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*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 08025)**

**CONTINUING CONNECTED TRANSACTIONS  
AND  
DISCLOSEABLE AND CONNECTED TRANSACTION  
IN RELATION TO THE  
MANAGEMENT AGREEMENT**

**THE MANAGEMENT AGREEMENT**

On 31 December 2012, the Company, the Subsidiary and Guangdong Zhicheng entered into the Management Agreement pursuant to which the Subsidiary agreed to provide management service (through Guangzhou Wavecom) to Guangdong Yingxin for a term from the date of approval of the Management Agreement at the EGM to 31 December 2014 and the Subsidiary will receive all the net profits after taxation of the Guangdong Yingxin as management fee. The Company will procure the transfer of 9% equity interests in the Subsidiary to Guangdong Zhicheng (or its nominees) as consideration.

As both Guangdong Zhicheng and Guangdong Yingxin are connected persons, the transactions contemplated under the Management Agreement will constitute continuing connected transactions, and a discloseable and connected transaction under the GEM Listing Rules and will be subject to the approval of the Independent Shareholders.

**GENERAL**

An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Management Agreement and the annual caps for the transactions contemplated thereunder.

The circular containing, amongst other things, further information of the Management Agreement, the recommendations of the Independent Board Committee, the letter of advice from the independent financial adviser to the Independent Board Committee and the notice of the EGM will be despatched to the Shareholders within 15 Business Days of this announcement.

## THE MANAGEMENT AGREEMENT

On 31 December 2012 (after trading hours of the Stock Exchange), the Company, the Subsidiary and Guangdong Zhicheng entered into the Management Agreement. Major terms of which are set out below:

**Date:** 31 December 2012

### **Parties**

- (i) the Company;
- (ii) the Subsidiary; and
- (iii) Guangdong Zhicheng, which is beneficially wholly-owned by Mr. Chu and thus an associate of a connected person of the Company as defined under the GEM Listing Rules.

### **Company to be managed and management fee**

Guangdong Yingxin is a wholly-owned subsidiary of Guangdong Zhicheng and accordingly is a connected person to the Company as defined under the GEM Listing Rules. It is principally engaged in building the last-mile digital cable networks of residential real estate projects and the subsequent management of such network including, among others, provision of value-added services and content to end users of such networks.

The Subsidiary agrees to provide management service (through Guangzhou Wavecom) to Guangdong Yingxin. Guangzhou Wavecom will receive all the net profits after taxation of the Guangdong Yingxin as management fee during management period under the Management Agreement. The management fee is to be settled as soon as possible after the end of each calendar month.

For illustrative purposes only, the net profits after taxation of Guangdong Yingxin for each of the two financial years ended 31 December 2010 and 2011, and the period from January to November 2012 are set out below:

	<b>For the financial year ended 31 December</b>		<b>For the 11 months period ended 30 November</b>
	<b>2010</b>	<b>2011</b>	<b>2012</b>
Net profits after taxation	RMB24 million (equiv. to HK\$29 million)	RMB25 million (equiv. to HK\$30 million)	RMB20 million (equiv. to HK\$24 million)

### **Term**

From the date on which the Management Agreement is approved at the EGM to 31 December 2014.

### ***Consideration***

The Company will procure the transfer of 9% equity interest in the Subsidiary to Guangdong Zhicheng (or its nominees) as consideration.

The Subsidiary had a net liability position of approximately HK\$135 million as at 31 December 2011. The 9% equity interest in the Subsidiary will give rise to a negative value of approximately HK\$11 million. Considering the net liability position of the Subsidiary and the strong profitable performance of Guangdong Yingxin, the Directors consider that the consideration of 9% equity interests in the Subsidiary in procuring the management income as contemplated under the Management Agreement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### ***Funding needs***

The Subsidiary agreed to responsible for the funding needs arising from business development of Guangdong Yingxin during the term of the Management Agreement.

### ***First right of refusal***

During the management period under the Management Agreement, the Company has the first right of refusal at equal terms if Guangdong Zhicheng intends to sell any of its equity interests in Guangdong Yingxin to any third parties.

### ***Conditions precedent***

The Management Agreement is conditional on (i) the passing of the relevant resolution at the EGM by Independent Shareholders for approving the Management Agreement and the transactions contemplated thereunder; and (ii) all necessary licenses, consents, approvals, authorizations, permits, orders and waivers in connection with the entering into and performance of the Management Agreement and transactions contemplated thereunder having been obtained from the relevant government authorities or any other statutory and regulatory authority (if applicable).

If the above conditions precedent cannot be satisfied by 31 March 2013 or such later day as agreed between the parties to the Management Agreement, the Management Agreement will be lapsed and terminated.

### **ANNUAL CAPS OF THE MANAGEMENT FEE**

Taking into account (i) the historical net profits after taxation of Guangdong Yingxin; (ii) the possible inflation rate of 8% in the coming years; and (iii) a buffer of 10%, the Company has set the following annual caps of the management fee for each of the years ending 31 December 2013 and 2014:

**Annual caps for the years ending 31 December**

	<b>2013</b>	<b>2014</b>
	RMB' million	RMB' million
Management fee	29	34

The Directors are of the opinion that the above annual caps are made in the ordinary course of business and on favourable terms for the Company and the Shareholders as a whole.

**INFORMATION OF THE COMPANY, THE SUBSIDIARY AND GUANGDONG ZHICHENG**

The Company is an investment holding company and its subsidiaries are principally engaged in media and advertising, the application of IPTV services and businesses, and investment consultancy.

The Subsidiary together with Guangzhou Wavecom is principally engaged in the application of IPTV services and businesses.

Guangdong Zhicheng is an investment holding company.

**FINANCIAL INFORMATION OF THE SUBSIDIARY**

The consolidated net liability of the Subsidiary as at 31 December 2011 is approximately HK\$135 million.

The consolidated net profits before and after taxation and extraordinary items of the Subsidiary for each of the two years ended 31 December 2010 and 2011 are set out below:

	Year ended 31 December	
	2011	2010
Net profit before taxation and extraordinary items	HK\$3 million	HK\$0.8 million
Net profit after taxation and extraordinary items	HK\$2 million	HK\$ 0.8 million

The Subsidiary will become a non-wholly owned subsidiary of the Company after the transfer of 9% equity interests to Guangdong Zhicheng (or its nominees).

**REASONS FOR ENTERING INTO THE MANAGEMENT AGREEMENT**

The Directors has been looking for appropriate projects which could supplement the existing business of the Group. The Directors consider that the entering into the Management Agreement will provide a synergy effect with the Group's existing business in that (i) the management's experience in the internet technology and industry could be fully utilized through the management of the business of Guangdong Yingxin to secure a further income source; and (ii)

there is a possibility of cross-over of the Group's IPTV services as to the provision of contents and the business of Guangdong Yingxin as to the provision platforms and end-users.

Further, although it is not the current intention of the Directors to acquire the business of Guangdong Yingxin, the Directors do not rule out this possibility when it is considered appropriate and financially feasible in the future. Should this opportunity arise in the future, the Company will make appropriate announcement in compliance with the GEM Listing Rules.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

Both Guangdong Zhicheng and Guangdong Yingxin are beneficially wholly-owned by Mr. Chu and thus are associates of a connected person of the Company.

The relevant percentage ratios of the highest annual cap of the provision of management services under the Management Agreement exceed 5%. The Management Agreement therefore constitute continuing connected transactions of the Company under the GEM Listing Rules and are subject to reporting, announcement, Independent Shareholders' approval requirements and the annual review requirements under Chapter 20 of the GEM Listing Rules.

The relevant percentage ratios of the disposal of 9% equity interest in the Subsidiary under the Management Agreement exceed 5% but below 25% and the total consideration is less than HK\$10,000,000. The disposal of 9% equity interest in the Subsidiary is only subject to the reporting and announcement requirements and is exempt from the Independent Shareholders' approval requirements under the GEM Listing Rules. However, as this forms part of the Management Agreement, the disposal of 9% equity interests in the Subsidiary is in effect subject to the approval of Independent Shareholders.

## **GENERAL INFORMATION**

An EGM will be convened at which the Independent Shareholders will consider and, where appropriate, approve the Management Agreement and the annual caps for the transactions contemplated thereunder and the disposal of 9% equity interest in the Subsidiary.

The Company has established the Independent Board Committee, comprising all the independent non-executive Directors, to approve the Management Agreement and to advise the Independent Shareholders as to whether the terms and conditions of the Management Agreement (including the annual caps of the management fee and the disposal of 9% equity interest in the Subsidiary) are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser to be appointed by the Company. None of the members of the Independent Board Committee has any material interest in the transactions contemplated under the Management Agreement.

A circular containing, amongst other information, (i) further details of the Management Agreement; (ii) a letter from the Independent Board Committee advising the Independent Shareholders as to whether the terms and conditions of the Management Agreement are fair and

reasonable and in the interests of the Company and the Shareholders as a whole, and advising the Independent Shareholders on how to vote, taking into account the recommendations from the independent financial adviser; (iii) a letter from the independent financial adviser containing its recommendation to the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Management Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and advising the Independent Shareholders on how to vote; and (iv) a notice of the EGM, will be dispatched to the Shareholders within 15 Business Days of this announcement.

## **DEFINITIONS**

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which the Stock Exchange is open for business of dealing in securities
“Company”	Asian Capital Resources (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, inter alia, the Management Agreement and the transactions contemplated thereunder
“GEM”	The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	the Rule Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guangdong Yingxin”	廣東盈信資訊投資有限公司 (Guangdong Yingxin Xinxi Investment Limited*)
“Guangdong Zhicheng”	廣東至誠偉業投資有限公司 (Guangdong Zhicheng Weiye Investment Limited*)

“Guangzhou Wavecom”	廣州濤視傳播廣告有限公司 (Guangzhou Wavecom Communications and Advertising Limited*)
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	a committee of the Board comprising Mr. Wu Jixue, Dr. Feng Ke and Mr. Zhang Daorong, all being independent non-executive Directors, to be established to advise the Independent Shareholders in relation to the Management Agreement and the annual caps for the transactions contemplated thereunder
“Independent Shareholders”	Shareholder(s) other than Mr. Chu and his associates and any Shareholder(s) who are interested in the Management Agreement
“Management Agreement”	the management agreement dated 31 December 2012 entered into between the Company, the Subsidiary and Guangdong Zhicheng in relation to providing management services to Guangdong Yingxin
“Mr. Chu”	Mr. Chu Yat Hong, the executive Director and chairman of the Board
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	Biztech Company Limited, incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“%”	per cent

*For illustrative purpose only, conversions of RMB into HK\$ are based on the approximate exchange rate of RMB1 to HK\$1.2. No representation is made that any amount into HK\$ and RMB have been, could have been or could be converted at the above rate or any other rate.*

*\* for identification purposes only*

By Order of the Board of  
**Asian Capital Resources (Holdings) Limited**  
**Xie Xuan**  
*Executive Director*

Hong Kong, 31 December 2012

*As at the date of this announcement, the executive directors of the Company are Mr. Chu Yat Hong (Chairman), Mr. Xiao Jing, Mr. Xie Xuan, and Mr. Qiu Yue; the non-executive director is Mr. Lo Mun Lam Raymond (Vice Chairman); 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 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 document misleading.*

*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).*