event that the Board’s strategy of closing more of the operating divisions and subsidiaries of the Group’s logistics business to further the aim of achieving profitability for this division has no effect in achieving such profitability, it would be in the best interests of the Company’s shareholders to discontinue the Group’s logistics operations as a whole in the near future.”

The initiation of the closure of the business of Ever-OK is a realization of the Board’s intended actions in the event, which has now become apparent, that Ever-OK will not be able to achieve profitability within the foreseeable future. The Board has determined that it is in the best interests of the Company’s shareholders to initiate the closure of the business of Ever-OK. This action will allow the Board to concentrate the Group’s resources on the newly acquired IPTV services business, which the Board is confident is generating a sufficient level of operations for the Company to operate as going concern and add profitability to the operations of the

Group, whilst disposing of the non-profitable divisions of the Group, hence reducing the Group's operating costs with the aim of achieving overall profitability for the Group.

## **DEREGISTRATION AND WINDING-UP OF OTHER SUBSIDIARIES IN THE GROUP**

As previously advised in the Company's financial reports the Board is currently in the process of deregistering and winding up various other subsidiaries within the Group. The Board has determined that it is in the best interests of the Company to deregister and/or wind up all those non-profitable entities within the Group. The Board's decision to discontinue and close the business of Ever-OK is in line with its previous stated policy of discontinuing all non-profitable operations within the Group, so as to focus greater efforts on the newly acquired IPTV business.

Those subsidiaries which are currently in the deregistration process are: AIR Logistics International Holdings Limited (BVI), AIR Logistics International Holdings Limited, AIR SQW Limited, Asian Information Resources Consultants Limited, Chinareference.com Limited, Explore International Limited, Explore Limited, and Sinobase Asia Limited.

Those subsidiaries which have been deregistered are: AIR Logistics International Limited, Easy On Logistics Limited and e-Daily Limited.

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

## **INFORMATION ON EVER-OK**

Ever-OK is a sino-foreign equity joint venture company and has been treated as a subsidiary of the Company with effect from the 1st quarterly financial report of the Company for the year 2004. Ever-OK was transformed on 5 February 2004 from a formerly wholly Chinese local owned company (which was founded back in April 1998) into a sino-foreign equity joint venture company. The issued and registered capital stock of Ever-OK is RMB17,300,000 (equivalent to approximately HK\$16,321,000) and is principally involved in the logistics industry that specializes in freight forwarding business in the PRC. The Company currently owns a 60% stockholding interest in Ever-OK. Ever-OK currently generates the majority of the turnover of the Group.

## **RECENTLY REPORTED UNAUDITED RESULTS OF THE GROUP**

In the Company's 2009 Interim Report, shareholders and potential investors in the Company's securities were informed that the total turnover of the Group for the six months ended 30 June 2009 was approximately HK\$24,395,000 (2008: HK\$62,729,000) which was decreased by approximately 61% as compared to that of the previous financial year. The Board noticed one of the significant reasons for the decrease in the total turnover of the Group was a result of the poor global economic outlook, coupled with the ongoing global financial crisis during the period which has affected the entire transportation industry in the PRC. The unaudited consolidated loss from operations for the six months ended 30 June 2009 was approximately HK\$18,535,000, which was significantly increased as compared with the corresponding period last year, HK\$5,627,000. The increase in loss for the period is mainly attributable to the substantial provision made for

the asset impairment loss in respect of the goodwill provision on Guangzhou Wavecom Communication and Advertising Limited of about HK\$36 million, for the year ended 31 December 2008.

Shareholders and potential investors are advised to review the Company's 2009 Interim Report for a full analysis of the unaudited consolidated results of the Group for the six months ending 30 June 2009.

## **UPDATE ON THE IPTV BUSINESS**

During the first nine months of 2009, the Board has been concentrating on finalizing all developments in its IPTV services and officially launched the first tranch of the provision of IPTV services to the greater southern China region in the second quarter of 2009. The Board successfully diversified the provision of IPTV services in the second quarter of 2009 such that it concluded a contract for the contracting of media software platforms for the provision of IPTV services to an established client base of approximately 50,000 consumers.

The Board launched the second tranch of the provision of the IPTV services on 1 October 2009. The income that will be derived from the initial subscribers to the IPTV services is expected to remain the same, however the Board expects that with regards to the downturn in the global economy, that the total revenue expected to be generated will be lower than originally forecast slightly at the beginning, but in view of the expected growth in the gross domestic product of the People's Republic of China and the growing income of China's affluent society in the forthcoming years, the revenue derived from this division is expected to increase in future periods. The Board will continually assess and review the revenue and cash flows that are expected to be derived from the project in these periods with a view to achieving a positive return on investment for the Group which will be of great benefit to the Company's shareholders as a whole. The Board is confident that the IPTV business is now generating a sufficient level of operations for the Company to operate as going concern and add profitability to the overall operations of the Group.

**Holders of the securities of the Company and potential investors are advised to exercise caution when dealing in the Company's shares.**

By Order of the Board  
**Asian Capital Resources (Holdings) Limited**  
**Kong Yeuk Hon, John**  
*Company Secretary*

Hong Kong, 2 November 2009

*As at the date of this announcement, the executive directors of the Company are Mr. Xie Xuan (Chairman), Mr. Yang Qiulin, and Mr. Qiu Yue; the non-executive directors are Mr. Lo Mun Lam Raymond (Vice Chairman), and Mr. Andrew James Chandler; and the independent non-executive directors are Mr. Wu Jixue, Dr. Feng Ke and Mr. Zhang Daorong.*

*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](http://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](http://www.airnet.com.hk).*