



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8025)

UNAUDITED ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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This announcement, for which the directors (the “Board”) of Asian Capital Resources (Holdings) Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange (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; and (2) there are no other matters the omission of which would make any statement in this announcement misleading.

UNAUDITED CONSOLIDATED ANNUAL RESULTS

For the reasons explained below under “Review of Unaudited Annual Results”, the auditing process for the annual results has not been completed. In the meantime, the board of directors (the “**Board**”) of Asian Capital Resources (Holdings) Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (together, the “**Group**”) for the year ended 31 December 2019, together with the comparative figures for the year ended 31 December 2018 as follows.

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

	<i>Notes</i>	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
Revenue	4(a)	17,998	25,800
Cost of service		(5,188)	(23,580)
Other revenue and net income	4(b)	291	9,593
Administrative and operating expenses		(17,270)	(18,910)
Impairment loss on goodwill		(48,043)	(45,852)
Impairment loss on trade and other receivables		–	(3,325)
Bad debts written-off		(242)	(30)
Loss on lease termination		(332)	–
Gain on disposal of subsidiaries		6,780	–
Loss from operations		(46,006)	(56,304)
Finance costs	6	(9,504)	(1,156)
Share of (loss)/profits of associates		(260)	168
Loss before taxation	7	(55,770)	(57,292)
Income tax expenses	8	(619)	(91)
LOSS FOR THE YEAR		(56,389)	(57,383)

	<i>Notes</i>	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Fair value gain on financial assets at fair value through other comprehensive income (“FVTOCI”)		162	—
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		439	914
Exchange difference reclassified to profit or loss on disposal of subsidiaries		(308)	—
Other comprehensive income for the year, net of tax		293	914
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(56,096)	(56,469)
LOSS ATTRIBUTABLE TO:			
– owners of the Company		(56,389)	(57,383)
– non-controlling interests		—	—
		(56,389)	(57,383)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
– owners of the Company		(56,096)	(56,469)
– non-controlling interests		—	—
		(56,096)	(56,469)
Loss per share:	<i>10</i>	HK Cents	HK Cents
Basic and diluted		(3.20)	(3.26)

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>Notes</i>	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		1,240	2,038
Right-of-use assets		427	–
Goodwill		41,723	89,766
Interests in associates		4,947	5,202
Financial assets at fair value through other comprehensive income		931	769
Amount due from an investee company		538	538
Rental deposit		79	–
		49,885	98,313
CURRENT ASSETS			
Trade and other receivables	11	3,394	42,974
Cash and cash equivalents		5,538	6,989
		8,932	49,963
CURRENT LIABILITIES			
Trade and other payables	12	15,415	53,061
Amounts due to associates		1,860	1,361
Convertible bonds payable		102,275	–
Obligations under finance leases		–	300
Lease liabilities		494	–
Tax payable		4,474	3,901
		124,518	58,623
NET CURRENT LIABILITIES		(115,586)	(8,660)
TOTAL ASSETS LESS CURRENT LIABILITIES		(65,701)	89,653

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
NON-CURRENT LIABILITIES		
Amount due to a director	5,428	2,717
Amount due to substantial shareholder	8,966	17,305
Convertible bonds payable	–	93,568
Obligations under finance leases	–	225
Lease liabilities	163	–
	14,557	113,815
NET LIABILITIES	(80,258)	(24,162)
CAPITAL AND RESERVES		
Share capital	176,183	176,183
Reserves	(256,440)	(200,344)
Capital deficiency to owners of the Company	(80,257)	(24,161)
Non-controlling interests	(1)	(1)
CAPITAL DEFICIENCY	(80,258)	(24,162)

NOTES

1. CORPORATION INFORMATION

Asian Capital Resources (Holdings) Limited (the “**Company**”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**GEM**”). The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information section of this annual report.

The unaudited consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), the functional currency of the Company is HK\$ and functional currency of the subsidiaries of the Company mainly include Renminbi (“**RMB**”) and HK\$. All values are rounded to nearest thousand unless otherwise stated.

The principal activities of the Company and its subsidiaries (together the “**Group**”) are investment holdings, provision of business consultation services, and private investment fund management services, provision of traditional media and internet media content production management services and media content design services, provision of internet development and maintenance services.

2. BASIS OF PREPARATION

These unaudited consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These unaudited consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “**GEM Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance (“**CO**”). Significant accounting policies adopted by the Group are disclosed below.

In preparing the unaudited consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group has incurred losses for number of years. The Group incurred a net loss of HK\$56,389,000 during the year ended 31 December 2019 and as of that date, the Group’s total liabilities exceeded its total assets by approximately HK\$80,258,000. In addition, the Group’s net current liabilities as of 31 December 2019 amounted to HK\$115,586,000.

In order to improve the Group's financial position, to provide liquidity and cashflows and to sustain the Group's as a going concern, the management has taken and/or will take the following measures:

- (i) The Group is taking measures to tighten cost controls over various operating costs and expenses with the aim to attain profitable and positive cash flow operation;
- (ii) The Group has negotiated with Asian Dynamics International Limited ("ADIL"), the substantial shareholder of the Company, to provide a 18-month stand-by credit facility of HK\$23,000,000 for the Company; and
- (iii) ADIL has agreed to provide continuing financial support to the Group to meet its liabilities as they fall due.

The directors of the Company considered that, upon obtaining the abovementioned stand-by facilities, the Group will have sufficient cash resources to satisfy its future working capital and other financing requirement. Moreover, the entire outstanding amount of convertible bonds issued by the Company as at 31 December 2019 has been converted into ordinary shares of the Company on 10 January 2020. Therefore, the Group's liabilities will be reduced after the conversion of the convertible bond. Accordingly, the directors of the Company considered that it is appropriate to prepare the unaudited consolidated financial statements on a going concern basis. Based on the facts and circumstances as made available thereto, the stand-by facility has been granted to the Company on 3 March 2020.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 to the unaudited consolidated financial statements provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these unaudited consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRSs

(a) New and Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group's financial position and performance for the current and prior periods and/or on the disclosures set out in these unaudited consolidated financial statements.

(b) Impact and changes in accounting policies of the adoption of HKFRS 16

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 Leases (“HKAS 17”), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application of HKFRS 16.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and right-of-use assets at amounts equal to the related lease liabilities adjusted by any prepaid or accrued lease payments by applying HKFRS 16.C8(b)(ii) transition. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

- i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and
- ii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rates applied was 8%.

Reconciliation of lease commitment to lease liabilities is set out as follow:

	At 1 January 2019 HK\$'000
Operating lease commitment disclosed at 31 December 2018	3,976
Less: Recognition exemption – short-term leases	(139)
Less: Practical Expedient – leases with lease term ending within 12 months from the date of initial application	<u>(184)</u>
	3,653
Less: Total future interest expenses	(184)
Less: Rental prepayment at 31 December 2018	(726)
Less: Other tax	<u>(108)</u>
	2,635
Lease liabilities relating to operating leases recognised upon application of HKFRS 16	525
Add: Obligation under finance leases recognised at 31 December 2018	<u>525</u>
Lease liabilities as at 1 January 2019	3,160
Analysed into:	
Current	2,149
Non-current	<u>1,011</u>

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Right-of-use assets HK\$'000
Right-of-use assets relating to operating leases recognized upon application of HKFRS 16	3,361
Amounts included in property, plant and equipment under HKAS17 – Assets previously under finance leases (<i>Note</i>)	<u>348</u>
	3,709

Note: In relation to assets previously under finance leases, the Group re-categorised the carrying amounts of the relevant assets which were still under lease as at 1 January 2019 amounting to HK\$348,000 as right of use. In addition, the Group reclassified the obligations under finance lease of HK\$300,000 and HK\$225,000 to lease liabilities as current liabilities and non-current liabilities respectively as at 1 January 2019.

The following adjustments were made to the amounts recognised in the unaudited consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018 HK\$'000	Adjustments HK\$'000	Carrying amounts under HKFRS 16 at 1 January 2019 HK\$'000
Non-current asset			
Property, plant and equipment	2,038	(348)	1,690
Right-of-use assets	–	3,709	3,709
Current asset			
Trade and other receivables	42,974	(726)	42,248
Non-current liabilities			
Obligation under finance lease	225	(225)	–
Lease liabilities	–	1,011	1,011
Current liabilities			
Obligation under finance lease	300	(300)	–
Lease liabilities	–	2,149	2,149

(c) New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴

¹ Effective for annual periods beginning on or after 1 January 2021.

² Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after a date to be determined.

⁴ Effective for annual periods beginning on or after 1 January 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, *the Amendments to References to the Conceptual Framework in HKFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

Management's preliminary assessment is that the application of the above standards, amendments and interpretations will not have a material impact on the Group.

4. REVENUE, OTHER REVENUE AND NET INCOME

(a) An analysis of the Group's revenue for the year is as follows:

	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
Consultancy income	13,608	12,075
Media service income	–	10,974
Software development and maintenance service income	4,390	2,569
Sundry income	–	182
	<hr/>	<hr/>
	17,998	25,800
Timing of revenue recognition		
A point of time	4,175	25,167
Over time	13,823	633
	<hr/>	<hr/>
	17,998	25,800

(b) An analysis of the Group's other revenue and net income for the year is as follows:

	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
Other income	21	105
Dividend income from FVTOCI investments	268	–
Interest income	2	6
Fair value changes on convertible bonds	–	9,482
	<hr/>	<hr/>
	291	9,593

5. SEGMENTAL INFORMATION

Segment information reported to the chief operating decision maker, directors of the Company, is the type of services rendered by the Group's operating division for the purposes of resources allocation and performance assessment. The Group's operating and reportable segments under HKFRS 8 are as follows:

The Group is currently organised into two major business divisions:

- (i) private investment fund management and consultancy services, internet and software development and maintenance services (“Consultancy Services”); and
- (ii) traditional media and internet media content production services and media content design services (“Media Services”).

(a) Segment revenues and results

	2019	2018	
	Consultancy Services HK\$'000 (Unaudited)	Media Services HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Consultancy income	13,608	–	13,608
Media service income	–	–	–
Software development and maintenance service income	<u>4,390</u>	<u>–</u>	<u>4,390</u>
Segments revenue	<u>17,998</u>	<u>–</u>	<u>17,998</u>
Segments results	<u>(44,296)</u>	<u>(4,338)</u>	<u>(48,634)</u>
Interest income			2
Unallocated corporate expenses			(4,154)
Gain on disposal of subsidiaries			6,780
Share of loss of associates			(260)
Finance costs			(9,504)
Income tax expense			<u>(619)</u>
Loss for the year			<u>(56,389)</u>
	2018	2017	
	Consultancy Services HK\$'000 (Audited)	Media Services HK\$'000 (Audited)	Total HK\$'000 (Audited)
Consultancy income	12,075	–	12,075
Media service income	–	10,974	10,974
Software development and maintenance service income	<u>2,569</u>	<u>–</u>	<u>2,569</u>
Other	<u>182</u>	<u>–</u>	<u>182</u>
Segments revenue	<u>14,826</u>	<u>10,974</u>	<u>25,800</u>
Segments results	<u>(62,540)</u>	<u>(3,196)</u>	<u>(65,736)</u>
Interest income			2
Unallocated corporate expenses			(52)
Other revenue			9,482
Share of profits of associates			168
Finance costs			(1,156)
Income tax expense			<u>(91)</u>
Loss for the year			<u>(57,383)</u>

(b) Segment assets and liabilities

	2019		
	Consultancy	Media	
	Services	Services	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)
Segments assets	<u>52,322</u>	<u>79</u>	<u>52,401</u>
Unallocated assets			-
Financial assets at FVTOCI			931
Amount due from investee company			538
Interests in associates			<u>4,947</u>
Consolidated assets			<u>58,817</u>
Segment liabilities	<u>4,131</u>	<u>8,665</u>	<u>12,796</u>
Unallocated liabilities			3,276
Tax payable			4,474
Amounts due to associates			1,860
Convertible bonds payable			102,275
Amount due to substantial shareholder			8,966
Amount due to a director			<u>5,428</u>
Consolidated liabilities			<u>139,075</u>

	2018		
	Consultancy Services <i>HK\$'000</i> (Audited)	Media Services <i>HK\$'000</i> (Audited)	Total <i>HK\$'000</i> (Audited)
Segments assets	<u>129,361</u>	<u>9,517</u>	138,878
Unallocated assets			2,889
Financial assets at FVTOCI			769
Amount due from an investee company			538
Interests in associates			<u>5,202</u>
Consolidated assets			<u>148,276</u>
Segment liabilities	<u>33,670</u>	<u>10,285</u>	43,955
Unallocated liabilities			11,823
Tax payable			3,901
Amounts due to associates			1,361
Obligation under finance lease			525
Convertible bonds payable			93,568
Amount due to substantial shareholder			<u>17,305</u>
Consolidated liabilities			<u>172,438</u>

(c) Other segment information

	2019		
	Consultancy services <i>HK\$'000</i> (Unaudited)	Media services <i>HK\$'000</i> (Unaudited)	
Capital expenditure	2	–	
Depreciation of property, plant and equipment	130	241	
Depreciation of right-of-use assets	926	686	
Impairment loss on goodwill	<u>48,043</u>	<u>–</u>	
	2018		
	Consultancy services <i>HK\$'000</i> (Audited)	Media services <i>HK\$'000</i> (Audited)	
Capital expenditure	125	–	
Depreciation of property, plant and equipment	158	36	
Impairment loss on goodwill	43,512	2,340	
Interest income	4	–	
Impairment loss/(reversal of impairment loss) on trade and other receivables	<u>2,960</u>	<u>(421)</u>	

(d) Geographical information

The Group's operations are mainly located in the PRC and Hong Kong.

The Group's revenue from external customers by geographical location is detailed below:

	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
PRC	17,998	25,750
Hong Kong	—	50

The Group's information about its non-current assets (excluding financial instruments) by geographical location is detailed below:

	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
PRC	1,216	1,667
Hong Kong	44,378	92,601
	45,594	94,268

(e) Information about major customers

Revenue from customers of the corresponding periods individually contributing over 10% of the total revenue of the Group are as follows:

Segment		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
Customer A	Consultancy services	—	11,391
Customer B	Consultancy services	—	7,594
Customer C	Consultancy services	12,711	—
Customer D	Consultancy services	4,175	—

6. FINANCE COSTS

	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
Interest on amount due to a substantial shareholder of the Company	657	1,126
Imputed interest expenses on convertible bonds payable	8,707	–
Interest on lease liabilities	140	–
Interest on finance lease	–	30
	9,504	1,156

7. LOSS BEFORE TAXATION

The Group's loss before taxation has been arrived at after charging:

	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
Staff costs (excluding directors' remuneration)		
– wages, salaries and other benefits	4,012	6,859
– retirement benefits scheme contributions	233	254
Auditor's remuneration	1,000	900
Depreciation of property, plant and equipment	371	789
Depreciation of right-of-use assets	1,612	–
Operating lease rentals in respect of land and buildings	–	2,417
Short-term lease expenses	171	–
Legal and professional fees	1,428	1,650
Impairment loss on goodwill	48,043	45,852
Impairment loss on trade and other receivables	–	3,325
Written-off of trade receivables	242	30

8. INCOME TAX EXPENSES

- (a) Income tax in the unaudited consolidated statement of profit or loss and other comprehensive income represents:**

	2019 HK\$'000	2018 HK\$'000
	(Unaudited)	(Audited)
Current tax — PRC Enterprise		
Income Tax	—	—
Charge for the year	—	—
Under provision in prior year	46	—
Current tax — Hong Kong		
Profits Tax		
Charge for the year	573	8
Under provision in prior year	—	83
Deferred tax	—	—
Income tax expense	619	91

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

PRC Enterprise Income Tax is calculated at 25% on the estimated assessable profit for the year (2018: 25%).

9. DIVIDEND

The directors do not recommend the payment of any dividends for the year ended 31 December 2019 (2018: Nil).

10. LOSS PER SHARE

(a) Basic loss per share

The calculations of the basic loss per share are based on the following data:

	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
Loss attributable to owners of the Company	<u>(56,389)</u>	<u>(57,383)</u>
Weighted average number of ordinary shares at 31 December	<u>1,761,825,563</u>	<u>1,761,825,563</u>

(b) Diluted loss per share

Diluted loss per share is same as basic loss per share detailed above because the only potential dilutive share is convertible bond issued by the Company which is anti- dilutive (2018: the only potential dilutive share is convertible bond and it is anti- dilutive).

11. TRADE AND OTHER RECEIVABLES

	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Audited)
Trade receivables	4,698	29,862
Less: Allowance for credit losses	<u>(1,790)</u>	<u>(4,840)</u>
Prepayments, deposits and other receivables	2,908	25,022
	<u>486</u>	<u>17,952</u>
	<u>3,394</u>	<u>42,974</u>

An ageing analysis of the trade receivables of the Group at the end of the reporting period based on the invoice date and net of allowance for doubtful debts, is as follows:

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
0 to 30 days	2,908	4,968
31 to 60 days	–	–
61 to 90 days	–	–
Over 90 days	–	20,054
 Total trade receivables	2,908	25,022

12. TRADE AND OTHER PAYABLES

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Trade payables	–	22,592
Accruals and other payables	15,023	26,584
Contract liabilities	392	3,885
 Total trade payables	15,415	53,061

An ageing analysis of the trade payables of the Group at the end of the reporting period based on the invoice date is as follows:

	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Audited)
Less than 90 days	–	4,682
90 to 180 days	–	17,533
Over 180 days	–	377
 Total trade payables	–	22,592

CONVERTIBLE BONDS

On 21 December 2018 the Company, pursuant to the acquisition agreement as described in the Company's circular dated 10 September 2014, issued in aggregate HK\$111,237,682 of zero-coupon convertible bonds convertible at the initial Conversion Price of HK\$0.45 per Share with 24-month maturity, to the Vendors or its nominees.

The Company received request from the holder(s) of the Bonds for a full exercise of the bonds on 23 December 2019, however, after procedural compliance, the allotment was only completed on 10 January 2020. After the conversion, as a result the Company's Capital has a positive balance.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the period were rights to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate granted to any Directors or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or their respective spouse or minor children to acquire such rights in any other body corporate.

COMPETING INTERESTS

None of the Directors or management shareholders of the Company or their respective associates had an interest in a business which competes or may compete, either directly or indirectly, with the business of the Group nor any conflicts of interest which has or may have with the Group.

MANAGEMENT SHAREHOLDER

As far as the Directors are aware of, other than Asian Dynamics International Limited, Glamour House Limited and Mr. Xie Xuan, there was no other person as at 31 December 2019 who was directly or indirectly interested in 5% or more of the shares then in issue of the Company and who was able, as a practicable matter, to direct or influence the management of the Company.

CORPORATE GOVERNANCE REPORT

The Company is committed to achieving and maintaining a high standard of corporate governance. The Board recognises that such commitment is essential in upholding the accountability and transparency and to achieve a balance of interests between the shareholders, customers, creditors, employees as well as other stakeholders.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

To ensure compliance with the Corporate Governance Code (the “**Code**”) as set out in Appendix 15 to the GEM Listing Rules, the Board will continue to monitor and revise the Company code to bring our corporate governance practices in line with the changes in the environment and requirements of the Code. In the opinion of the Directors, the Company has complied with all the provisions of the Code, for the year ended 31 December 2019, except:

- (i) under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive officer should be clearly established and set out in writing. The Company has set out in written terms the responsibilities between the chairman and chief executive officer. At present, Mr. Xie Xuan, the chairman of the Company, also undertakes the responsibilities of the chief executive officer until a replacement for the chief executive officer is found. The Company considers that under the supervision of its Board and its Independent Non-executive Directors, a balancing mechanism exists so that the interests of the shareholders are adequately and fairly represented.
- (ii) under code provision A.4.1 of the Code, non-executive directors should be appointed for a specific term and subject to re-election. None of the existing Non-executive Directors of the Company are appointed for a specific term. This constitutes a deviation from the code provision. However, all the Non-executive Directors of the Company are subject to retirement by rotation at annual general meetings pursuant to the articles of association of the Company.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors.

The Company has made specific enquiry to all Directors and the Directors have confirmed that they have complied with all the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the year ended 31 December 2019.

BOARD OF DIRECTORS

The Board is responsible for managing the Company on behalf of the shareholders. The Board is of the view that it is the Directors' responsibility to create value for the shareholders as a whole and safeguard the best interests of the Company and the shareholders by discharging its duties in a dedicated, diligent and prudent manner on the principle of good faith.

The Board comprises a total of seven Directors, with four executive Directors, namely Mr. Xie Xuan (Chairman), Dr. Feng Ke, Mr. Huang Haitao and Mr. Liao Haifei; and three independent non-executive Directors namely Mr. Wu Jixue, Mr. Zheng Hongliang, and Dr. Wang Yi. They are professionals in different areas and provide independent opinions based on their expertise.

AUDIT COMMITTEE

The Audit Committee of the Company (the “**Audit Committee**”) has three members, comprising all independent non-executive Directors, namely Dr. Wang Yi (the Chairman of the Audit Committee), Mr. Wu Jixue and Mr. Zheng Hongliang. The Company’s unaudited consolidated results for the year ended 31 December 2019 have been reviewed by the Audit Committee.

REVIEW OF UNAUDITED ANNUAL RESULTS

Due to the impact of the COVID-19 coronavirus outbreak, the Company's auditor has been disrupted and has not completed the auditing process for the annual results for the financial year 2019. In order to keep the Shareholders and potential investors informed of the business operation and financial position of the Group, after discussion with the auditor, the Board decided to publish the unaudited annual results announcement of the Company for the financial year 2019 together with the audited comparative figures for the corresponding period in 2018 on the planned date of announcement first. An announcement relating to the audited results will be made when the auditing process has been completed in accordance with Hong Kong Standards on Auditing issued by Hong Kong Institute of Certified Public Accountants.

As stated before, the unaudited annual results contained herein have been reviewed by the Audit Committee of the Company.

FURTHER ANNOUNCEMENT

Upon completion of the auditing process, the Company will issue further announcement(s) in relation to the audited results for the financial year 2019 as agreed by the Group's external auditor, Cheng & Cheng Limited, and the material differences as compared with the unaudited annual results contained herein, if any. In addition, the Company will issue further announcement(s) as and when necessary if there are other material development in the completion of the auditing process, which is expected to be completed on or around end of April 2020.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The unaudited annual results announcement of the Company is published on the website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.airnet.com.hk). The annual report of the Company for the financial year 2019 containing all the relevant information required by the GEM Listing Rules will be dispatched to the Shareholders on the websites of the Stock Exchange and the Company in due course.

The financial information contained herein in respect of the annual results of the Group have not been audited and have not been agreed with the Group's external auditors. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board of
Asian Capital Resources (Holdings) Limited
Xie Xuan
Chairman

Hong Kong, 31 March 2020

As at the date of this announcement, the executive directors of the Company are Mr. Xie Xuan (Chairman), Dr. Feng Ke, Mr. Huang Haitao and Mr. Liao Haifei; the independent non-executive directors are Mr. Wu Jixue, Mr. Zheng Hongliang and Dr. Wang Yi.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

This announcement will remain on the “Latest Listed Company Information” 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 www.airnet.com.hk.