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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Asian Capital Resources (Holdings) Limited, you should at once hand this circular to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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

**Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders**



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A letter from the Independent Board Committee is set out on page 12 of this circular. A letter from Fortune Financial Capital Limited, the independent financial adviser of the Company, containing its advice to the Independent Board Committee and the Independent Shareholders of the Company is set out on pages 14 to 22 of this circular.

A notice convening the EGM to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Monday, 18 February 2013 at 2:30 p.m. is set out on pages 27 to 28 of this circular. An ordinary resolution will be proposed at the EGM to consider and, if thought fit, to approve amongst others the Management Agreement. A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Hong Kong Registrars Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before appointed for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM if you so wish.

This circular will remain on the GEM website at <http://www.hkgem.com> on the "Latest Company Circular" page for at least seven days from the date of its posting and on the website of the Company at <http://www.airnet.com.hk>.

22 January 2013

## **CHARACTERISTICS OF GEM**

**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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

## CONTENTS

	<i>Page</i>
<b>Characteristics of GEM</b> .....	i
<b>Definitions</b> .....	1
<b>Letter from the Board</b> .....	4
<b>Letter from the Independent Board Committee</b> .....	12
<b>Letter from the Independent Financial Adviser</b> .....	14
<b>Appendix — General Information</b> .....	23
<b>Notice of EGM</b> .....	27

## DEFINITIONS

*In this circular, unless the context requires otherwise, the following expressions have the following meanings:*

“Announcement”	the announcement of the Company dated 31 December 2012 in respect of the Management Agreement and transactions contemplated thereunder
“Annual Caps”	the annual caps for the management fee under Management Agreement for the year ending 31 December 2013 and 2014
“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 Rules 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

## DEFINITIONS

“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 Financial Adviser” or “Fortune Financial”	Fortune Financial Capital Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activities as defined under the SFO, being independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholders”	Shareholder(s) other than Mr. Chu and his associates and any Shareholder(s) who are interested in the Management Agreement
“Latest Practicable Date”	17 January 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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
“Registrar”	the Company’s branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“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

## DEFINITIONS

“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 in HK\$ and RMB have been, could have been or could be converted at the above rate or any other rate.*

*\* for identification purposes only*

LETTER FROM THE BOARD



*Executive Directors:*

Mr. Chu Yat Hong  
Mr. Xiao Jing  
Mr. Xie Xuan  
Mr. Qiu Yue

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Non-executive Director:*

Mr. Lo Mun Lam Raymond

*Principal place of business  
in Hong Kong:*

*Independent non-executive Directors:*

Mr. Wu Jixue  
Dr. Feng Ke  
Mr. Zhang Daorong

Room 801, 8/F  
Dannies House  
20 Luard Road, Wanchai  
Hong Kong

22 January 2013

*To the Shareholders*

Dear Sir or Madam,

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

**INTRODUCTION**

Reference is made to the announcement of the Company dated 31 December 2012 in relation to the Management Agreement and transactions contemplated thereunder.

**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

## LETTER FROM THE BOARD

### Parties

- (i) the Company;
- (ii) the Subsidiary; and
- (iii) Guangdong Zhicheng, which is beneficially wholly-owned by Mr. Chu and thus a connected person to 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 its wholly-owned subsidiary Guangzhou Wavecom) to Guangdong Yingxin. Guangzhou Wavecom will receive all the net profits after taxation of Guangdong Yingxin as management fee during the management period under the Management Agreement. However, there is no guaranteed minimum management fee if Guangdong Yingxin records net loss during such management period. 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.

## **LETTER FROM THE BOARD**

### **Consideration**

The Company will procure the transfer of 9% equity interests in the Subsidiary to Guangdong Zhicheng (or its nominees) as consideration as soon as practicable after the Management Agreement is approved at the EGM. The Company expects that such transfer could be effectuated within one month after the approval at the EGM.

The Subsidiary had a net liability position of approximately HK\$135 million as at 31 December 2011. The 9% equity interests in the Subsidiary will give rise to a negative value of approximately HK\$12 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 be responsible for the funding needs arising from business development of Guangdong Yingxin during the term of the Management Agreement.

The Board hereby clarifies that the above-mentioned business development of Guangdong Yingxin specially refers to any new business of Guangdong Yingxin undertaken to be developed under the direction and instruction of the Company, the Subsidiary or Guangzhou Wavocom during the term of the management period. The Board further confirms that there is no concrete development plans for Guangdong Yingxin as at the Latest Practicable Date and hence it is unable to ascertain the funding needs for Guangdong Yingxin at this stage, and the Company understands that any provision of funding to Guangdong Yingxin will constitute another continuing connected transactions and undertakes to comply with relevant requirements under the GEM Listing Rules if funding is to be provided to the Guangdong Yinxin.

### **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 resolutions 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 authorities (if applicable).

## LETTER FROM THE BOARD

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 before 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	
	2013	2014
	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 unaudited consolidated net liability of the Subsidiary as at 31 December 2011 is approximately HK\$135 million.

The unaudited 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\$3.1 million	HK\$1.6 million (note)
Net profit after taxation and extraordinary items	HK\$1.9 million	HK\$1.6 million (note)

## LETTER FROM THE BOARD

*Note:*

Owing to clerical mistake on the un-audited figures which were incorrectly stated in the Announcement.

The Subsidiary will become a 91% 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 have 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. The management's experience in media and IPTV operation will better management and utilize the network platform of Guangdong Yingxin in its provision of value-added services and contents to end-users of its network platform; and
- (ii) there is a possibility of cross-over of the Group's IPTV services and the business of Guangdong Yingxin as to the supply and provision of additional contents currently accessible by the Group in its IPTV business to the end-users of Guangdong Yingxin's network platform. In a nutshell, the Group could provide contents while Guangdong Yingxin could provide end-users and platforms, which will end up into a win-win situation and create new income stream to both the Group and Guangdong Yingxin.

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 (i) the Group is more familiar with the business of Guangdong Yinxin through the service to be provided under the Management Agreement; and (ii) the Group has sufficient financial resources for such acquisition and the price is considered to be fair and reasonable so far as Independent Shareholders are concerned. Should this opportunity arises 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 connected persons 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.

## **LETTER FROM THE BOARD**

The relevant percentage ratios of the disposal of 9% equity interests 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 interests 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.

### **EGM**

Set out on pages 27 to 28 of this circular is a notice convening the EGM which will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong at 2:30 p.m. on Monday, 18 February 2013 at which resolutions will be proposed to approve, among others, the Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration) and the Annual Caps.

A form of proxy for the EGM is enclosed. Whether or not you propose to attend the EGM, you are requested to complete the form of proxy and return the same to the Registrar, Hong Kong Registrars Limited, at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the meeting (or any adjourned meeting). Completion and delivery of the form of proxy will not preclude you from attending and voting at the meeting (or any adjourned meeting) if you so wish.

All resolutions proposed at the EGM shall be voted by poll. Any connected persons and Shareholders and their associates with a material interest in the Management Agreement shall abstain from voting at the EGM. Therefore, Mr. Chu and its associates shall abstain from voting for the relevant resolution at the EGM due to his interest in the Management Agreement. In fact, Mr. Chu has declared his interests and abstained from voting in the Board meeting while other Directors who do not have any interest approved the entering into the Management Agreement. Asian Dynamics International Limited, which is an associate of Mr. Chu and holds 546,846,132 Shares representing 39.47% of the total issue capital of the Company as at the Latest Practicable Date, shall be abstained from voting at the EGM. Other than as aforesaid, no other Shareholders are required to abstain from voting at the EGM. Furthermore, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon Mr. Chu (or its associates); and (ii) no obligation or entitlement of Mr. Chu (including its associates) as at the Latest Practicable Date, whereby he has or may have temporarily or permanently passed control over the exercises of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

### **INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee which comprises Mr. Wu Jixue, Dr. Feng Ke and Mr. Zhang Daorong, all being the independent non-executive Directors, has been established to advise the Independent Shareholders as to whether the terms and conditions of the Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration) and the Annual Caps 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

## LETTER FROM THE BOARD

into account the recommendations of Fortune Financial. None of the members of the Independent Board Committee has any material interest in the transactions contemplated under the Management Agreement.

Fortune Financial has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration) and the Annual Caps.

The Independent Board Committee and the Directors, having taken into account the advice of Fortune Financial, consider that the Management Agreements were entered into on normal commercial terms and that the terms of the Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration) and the Annual Caps are fair and reasonable and in the interests of the Group so far as the Independent Shareholders are concerned and accordingly recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) which will be proposed at the EGM for approving the Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration) and the Annual Caps.

The text of the letter from the Independent Board Committee is set out on page 12 of this circular and the text of the letter from the Independent Financial Adviser, containing its advice is set out on pages 14 to 22 of this circular.

### RECOMMENDATION

Considering that:

- (i) the strong financial performance of Guangdong Yingxin;
- (ii) the substantial negative financial position of the Subsidiary and thus the attributable negative value of the 9% equity interests in the Subsidiary; and
- (iii) the funding needs is not committed and subject to disclosure, reporting and/or Independent Shareholders' approval, if necessarily, under the GEM Listing Rules,

the Board and the Independent Board Committee (having taken into account the advice of the Independent Financial Adviser) considers that the terms of the Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration) and the Annual Caps are fair and reasonable and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution(s) as set out in the notice of the EGM.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 12 of this circular which contains its views in relation to the Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration) and the Annual Caps; and (ii) the letter from the Independent Financial Adviser, which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the

**LETTER FROM THE BOARD**

Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration), the Annual Caps and the principal factors and reasons considered by it in arriving at its opinions.

**ADDITIONAL INFORMATION**

Your attention is drawn to the additional information set out in the appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



22 January 2013

*To the Independent Shareholders*

Dear Sir or Madam,

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

We refer to the circular of the Company dated 22 January 2013 (the “Circular”) to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you as to whether the terms of the Management Agreement and the Annual Caps respectively are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Fortune Financial has been appointed to advise the Independent Board Committee and the Independent Shareholders in this respect. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, is set out on pages 14 to 22 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 11 of the Circular and the additional information set out in the appendix of the Circular.

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

Having considered the terms of the Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration), the Annual Caps, the principal reasons and factors considered by, and the advice of Fortune Financial, we are of the opinion that the Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration) and the Annual Caps are on normal commercial terms and the terms of the Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration) and the Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM to approve the Management Agreement (including the transfer of 9% equity interests in the Subsidiary as consideration) and the Annual Caps.

Yours faithfully,  
Independent Board Committee of  
**Asian Capital Resources (Holdings) Limited**

**Mr. Wu Jixue**  
*Independent non-executive  
Director*

**Dr. Feng Ke**  
*Independent non-executive  
Director*

**Mr. Zhang Daorong**  
*Independent non-executive  
Director*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

*The following is the full text of the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Management Agreement prepared for the purpose of inclusion in this circular.*



**Fortune Financial Capital Limited**

35th Floor  
Office Tower Convention Plaza  
1 Harbour Road, Wanchai  
Hong Kong

22 January 2013

*To the Independent Board Committee and the Independent Shareholders of  
Asian Capital Resources (Holdings) Limited*

Dear Sirs,

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

#### **I. INTRODUCTION**

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Management Agreement, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular (the “**Circular**”) dated 22 January 2013 issued by the Company, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

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 its wholly-owned subsidiary Guangzhou Wavecom) to Guangdong Yingxin for a term from the date on which the Management Agreement is approved at the EGM to 31 December 2014 and Guangzhou Wavecom will receive all the net profits after taxation of Guangdong Yingxin as management fee during the management period under the Management Agreement. The Company will procure the transfer of 9% equity interests in the Subsidiary to Guangdong Zhicheng (or its nominees) as consideration (the “**Consideration**”) as soon as practicable after the Management Agreement is approved at the EGM.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As both Guangdong Zhicheng and Guangdong Yingxin are connected persons of the Company, the transactions contemplated under the Management Agreement will constitute continuing connected transactions, and a discloseable and connected transaction under the GEM Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise whether the Management Agreement is in the interests of the Company and the Independent Shareholders as a whole. We have been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders as to whether the Management Agreement is entered in the ordinary and usual course of business and the terms of the Management Agreement is on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

### **II. BASIS OF OUR ADVICE**

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, Directors and management of the Company. We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any material facts the omission of which would render the information provided and the representations made to us untrue, inaccurate or misleading. We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, Directors and management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true as at the date of the EGM.

All Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed in the Circular, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respect and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and management of the Company.

### **III. PRINCIPAL FACTORS AND REASONS**

In assessing the Management Agreement and in giving our recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

#### **Financial information of the Group**

*For the year ended 31 December 2011*

As set out in the annual report 2011 of the Company (“**AR 2011**”) for the year ended 31 December 2011, the Group recorded turnover of approximately HK\$6.96 million, representing a decrease of approximately 2.37% from that for the year ended 31 December 2010 of approximately HK\$7.13 million. As advised by the Company, the decrease in turnover was mainly attributable to the decrease in the turnover of the business segment of internet protocol television (“**iPTV**”) as a result of keen competition. The Group reported profit attributable to Shareholders of approximately HK\$0.85 million for the year ended 31 December 2011 whilst it reported loss attributable to Shareholders of approximately HK\$67.72 million for the year ended 31 December 2010. As advised by the Company, the abovementioned turnaround was mainly attributable to (i) the reduction of administrative and operating expense; and (ii) the Group has recorded gain on deregistration of subsidiaries of approximately HK\$24.11 million for the year ended 31 December 2011 whilst the Group did not record any gain on deregistration of subsidiaries for the year ended 31 December 2010.

We noted from the independent auditors’ report in AR 2011 that auditors of the Company had emphasized the concern in respect of the going concern basis of the Group’s accounts for the year ended 31 December 2011 because the Group incurred a loss during the year ended 31 December 2011 of approximately HK\$17.42 million and, as at 31 December 2011, the Group’s current liabilities exceeded its current assets by approximately HK\$90.35 million. The abovementioned conditions, along with other matters as set forth in AR 2011, indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. Also set out in the independent auditors’ report, the consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group’s ability to improve the liquidity position to enable the Group to meet its financial obligations as and when they fall due for the foreseeable future. The consolidated financial statements do not include any adjustments that would result from the failure to operate as a going concern.

*For the nine months ended 30 September 2012*

As set out in the third quarterly report 2012 of the Company (“**TQR 2012**”) for the nine months ended 30 September 2012, the Group recorded turnover of approximately HK\$4.56 million, representing a decrease of approximately 10.94% from that for the corresponding period in previous year of approximately HK\$5.12 million. As set out in TQR 2012, the decrease in turnover was mainly due to market uncertainty which affected the Group’s iPTV division. The Group reported loss attributable to Shareholders of

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

approximately HK\$10.24 million for the nine months ended 30 September 2012 whilst the Group reported profit attributable to Shareholders of approximately HK\$11.48 million for the corresponding period in previous year. As advised by the Company, the turnaround from profit into loss was mainly due to the short fall of a non-recurring gain on deregistration of a subsidiary in 2011.

### Information of the Subsidiary

The Subsidiary together with Guangzhou Wavecom is principally engaged in the application of IPTV services and businesses. The Subsidiary will become a 91% non-wholly owned subsidiary of the Company after the transfer of 9% equity interests to Guangdong Zhicheng (or its nominees).

The consolidated net liability of the Subsidiary as at 31 December 2011 is approximately HK\$135 million and as advised by the Company, the consolidated net liability of the Subsidiary as at 30 September 2012 is approximately HK\$115 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	
	2010	2011
Net profit before taxation and extraordinary items	HK\$1.6 million	HK\$3.1 million
Net profit after taxation and extraordinary items	HK\$1.6 million	HK\$1.9 million

As set out above, the Subsidiary recorded net profit after taxation and extraordinary items for the year ended 31 December 2011 of approximately HK\$1.9 million, representing an increase of approximately 18.75% from that for the year ended 31 December 2010 of approximately HK\$1.6 million. As advised by the Company, the increase in net profit was mainly attributable to the decrease in cost of service.

### Background and Reasons of the Management Agreement

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 agreed to provide management service (through its wholly-owned subsidiary Guangzhou Wavecom) to Guangdong Yingxin. Guangzhou Wavecom will receive all the net profits after taxation of Guangdong Yingxin as management fee during

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the management period under the Management Agreement. However, there is no guaranteed minimum management fee if Guangdong Yingxin records net loss during such management period. The management fee is to be settled as soon as possible after the end of each calendar month. The term of the Management Agreement would be commenced from the date on which the Management Agreement is approved at the EGM to 31 December 2014. Details of the historical financial performance of Guangdong Yingxin has been set out under the below section headed “Annual Caps”.

As set out in the Board Letter, the Directors have 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 (the “**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. The management’s experience in media and IPTV operation will better management and utilize the network platform of Guangdong Yingxin in its provision of value-added services and contents to end-users of its network platform; and
- (ii) there is a possibility of cross-over of the Group’s IPTV services and the business of Guangdong Yingxin as to the supply and provision of additional contents currently accessible by the Group in its IPTV business to the end-users of Guangdong Yingxin’s network platform. In a nutshell, the Group could provide contents whilst Guangdong Yingxin could provide end-users and platforms, which will end up into a win-win situation and create new income stream to both the Group and Guangdong Yingxin.

As noted from TQR 2012, the Board, looking forward, is contemplating expanding the investment operations of the Group, which will allow the Company to focus on synergy project investments which shall derive value for the Shareholders, and pave the way for the Company’s future growth, both in terms of revenue streams and profits achieved from its business operations.

In view of (i) the profit-making track records of Guangdong Yingxin and all the net profit after taxation will be received as management fee; (ii) the Management Agreement will broaden the income stream of the Group; (iii) the nature of the principal business of the Group and the Management Agreement is aligned with the business strategy of the Group; and (iv) the potential Synergy Effect follow-up with the Management Agreement, in particular the possibility of cross-over of the Group’s IPTV services business and the business of Guangdong Yingxin such that Guangdong Yingxin could provide end-users and platforms whilst the Group could provide contents to the end-users of Guangdong Yingxin’s network platform which would enhance the income of the Group, we consider that the Management Agreement is entered in the ordinary and usual course of business, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### Pricing basis

As set out in the Board Letter, the Subsidiary agreed to provide management service (through its wholly-owned subsidiary Guangzhou Wavecom) to Guangdong Yingxin. Guangzhou Wavecom will receive all the net profits after taxation of the Guangdong Yingxin as management fee during the management period under the Management Agreement. However, there is no guaranteed minimum management fee if Guangdong Yingxin records net loss during such management period. The management fee is to be settled as soon as possible after the end of each calendar month.

We have enquired with and have been advised by the Company that it has not conducted similar transactions as those contemplated under the Management Agreement with independent third parties. We have also been advised by the Company that it is expected initially 5 personnels of the Group would be assigned to involve in the provision of management service under the Management Agreement and the time-cost of those abovementioned personnels would be the major operating cost to the Group in respect of the provision of management service under the Management Agreement. Further advised by the Company, as at the Latest Practicable Date, the Group has no intention to recruit additional personnels for the provision of management service under the Management Agreement, however, the Group will review the service team of Guangdong Yingxin and perform in accordance with the budgets and make variations to increase personnels to support for the incremental revenues arising from additional third parties contracts and services. We have also reviewed the financial reports for the two years ended 31 December 2011 and the management accounts for the eleven months ended 30 November 2012 of Guangdong Yingxin. We are aware that there is no guaranteed minimum management fee if Guangdong Yingxin records net loss during the management period under the Management Agreement, however, having considered that (i) all the net profits after taxation of Guangdong Yingxin will be received as management fee; (ii) the stable profit-making track records of Guangdong Yingxin for the two years ended 31 December 2011 and for the eleven months ended 30 November 2012; (iii) Guangdong Yingxin will be under the management of the Company under the Management Agreement; (iv) the expected operating cost to be incurred to the Group in respect of the provision of the management service under the Management Agreement is mainly the time-cost of the personnels of the Group; (v) the independent non-executive Directors will, pursuant to Rule 20.37 of the GEM Listing Rules, review, amongst other things, whether the continuing connected transactions under the Management Agreement are conducted on normal terms, or if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Group than those available from independent third parties; and (vi) the auditors of the Company will, pursuant to Rule 20.38 of the GEM Listing Rules, review for the purpose of confirming whether the continuing connected transactions entered into between the Company and Guangdong Zhicheng is conducted in accordance with the Management Agreement, we are of the opinion that (a) the Management Agreement is fair and reasonable and on normal commercial terms; and (b) adequate measures have been in place, as required under the said GEM Listing Rules above, to monitor the Management Agreement in order to protect the interests of the Company and the Independent Shareholders.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### Consideration and funding needs

As set out in the Board Letter, the Company will procure the transfer of 9% equity interest in the Subsidiary to Guangdong Zhicheng (or its nominees) as consideration as soon as practicable after the Management Agreement is approved at the EGM. The Company expects that such transfer could be effectuated within one month after the approval at the EGM. The Subsidiary agreed to responsible for the funding needs arising from business development of Guangdong Yingxin during the term of the Management Agreement. The above-mentioned business development of Guangdong Yingxin specially refers to any new business of Guangdong Yingxin undertaken to be developed under the direction and instruction of the Company, the Subsidiary or Guangzhou Wavecom during the term of the management period. As advised by the Company, there is no concrete development plans for Guangdong Yingxin as at the Latest Practicable Date and hence, it is unable to ascertain the funding needs for Guangdong Yingxin at this stage and the Company will comply with relevant requirements under the GEM Listing Rules if funding is to be provided to Guangdong Yinxin.

The Subsidiary had a net liability position of approximately HK\$135 million as at 31 December 2011. The 9% equity interests in the Subsidiary will give rise to a negative value of approximately HK\$12 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.

As advised by the Company, the net liability position of the Subsidiary was amounted to approximately HK\$115 million as at 30 September 2012. As noted from the annual report 2010 of the Company, AR 2011 and TQR 2012, the Group has suffered from loss-making from continuing operations since 2007. As noted from the Board Letter, the net profit after taxation of Guangdong Yingxin for the years ended 31 December 2010 and 31 December 2011 amounted to approximately RMB24 million (equivalent to approximately HK\$29 million) and approximately RMB25 million (equivalent to approximately HK\$30 million), representing approximately 18 times and approximately 16 times respectively to the net profit after taxation of the Subsidiary of approximately HK\$1.6 million for the year ended 31 December 2010 and approximately HK\$1.9 million for the year ended 31 December 2011.

In view of that (i) the Company has recorded persistent loss-making track records from continuing operations; (ii) all the net profit after taxation of Guangdong Yingxin will be paid as management fee; (iii) the net profit after taxation of Guangdong Yingxin represented approximately 18 times and approximately 16 times to those of the Subsidiary for the years ended 31 December 2010 and 31 December 2011 respectively; (iv) the net liabilities position of the Subsidiary; and (v) notwithstanding the funding needs for Guangdong Yingxin is unable to be ascertained at this stage, the Company will comply with relevant requirements (including the independent shareholders' approval requirements, if necessary) under the GEM Listing Rules if funding is to be provided to Guangdong Yinxin, we consider the Consideration is acceptable.

<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b>
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### Annual Caps

As set out in the Board Letter, taking into account (i) the historical net profits before taxation of Guangdong Yingxin; (ii) the possible inflation rate of 8% (the “**Inflation Rate**”) in the coming years; and (iii) a buffer of 10% (the “**Buffer**”), the Company has set the following Annual Caps of the management fee for each of the years ending 31 December 2013 and 2014:

	<b>Annual Caps for</b>	
	<b>the years ending 31 December</b>	
	<b>2013</b>	<b>2014</b>
	<i>RMB'million</i>	<i>RMB'million</i>
Management fee	29	34
	( <b>“2013 Cap”</b> )	( <b>“2014 Cap”</b> )

As set out in the Board Letter, 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.

As noted from the Board Letter, 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</b>		<b>For the</b>
	<b>31 December</b>		<b>11-month period</b>
	<b>2010</b>	<b>2011</b>	<b>ended 30</b>
			<b>November</b>
			<b>2012</b>
Net profits after taxation	RMB24 million (equivalent to HK\$29 million)	RMB25 million (equivalent to HK\$30 million) <b>(“2011 Net Profit”)</b>	RMB20 million (equivalent to HK\$24 million)

As advised by the Company, instead of using the net profit after taxation of Guangdong Yingxin for the 11-month period ended 30 November 2012 for the Annual Caps calculation, the 2011 Net Profit has been used because the Company considered it is more appropriate to use the latest full-year result and highest net profit as a reference point for the calculation of Annual Caps which indicate the maximum transaction value under the Management Agreement.

As noted from the website of Chinese Academy of Social Sciences 中國社會科學網 (www.cssn.cn), it is predicted that the gross domestic products of China in 2013 would probably be increased by approximately 8.2%. We have been advised by the Company that the Buffer is set to take care of any sudden fluctuation of the net profits of Guangdong Yingxin. We have also noted from the website of National Bureau of

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Statistics of China (www.stats.gov.cn), in 2011, the investment in commercial residential buildings reached RMB4,430.8 billion, representing an increase of approximately 30.2% as compared with previous year. Having considered that Guangdong Yingxin is engaged in building the last-mile digital cable networks of residential real estate projects, we consider the increase in investment in commercial residential buildings may have positive impact to the business of Guangdong Yingxin and hence, we consider it is fair and reasonable for the Company to include a buffer for the Annual Caps calculation. In light of the above mentioned, we consider the Inflation Rate and the Buffer are fair and reasonable assumptions.

Based on the 2011 Net Profit, the Inflation Rate of 8% and the Buffer of 10%, the net profits for 2013 is calculated to be approximately RMB29.7 million, as such we consider the 2013 Cap is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Based on the 2013 Cap, the Inflation Rate of 8% and the Buffer of 10%, the net profits for 2014 is calculated to be approximately RMB34.5 million, as such we consider the 2014 Cap is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

#### IV. RECOMMENDATION

Taking into consideration of the above-mentioned principal factors and reasons, we consider that the Management Agreement is entered in the ordinary and usual course of business and the terms of the Management Agreement is on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole. We would therefore recommend the Independent Shareholders and advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to approve the Management Agreement at the EGM.

Yours faithfully,

For and on behalf of

**FORTUNE FINANCIAL CAPITAL LIMITED**

**Eric Koo**

*Managing Director*

**Abpy So**

*Assistant Director*

## 1. RESPONSIBILITY STATEMENT

This circular, 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 the information contained in this circular is accurate and complete in all material respect and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

## 2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

### Long position in the Shares

Name	Capacity and nature of interest	Number of Shares held	Approximately percentage of interests in the issued share capital
Mr. Chu Yat Hong	Interest of a controlled corporation ( <i>Note 1</i> )	546,964,782	39.48%
Mr. Xie Xuan	Interest of a controlled corporation ( <i>Note 1</i> )	546,964,782	39.48%
Mr. Qiu Yue	Beneficial owner Interest of a controlled corporation ( <i>Note 2</i> )	15,430,000 18,620,436	
		34,050,436	2.46%

*Note 1:* The controlled corporation is Glamour House Limited which is beneficially owned as to 90% by Mr. Chu Yat Hong and 10% by Mr. Xie Xuan. It is accustomed to acting in accordance with Mr. Xie's instructions who is the sole director.

*Note 2:* The controlled corporation is Lucky Peace Limited which is 100% wholly-owned by Mr. Qiu Yue.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be

entered in the register referred to therein; or (iii) pursuant to the rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors, to be notified to the Company and the Stock Exchange.

### 3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

#### Long Position in the Shares

Name	Type of interests	Number or attributable number of Shares or underlying Shares held	Approximately percentage of interests
Glamour House Limited	Interest of a controlled corporation ( <i>Note 1</i> )	546,964,782 (L)	39.48%
Mr. Chu Yat Hong	Interest of a controlled corporation ( <i>Note 1</i> )	546,964,782 (L)	39.48%
Asian Dynamics International Limited	Beneficial owner	546,846,132 (L)	39.47%
Logic Ease Group Limited	Beneficial owner	86,500,000 (L)	6.24%
Perfect Image Group Limited	Beneficial owner	91,430,911 (L)	6.60%
Blue Balloon Limited	Beneficial owner	86,500,000 (L)	6.24%
Sweetly Limited	Beneficial owner	86,500,000 (L)	6.24%

L: Long position

*Note 1:* The controlled corporation is Glamour House Limited which is beneficially owned as to 90% by Mr. Chu Yat Hong and which is the beneficial owner as to 67.18% of Asian Dynamics International Limited.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any person (other than a Director or chief executive of the Company) who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or substantial shareholders as recorded in the register of substantial shareholders required to be kept by the Company under section 336 of the SFO.

**4. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS**

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2011, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**5. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or their respective associates were interested in any business apart from the Group's businesses, which competes or was likely to compete, whether directly or indirectly, with the businesses of the Group.

**6. SERVICE CONTRACT**

As at the Latest Practicable Date, none of the Directors had entered into any existing or proposed service contracts with the Company or any other member of the Group (excluding contracts expiring or which may be terminated by the Company within one year without payment of any compensation (other than statutory compensation)).

**7. EXPERT**

The following is the qualification of the expert who has given opinions or advice which are contained in this circular:

Fortune Financial	A licensed corporation to carry out type 6 (advising on corporate finance) regulated activities pursuant to the SFO
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Fortune Financial has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and report and references to its name in the form and context in which it appears. As at the Latest Practicable Date, Fortune Financial does not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group. In addition, as at the Latest Practicable Date, Fortune Financial does not have any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, any member of the Group since 31 December 2011.

**8. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2011, being the date to which the latest published audited financial statements of the Group was made up.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Room 801, 8/F, Dannies House, 20 Luard Road, Wanchai, Hong Kong from the date of this circular up to and including the date of EGM:

- (a) the Management Agreement; and
- (b) this circular.

**10. MISCELLANEOUS**

The English text of this circular shall prevail over the Chinese translation in the event of inconsistency.

## NOTICE OF EGM



### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting of Asian Capital Resources (Holdings) Limited (“Company”) will be held at 2:30 p.m. on Monday, 18 February 2013 at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong to consider and, if thought fit, pass the following resolution, with or without modifications, as an ordinary resolution:

#### ORDINARY RESOLUTION

“**THAT:**

- (a) the management agreement dated 31 December 2012 (the “Agreement”) entered into between Asian Capital Resources (Holdings) Limited (the “Company”), Biztech Company Limited (the “Subsidiary”) and Guangdong Zhicheng Weiye Investment Limited\* (廣東至誠偉業投資有限公司) in relation to providing management services to Guangdong Yingxin Xinxi Investment Limited\* (廣東盈信資訊投資有限公司) (including without limitation the transfer of 9% equity interest in the Subsidiary as consideration, details of the Agreement are set out in the company’s circular date 22 January 2013 (the “Circular”), copies of the Agreement and the Circular have been tabled at the meeting and marked “A” and “B” initialled by the chairman of EGM for the purpose of identification) and the transactions contemplated thereunder by and are hereby approved, confirmed and ratified;
- (b) the Annual Caps (as defined and more particularly described in the Circular) be and are hereby approved and confirmed; and
- (c) the directors of the Company be and are hereby authorized to do such acts and execute such other documents as they may consider necessary, desirable or expedient to carry out or give effect to or otherwise in connection with or in relation to the Agreement (including without limitation the transfer of 9% equity interest in the Subsidiary as consideration), the Annual Caps and all transaction contemplated thereunder.”

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

Hong Kong, 22 January 2013

\* *for identification purposes only*

## NOTICE OF EGM

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

Room 801, 8/F  
Dannies House  
20 Luard Road, Wanchai  
Hong Kong

*As at the date of this notice, the directors of the Company are as follows:*

*Executive Directors:*

Mr. Chu Yat Hong  
Mr. Xiao Jing  
Mr. Xie Xuan  
Mr. Qiu Yue

*Non-executive Director:*

Mr. Lo Mun Lam Raymond

*Independent non-executive Directors:*

Mr. Wu Jixue  
Dr. Feng Ke  
Mr. Zhang Daorong

*Notes:*

- (1) A member of the Company entitled to attend and vote at the extraordinary general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the extraordinary general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the office of the Company's branch registrar in Hong Kong, Hong Kong Registrars Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
- (3) Completion and return of an instrument appointing a proxy should not preclude a shareholder of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) Where there are joint holders of any share, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s), and for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.