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*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 8025)

**SIGNIFICANT REDUCTION IN THE VALUE OF  
THE GROUP'S INTANGIBLE ASSET AND INTENDED SUBSTANTIAL  
PROVISION FOR ASSET IMPAIRMENT LOSS  
IN THE COMPANY'S FINAL RESULTS**

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

On 25 March 2010 the Board was informed by BMI that based on the investigation and analysis of BMI the intangible asset valuation in respect of the Intangible Asset of South Pearl, which is owned as to 55% by the Group, that in the opinion of BMI the market value of the Intangible Asset as at 31 December 2009 was RMB154,000,000, which represents a significant decrease of approximately 22.22% as compared to the intangible asset valuation in respect the market value of the Intangible Asset which was RMB198,000,000 as at 11 September 2008, and a decrease of approximately 11.11% as compared to the accumulated amortisation value of the Intangible Asset which was RMB173,250,000 as at 31 December 2009.

The Board anticipates that the significant reduction in the market value of the Intangible Asset as at 31 December 2009 will mean that substantial provision will need to be made for the asset impairment loss in the Company's Final Results, as the Board on the recommendation of the Company's auditors, intends to adopt a prudent approach and determine that based on HKAS 36, an impairment on asset provision should be made on the assets 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.**

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**").

## **SIGNIFICANT REDUCTION IN THE VALUE OF THE GROUP'S INTANGIBLE ASSET**

On 25 March 2010 the Board was informed by Messrs. BMI Appraisals Limited (“**BMI**”), an independent qualified professional valuer not connected with the Group, and which is a member of the Hong Kong Institute of Surveyors, that based on the investigation and analysis of BMI the intangible asset valuation in respect of the broadcast permit (the “**Intangible Asset**”) of South Pearl Limited (“**South Pearl**”), which is owned as to 55% by the Group, that in the opinion of BMI the market value of the Intangible Asset as at 31 December 2009 was RMB154,000,000, which represents a significant decrease of approximately 22.22% as compared to the intangible asset valuation in respect the market value of the Intangible Asset which was RMB198,000,000 as at 11 September 2008, and a decrease of approximately 11.11% as compared to the accumulated amortisation value of the Intangible Asset which was RMB173,250,000 as at 31 December 2009. The Intangible Asset is amortised on a straight-line basis over 8 years.

### **PURPOSE OF VALUATION OF THE INTANGIBLE ASSET**

The purpose of the valuation of the Intangible Asset by BMI is to express an independent opinion on the market value of the Intangible Asset as at 31 December 2009 for the purposes of compiling the Company’s audited consolidated final results for the year ended 31 December 2009 (the “**Final Results**”), which the Board intends to publish on 26 March 2010.

### **BASIS OF VALUATION**

BMI’S valuation was carried out on the basis of market value. Market value is defined as “the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

### **BACKGROUND OF SOUTH PEARL**

South Pearl is principally engaged in the internet protocol television (“**IPTV**”) industry as an operator and content provider. Services include but are not limited to: the provision of audio-visual services such as (a) television programs on demand; (b) television programs download; (c) KTV on demand; (d) music on demand; and (e) video broadcast live and other services such as (i) TV shopping; (ii) online education; and (iii) online securities.

### **BRIEF DESCRIPTION OF THE INTANGIBLE ASSET**

The Intangible Asset is an internet protocol television license – “Broadcast of Audio-Video Program On Web Permit” (信息網路傳播視聽節目許可證), which allows South Pearl to enter into an exclusive service agreement to act as the exclusive service provider of Guangzhou Television Broadcast Microwave General Station in respect of, among others, contents of the programmes, advertising and promotion services and other related services in relation to the IPTV services (the “**Permit**”). It is a prerequisite to get such Permit in order to provide IPTV services in the People’s Republic of China (the “**PRC**”). The possession of the abovementioned Permit ensures that South Pearl has the right to act as an IPTV operator in the southern region of the PRC. The Permit commenced on 1 October 2007 and will expire on 30 September 2015.

## **EFFECT OF THE SIGNIFICANT REDUCTION IN THE VALUE OF THE GROUP'S INTANGIBLE ASSET ON THE COMPANY'S FINAL RESULTS**

The Board anticipates that the significant reduction in the market value of the Intangible Asset as at 31 December 2009 will mean that substantial provision will need to be made for the asset impairment loss in the Company's Final Results, as the Board on the recommendation of the Company's auditors, intends to adopt a prudent approach and determine that based on HKAS 36, an impairment on asset provision should be made on the assets of the Group.

## **SIGNIFICANT ACCOUNTING POLICIES TO BE APPLIED TO THE FINAL RESULTS**

### **Impairment of tangible and intangible assets other than goodwill**

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is indication that they may be impaired.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount under that standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

## **CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

### **Impairment of Assets**

In determining whether an asset is impaired or the event previously causing the impairment no longer exists, the Group has to exercise judgement in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may effect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test.

**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**  
**Andrew James Chandler**  
*Non-executive Director*

Hong Kong, 25 March 2010

*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).*