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**(1) VERY SUBSTANTIAL ACQUISITION IN RELATION TO
A PROPOSED ACQUISITION OF A MEDIA COMPANY IN THE PRC
(2) CONNECTED TRANSACTION IN RELATION TO
ISSUING OF CONSIDERATION SHARES AND CONVERTIBLE NOTES TO
A CONTROLLING SHAREHOLDER
AND
(3) RESUMPTION OF TRADING**

Financial adviser to Asian Capital Resources (Holdings) Limited



On 24 December 2007, the Company and the Vendors entered into the Agreement, pursuant to which the Company conditionally agreed to purchase and the Vendors conditionally agreed to sell 100% of the equity interest of the Target at the Consideration in the sum of HK\$157 million. The Company shall settle the Consideration by (i) the issue and allotment of 324,082,569 new Shares at HK\$0.218 each; and (ii) the issue in aggregate HK\$86,350,000 of zero-coupon Convertible Notes convertible at HK\$0.218 per Share with 24-month maturity, to the Vendors (or their designated nominee(s)). To the best of the Directors' knowledge, information and belief having made all reasonable inquiry, the Vendors are third parties independent of the Company, its connected persons of the Company and Asian Dynamics and its associates.

As at the date of this announcement, under separate financial arrangement previously executed, the Vendors are indebted to Asian Dynamics, accordingly the Vendors have designated Asian Dynamics to receive part of the Consideration for settling their loan to Asian Dynamics, of which Asian Dynamics shall receive 286,262,133 new Shares and HK\$76,272,955 of Convertible Notes. Such settlement and the arrangement constitute a connected transaction under the GEM Listing Rules.

As certain relevant percentage ratios for the Acquisition are more than 100%, the Acquisition constitutes a very substantial acquisition on the part of the Company under the GEM Listing Rules. Since Asian Dynamics is a controlling Shareholder of the Company and is beneficially interested in 327,685,431 Shares (representing approximately 51.25% of the entire issued share capital of the Company) as at the date of this announcement, the Share Transfer constitutes a connected transaction on the part of the Company. As such, the Agreement and the transactions contemplated thereunder will require Independent Shareholders' approval at the EGM by way of poll pursuant to the GEM Listing Rules. Asian Dynamics and its associates will abstain from voting in respect of the proposed resolution approving the Agreement and the transactions contemplated thereunder at the EGM. The Share Transfer will form part of the completion of the Acquisition, as such the shareholding of Asian Dynamics will not be reduced at any time due to the issue of Consideration Shares and the conversion of the Convertible Notes. Therefore, the Acquisition will not constitute a change in control of the Company.

An independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders concerning whether the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Independent Shareholders and the Company as a whole.

A circular containing, amongst other things, (i) further details of the Agreement and the transactions contemplated thereunder, (ii) other disclosures in connection with the Agreement and the transactions contemplated thereunder required pursuant to the GEM Listing Rules, including a valuation report prepared by BMI on 100% of the Target (55% equity interests of South Pearl inclusive); (iii) a letter from an independent financial adviser containing its advice to the independent board committee regarding the Agreement and the transactions contemplated thereunder; (iv) the recommendation from the independent board committee regarding the Agreement and the transactions contemplated thereunder to the Independent Shareholders; and (v) the notice of the EGM to be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

Resumption of Trading

Trading in the Shares was suspended from 9:30 a.m. on 27 December 2007 at the request of the Company pending the issue of this announcement and an application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 14 January 2008.

A. THE AGREEMENT

On 24 December 2007, the Company and the Vendors entered into the Agreement after trading hours, pursuant to which the Company conditionally agreed to purchase and the Vendors conditionally agreed to sell 100% of the equity interest of the Target at the Consideration in the sum of HK\$157 million.

1. The Parties and the date

Date : 24 December 2007

Vendors : Ms. Zhou Yu (周鬱) and Mr. Qiu Yue (邱越) (as Vendors), to the best of the Directors' knowledge, information and belief having made all reasonable inquiry, the Vendors are third parties independent of the Company, its connected persons of the Company and Asian Dynamics and its associates. Asian Dynamics and the Vendors are independent of one another and do not have any prior business relationship save for that arising from the Loan as at the date of this announcement.

Purchaser : The Company (as Purchaser)

There are no prior transactions and relationship between the Vendors and the Company in the last 12-month period which requires aggregation under the GEM Listing Rules as at the date of this announcement.

The Loan, in the amount of RMB25,000,000, is jointly indebted from the Vendors to Asian Dynamics as a venture capital to invest in South Pearl. Asian Dynamics and the Vendors are independent parties of each other and do not have any prior business relationship save for that arising from the Loan as at the date of this announcement.

As at the date of this announcement, under separate financial arrangement previously executed, the Vendors are jointly indebted to Asian Dynamics, accordingly the Vendors have designated Asian Dynamics to receive part of the Consideration for settling their loan to Asian Dynamics, of which Asian Dynamics shall receive 286,262,133 new Shares and HK\$76,272,955 of Convertible Notes. Such settlement and the arrangement constitute a connected transaction under the GEM Listing Rules.

2. Information on the Target

The Target is a limited liabilities company incorporated in the PRC on 4 September 1993 with registered capital of RMB500,000. The Target is beneficially owned as to 50% by Mr. Qiu Yue and as to 50% by Ms. Zhou Yu. The principal activities of the Target since its incorporation are advertising agent on television and radio channels in the PRC.

Based on the audited financial information of the Target under Hong Kong generally accepted accounting principles, the net liabilities of the Target as at 30 November 2007 were approximately RMB3,258,931 (equivalent to approximately HK\$3,421,878). Based on the audited financial information of the Target prepared under Hong Kong generally accepted accounting principles, the net profit before tax of the Target for the year ended 31 December 2005 was approximately RMB232,100 (equivalent to approximately HK\$243,705), the profit after tax for the same period was approximately RMB155,507 (equivalent to approximately HK\$163,282). The net loss before and after tax for the year ended 31 December 2006 were approximately RMB740,723 (equivalent to approximately HK\$777,759). The financials of the Target will be consolidated into the Group's financial report upon completion of the Acquisition.

The Target has entered into an acquisition agreement to acquire South Pearl on 17 May 2007 whereby the Target agreed to inject capital in the amount of RMB25,000,000 to South Pearl. Upon completion of the acquisition of South Pearl by the Target, South Pearl will be beneficially owned as to 45% by Guangzhou TV and as to 55% by the Target. In this way, the Target will bear a capital commitment of RMB25,000,000, which was financed by the Loan. The capital injection has not yet been completed and the acquisition has not been completed either. The completion of the Agreement is conditional upon the completion of the acquisition of the 55% equity interests in South Pearl by the Target. Upon completion of the acquisition of South Pearl by the Target and the Acquisition, the accounts of South Pearl will be consolidated into the financial statements of the Group.

South Pearl is a limited liabilities company incorporated in the PRC on 4 September 2000 with registered capital of RMB20 million. Based on the financial information of South Pearl prepared under PRC generally accepted accounting principles, it has a net asset value of approximately RMB18.96 million as at 30 June 2007. South Pearl has not commenced any business operation since its incorporation. It is expected that South Pearl will commence business immediately after the completion of the Agreement. South Pearl will be principally engaged in the internet protocol television industry as an operator and content provider.

3. The Consideration and its bases

The Consideration is HK\$157 million and will be paid on Completion by the Company to the Asian Dynamics and Lucky Peace Limited. The amount of the Consideration was arrived at with reference to the valuation based on the draft valuation report of 100% of the Target (assuming the acquisition of 55% equity interests of South Pearl has been completed) of approximately RMB207 million by BMI, an independent valuer, through applying the market approach which does not constitute profit forecast. The premium of the Consideration over the net liabilities value of the Target represents the fact that the Company will be acquiring not only the Target but also the internet protocol television licenses and the right to broadcast via the internet to consumers in the southern China region held by Guangzhou Television Broadcast Microwave General Station (廣州市廣播電視微波總站), and after South Pearl has obtained the necessary approval, South Pearl is going to sign an exclusive service agreement with Guangzhou Television Broadcast Microwave General Station (廣州市廣播電視微波總站) to provide the internet protocol television services, and such premium is justified by the draft valuation report prepared by BMI. To the best of the Directors' information, knowledge and belief, Guangzhou Television Broadcast Microwave General Station (廣州市廣播電視微波總站) is an independent third party to the Company. Based on the latest negotiation between the parties to the exclusive service agreement but subject to the execution of definitive agreement by the parties in writing, South Pearl will 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 and South Pearl can directly receive subscription fees from the customers in respect of the internet protocol television services and the initial term of the agreement is expected to be around five years subject to subsequent renewal as agreed by the parties. The parties should enter into the exclusive service agreement before the completion of the Acquisition as this is necessary for one of the conditions precedent under item (i) in relation to utilization of the internet protocol television operation of the South Pearl to become effective (as set out in the section headed "4. Conditions precedent" below). This agreement does not constitute any capital commitment to the Company.

The Vendors will not receive any consideration as it was agreed that the Consideration will be paid to Asian Dynamics and Lucky Peace Limited, in settlement of the Agreement. Part of the Consideration will be paid to Asian Dynamics because it has agreed to loan RMB25 million to the Vendors for the purposes of injection into South Pearl, and will be repaid by way of the issue of Consideration Shares and Convertible Notes. The Vendors have also agreed that part of the consideration will also be paid to Lucky Peace Limited, which is wholly owned by Mr. Qiu. It should also be noted that Ms. Zhou is the mother of Mr. Qiu. Given the close relationship between the two Vendors, Ms. Zhou agreed to the receipt of consideration by Lucky Peace Limited which is wholly owned by Mr. Qiu only.

The Consideration will be paid on the Completion in the following manner: (i) HK\$70,650,000 to be satisfied by the allotment and issue of the Consideration Shares at HK\$0.218 each as soon as reasonably practicable subject to completion of the Acquisition; and (ii) HK\$86,350,000 by the zero-coupon Convertible Notes with 24-month maturity convertible at HK\$0.218 per share after a period of three-month has elapsed following the fulfillment of all the conditions precedent stated in the Agreement. The issue price of the Consideration Shares and the conversion price of the Convertible Notes are arrived at after arm's length negotiation between the Vendors and the Company with reference to recent closing price of the Shares, including the closing price of HK\$0.26 on the Last Trading Day and five-day average closing price up to and including the Last Trading Day. The market values of the Consideration Shares and the Convertible Notes with reference to the closing price of the Last Trading Day are approximately HK\$84,261,468 and HK\$102,986,239 respectively.

The Directors (excluding the independent non-executive Directors) are of the opinion that in view of the market opportunities in the media and internet protocol television operations of the Guangdong province of the PRC and the convergence of the emerging digital television sector in Southern China, the Consideration, the issue price of the Consideration Shares and the conversion price of the Convertible Notes are fair and reasonable after taking into account that the recent market price of the Shares and that the entering into of the Agreement is in the interests of the Company and the Independent Shareholders as a whole.

a) The Consideration Shares

The Consideration Shares will comprise 324,082,568 new Shares of the Company to be allotted and issued by the Company to Lucky Peace Limited as to 37,820,436 new Shares and Asian Dynamics as to 286,262,132 new Shares at the issue price of HK\$0.218 per Consideration Share which represents:

- (i) a discount of approximately 16.2% to the closing price of HK\$0.26 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 15.5% to the average closing price of HK\$0.258 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 14.5% to the average closing price of HK\$0.255 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 16.5% to the average closing price of approximately HK\$0.261 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day.

The Consideration Shares to be issued represent approximately 50.69% of the existing issued share capital of the Company as at the date of this announcement and approximately 23.84% of the Company's issued share capital as enlarged by the issue of Consideration Shares and full conversion of the Convertible Notes.

An application will be made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when issued on Completion, will rank pari passu in all respects with the existing Shares in issue.

b) *The Convertible Notes*

Payment of remaining portion of HK\$86,350,000 of the Consideration is deferred by means of issuing Convertible Notes with nil coupon, of which approximately HK\$76,272,955 of Convertible Notes shall be issued to Asian Dynamics and approximately HK\$10,077,044 of Convertible Notes shall be issued to Lucky Peace Limited. The Convertible Notes will mature on the second anniversary from the date of the issue of the Convertible Notes. Upon full conversion of the Convertible Notes, Asian Dynamics and Lucky Peace Limited will receive 349,875,941 Converted Shares and 46,224,977 Converted Shares respectively.

The Convertible Notes will be convertible to 396,100,918 Converted Shares of the Company to be allotted and issued by the Company to Asian Dynamics and Lucky Peace at the conversion price of HK\$0.218 per Share which represents:

- (i) a discount of approximately 16.2% to the closing price of HK\$0.26 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 15.5% to the average closing price of HK\$0.258 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 14.5% to the average closing price of HK\$0.255 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 16.5% to the average closing price of approximately HK\$0.261 per Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day.

The Converted Shares under the Convertible Notes, if fully converted, represent approximately 61.96% of the existing issued share capital of the Company as at the date of this announcement and 29.14% of the issued share capital as enlarged by the issue of Consideration Shares and full conversion of the Convertible Notes. The terms of the Convertible Notes to be issued as at Completion are set out under the Agreement as follows:

1. Issuer: The Company
2. Holder:
 - i. Lucky Peace Limited, a company incorporated in Samoa with limited liability, and is wholly-owned by one of the Vendors, Mr. Qiu Yue
 - ii. Asian Dynamics
3. Purpose: As deferred payment of consideration to the Vendors for part of the Consideration under the Acquisition, to be issued on Completion of the Acquisition
4. Type: The Convertible Notes will be a Hong Kong dollar denominated transferable zero-coupon convertible note due 24 months from issuance

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| 5. | Shares to be issued upon exercise of the Convertible Notes: | Ordinary shares in the capital of the Company |
| 6. | Issue size: | 396,100,918 Converted Shares |
| 7. | Coupon: | Nil |
| 8. | Maturity date and redemption amount at maturity: | Second anniversary from the date of the issue of the Convertible Notes |
| 9. | Conditions precedent: | <ul style="list-style-type: none"> i. The GEM Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Shares in the capital of the Company which may fall to be allotted and issued upon the exercise of the consideration rights attaching to the Convertible Notes ii. the Company having satisfied or obtained any and all relevant statutory and regulatory requirements, approvals and consents in relation to the issue of Convertible Notes or the Shares which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Notes iii. the Company having obtained approvals by its Shareholders, where necessary, in relation to the issue of the Convertible Notes or the Shares which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Notes iv. the Company having completed the Acquisition |
| 10. | Early redemption: | Redeemable at 100% of the outstanding principal of the Convertible Notes |
| 11. | Conversion: | At any time from and including the issue date of the Convertible Notes to and including the Maturity Date, the holders of the Convertible Notes will have the right to convert all the Convertible Notes or part thereof into the Shares at the conversion price of HK\$0.218 per Share (as adjusted by reasons of consolidation, merger or otherwise of the share capital base or on otherwise just and equitable basis in compliance with the GEM Listing Rules) |
| 12. | Governing law: | The laws of Hong Kong without regard to the conflicts of law principles thereof. |

The Convertible Notes are transferable (only with the consent of the Company) and are not to be listed on the Stock Exchange or any other exchange and no application to list the Convertible Notes will be made to the Stock Exchange or any other exchange. An application will be made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued upon exercise of the Convertible Notes.

4. Conditions precedent

Completion of the Acquisition is conditional upon:

- i. The Target has confirmed the utilization of the internet protocol television operation of the South Pearl is in effect; and
- ii. The Vendors will procure the change of ownership of the Target to Biztech Company Limited, a wholly-owned subsidiary of the Company, and duly registered with the respective authorities of the People's Republic of China; and
- iii. The valuation of 100% of the Target (55% equity interests of South Pearl inclusive) from BMI stating the current value of the Target which is satisfactory to the Company at no less than RMB207 million, which includes the internet protocol television rights; and
- iv. The registration of South Pearl into the Target for the 55% equity holding in South Pearl provided by relevant PRC regulatory bodies. Such registration and authenticity shall be advised by a PRC lawyer at the choice of the Company for record; and
- v. The internet protocol television licenses as exhibited to the Agreement having been lawfully assigned to South Pearl and confirmed in writing by a PRC lawyer; and
- vi. The Shareholders' approval (at the extraordinary general meeting of the Company) in the form of passing of relevant resolutions at the extraordinary general meeting of the Company approving the acquisition and the transactions contemplated under this Agreement, including the issue of new shares and the issue of convertible bonds; and
- vii. The GEM Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares, and the Converted Shares under an exercise of the Convertible Notes; and
- viii. Legal opinions concerning the intended acquisition of South Pearl by the Target and concerning the intended acquisition of the Target by the Company to the satisfaction of the Company from the PRC legal counsels; and
- ix. The Company's due diligence on such matters relating to the acquisition of the Target to its satisfaction in good faith; and
- x. Such further documents and/or information required by the Company by reasons of circumstances arising after the entry into of the Agreement and requested in writing three business days prior to the closing date.

5. Completion of the Acquisition

The Acquisition will be completed within six months from the date of the Agreement, and is subject to the completion of all the conditions precedent as stated above. Furthermore, if all the conditions precedent are not completed within 6 months from the date of the Agreement, then the parties shall have the right to either treat the Agreement as being void from the beginning or enter into a supplemental agreement extending the period of closing allowing for the fulfillment of the conditions precedent.

Upon the completion of the Agreement, Share Transfer will take place. In consideration of the issue of 286,262,132 Consideration Shares and 349,875,941 Converted Shares upon conversion of the Convertible Notes (with market value of approximately HK\$165,395,899) under the Share Transfer (the “Settlement”), Asian Dynamics will accept such issue as full and final settlement of the indebted loan in the amount of RMB25,000,000 owing from the Vendors to the Asian Dynamics by assigning part of the receipts of the Consideration as stated in the Agreement towards the indebtedness. The difference between the market value of the Settlement and the Loan was a commercial decision arrived between Asian Dynamics and the Vendors. There is no prior business relationship between Asian Dynamics and the Vendors other than that of arising from the Loan as at the date of this announcement.

B. INFORMATION ON THE GROUP AND ASIAN DYNAMICS

The Group is principally engaged in provision of on-line content information and related technical services, information technology solutions and consultancy services, and logistic services.

Asian Dynamics is a controlling Shareholder of the Company beneficially interested in 327,685,431 Shares (representing approximately 51.25% of the entire issued share capital of the Company) and is principally engaged in investment holding. The Company confirms that Asian Dynamics has remained in control (as defined in the Takeovers Code) of the Company over the past two years. Asian Dynamics and the Vendors are independent of one another and do not have any prior business relationship save for that arising from the Loan as at the date of this announcement.

C. REASONS FOR THE ACQUISITION AND SHARE TRANSFER

The Directors have been seeking investment opportunities to broaden the Group’s income base and to expand the Group’s business operation. The Board have considered the following factors, including but not limited to the Group’s existing investments in the logistics services and information technology sectors, and the returns that are currently achieved therefrom. The Board has reviewed the terms of the Agreement and is satisfied that the proposed Acquisition is in line with its existing information technology platform and will provide a basis for the expansion of this platform in the area of the provision of internet protocol television services to the Southern China Region. The Acquisition presents an exciting opportunity for the Group to expand its existing business structure and to provide an opportunity to enlarge the revenue base of the Group.

In view of the above, the Board considers the Agreement and the transactions contemplated thereunder are in the interests of the Company and the Independent Shareholders as a whole. The Board also considers the terms of the Agreement are on normal commercial terms and are fair and reasonable.

D. CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

The Acquisition will not result in a change in control of the Company. To the best knowledge of the Directors, the Vendors and their associates do not have any shareholding in the Company as at the date of this announcement. The following table illustrates the Company's shareholding structure, assuming there is no further change to the share capital of the Company: (i) as at the date of this announcement; (ii) immediately upon issue and allotment of the Consideration Shares; (iii) immediately upon the issue and allotment of the Consideration Shares and full conversion of the Convertible Notes; and (iv) immediately upon the issue and allotment of the Consideration Shares, full conversion of the Convertible Notes and full exercise of the outstanding options of the Company:

	As at the date of this announcement		Upon allotment and issuance of the Consideration Shares		Upon allotment and issuance of the Consideration Shares and full conversion of the Convertible Notes at the conversion price of HK\$0.218		Upon allotment and issuance of the Consideration Shares and full conversion of the Convertible Notes at the conversion price of HK\$0.218 and full exercise of the outstanding options of the Company	
	Shares	approximate %	Shares	approximate %	Shares	approximate %	Shares	approximate %
Asian Dynamics	327,685,431	51.25%	613,947,564	63.73%	963,823,505	70.89%	963,823,505	66.13%
Lucky Peace Limited	—	—	37,820,436	3.93%	84,045,413	6.18%	84,045,413	5.77%
Aldgate Agents Limited	66,120,000	10.34%	66,120,000	6.86%	66,120,000	4.86%	66,120,000	4.54%
Option holder(s) (<i>Note</i>)	—	—	—	—	—	—	97,840,073	6.71%
Other public Shareholders	245,529,987	38.41%	245,529,987	25.48%	245,529,987	18.07%	245,529,987	16.85%
Total	639,335,418	100.00%	963,417,987	100.00%	1,359,518,905	100.00%	1,457,358,978	100.00%
Public shareholding	245,529,987	38.41%	349,470,423	36.26%	395,695,400	29.11%	493,535,473	33.87%

Note:

- As at the date of this announcement, there are 97,840,073 ordinary shares of HK\$0.10 each in the capital of the Company ("the Option Shares") which are outstanding and fall to be issued upon exercise of the Option Shares at the exercise price of HK\$0.275 per Option Share.

E. DILUTIVE EFFECT OF THE CONVERTIBLE NOTES ON SHAREHOLDERS

In view of the potential dilution effect on existing Shareholders on exercise of conversion rights attached to the Convertible Notes, so far as long as any of the Convertible Notes are outstanding, the Company will keep the Shareholders informed of the level of dilution and details of the conversion as follows:

- (i) the Company will make a monthly announcement (the “Monthly Announcement”) on the website of the Stock Exchange. Such Monthly Announcement will be made on or before the fifth business day following the end of each calendar month and will include the following details in a table form:
 1. whether there is any conversion of the Convertible Notes during the relevant month. If there is a conversion, details thereof including the conversion date, number of Converted Shares issued and conversion price for each conversion. If there is no conversion during the relevant month, a negative statement to that effect;
 2. the amount of outstanding Convertible Notes after the conversion, if any;
 3. the total number of Shares issued pursuant to other transactions during the relevant month, including the Shares issued pursuant to exercise of options under any share option scheme(s) of the Company; and
 4. the total issued share capital of the Company as at the commencement and the last day of the relevant months.
- (ii) in addition to the Monthly Announcement, if the cumulative amount of the Converted Shares issued pursuant to the conversion of the Convertible Notes reaches 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be) (and thereafter in a multiple of such 5% threshold), the Company will make an announcement on the website of the Stock Exchange including details as stated in (i) or any subsequent announcement made by the Company in respect in respect of the Convertible Notes (as the case may be) up to the date on which the total amount of Shares issued pursuant to the conversion amounted to 5% of the issued share capital of the Company as disclosed in the last Monthly Announcement or any subsequent announcement made by the Company in respect of the Convertible Notes (as the case may be); and
- (iii) if the Company forms the view that the issue of Converted Shares will trigger the disclosure requirements under Rule 17.10 of the GEM Listing Rules, then the Company is obliged to make such disclosures regardless of the issue of any announcements in relation to the Convertible Notes as mentioned in (i) and (ii) above.

F. GENERAL

As certain relevant percentage ratios for the Acquisition are more than 100%, the Acquisition constitutes a very substantial acquisition on the part of the Company under the GEM Listing Rules. Since Asian Dynamics is a controlling Shareholder of the Company and is beneficially interested in 327,685,431 Shares (representing approximately 51.25% of the entire issued share capital of the Company) as at the date of this announcement, the Share Transfer under the Agreement constitutes a connected transaction on the part of the Company. As such, the Agreement and the transactions contemplated thereunder will require Independent Shareholders' approval at the EGM by way of poll pursuant to the GEM Listing Rules. Asian Dynamics will abstain from voting in respect of the proposed resolution approving the Agreement and the transactions contemplated thereunder at the EGM. The Share Transfer will form part of the completion of the Acquisition, as such the shareholding of Asian Dynamics will not be reduced at any time due to the issue of Consideration Shares and the conversion of the Convertible Notes. Therefore, the Acquisition will not constitute a change in control in the Company.

An independent financial adviser will be appointed to advise the independent board committee and the Independent Shareholders concerning whether the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Independent Shareholders and the Company as a whole.

A circular containing, amongst other things, (i) further details of the Agreement and the transactions contemplated thereunder, (ii) other disclosures in connection with the Agreement and the transactions contemplated thereunder required pursuant to the GEM Listing Rules, including a valuation report prepared by BMI on 100% of the Target (55% of equity interest South Pearl inclusive); (iii) a letter from an independent financial adviser containing its advice to the independent board committee regarding the Agreement and the transactions contemplated thereunder; (iv) the recommendation from the independent board committee regarding the Agreement and the transactions contemplated thereunder to the Independent Shareholders; and (v) the notice of the EGM to be despatched to the Shareholders as soon as practicable in accordance with the GEM Listing Rules.

G. RESUMPTION OF TRADING

Trading in the Shares was suspended from 9:30 a.m. on 27 December at the request of the Company pending the issue of this announcement and an application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on 14 January 2008.

H. DEFINITIONS

“Acquisition”	the proposed acquisition of 100% equity interest in the Target at the Consideration in the sum of HK\$157 million
“Agreement”	an agreement dated 24 December 2007 made between the Company and the Vendors in relation to the Acquisition

“Asian Dynamics”	Asian Dynamics International Limited, the controlling Shareholder of the Company which is beneficially interested in 327,685,431 Shares as at the date of this announcement (representing approximately 51.25% of the entire issued share capital of the Company)
“associates”	has the same meaning as ascribed in the GEM Listing Rules
“BMI”	BMI Appraisals Limited, an independent valuer
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong and any day on which a tropical cyclone warning number 8 or above is issued or remains issued between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon or on which a “Black” rainstorm warning is issued or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“Company”	Asian Capital Resources (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability and the issued ordinary shares of which are listed on the Growth Enterprises Market of the Stock Exchange
“Completion”	completion of the transactions pursuant to the Agreement
“Connected Person”	has the same meaning ascribed to it under the GEM Listing Rules
“Consideration”	the sum of HK\$157 million to be satisfied as to (i) HK\$70,650,000 by allotment and issue of Considerations Shares; and (ii) HK\$86,350,000 by issue of Convertible Notes
“Consideration Shares”	324,082,569 new Shares to be allotted and issued to the Vendors for the partial settlement of the Consideration pursuant to the terms of the Agreement
“Convertible Notes”	the convertible notes for the partial settlement of the Consideration pursuant to the terms of the Agreement
“Converted Shares”	the Shares to be issued upon exercise of the conversion rights attached to the Convertible Notes
“Directors”	the directors of the Company
“EGM”	extraordinary general meeting of the Company to be held to approve the Agreement and the transactions contemplated thereunder

“GEM”	the Growth Enterprises Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guangzhou TV”	Guangzhou Television Broadcast Technology Center Limited (廣州廣播電視科技中心有限公司)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than Asian Dynamics and its associates
“Last Trading Day”	24 December 2007, being the last trading day of the Shares on the Stock Exchange prior to the suspension of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on Thursday, 27 December 2007
“Loan”	A loan in the amount of RMB25,000,000 granted from Asian Dynamics to the Vendors
“PRC”	The People’s Republic of China, excluding Hong Kong, the Macau SAR and Taiwan for the purpose of this announcement
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Share Transfer”	The issue of part of the Consideration Shares and Convertible Notes by the Company to Asian Dynamics (being one of the designated nominees of the Vendors) pursuant to the terms of the Agreement in order to settle a loan of the Vendors to Asian Dynamics
“South Pearl”	South Pearl Limited (廣州南方明珠網絡科技有限公司), a limited liabilities company incorporated in the PRC on 4 September 2000 with registered capital of RMB20 million. South Pearl has not commenced any business operation since incorporated. It is expected that South Pearl will commence business immediately after the completion of the acquisition by the Target
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers
“Target”	Guangzhou Wavecom Communication and Advertising Limited (廣州濤視傳播廣告有限公司), a company incorporated in the PRC with limited liability

“Vendors”	Ms. Zhou Yu (周鬱) and Mr. Qiu Yue (邱越), both being independent third parties to the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

For the purpose of this announcement,

- (i) the English translation of the Chinese name is for identification only; and*
- (ii) conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of RMB1 to HK\$1.05. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

By Order of the Board
Asian Capital Resources (Holdings) Limited
Andrew James Chandler
Company Secretary

Hong Kong, 11 January 2008

As at the date of this announcement, the executive Directors of the Company are Mr. Xie Xuan (Chairman) and Mr. Yang Qiulin; the non-executive Director is Mr. Lo Mun Lam Raymond (Vice Chairman) and the independent non-executive Directors are Mr. Wu Jixue, Mr. Yang Zhenhong and Mr. Zhang Daorong.

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: (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 for at least 7 days from the date of its posting and on the Company’s website at <http://www.airnet.com.hk>.