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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8025)**

**SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO THE ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

Reference is made to the annual report (the “**2020 Annual Report**”) of Asian Capital Resources (Holdings) Limited (the “**Company**” and its subsidiaries, collectively referred to as the “**Group**”) dated 30 March 2021 in relation to the annual results of the Group for the year ended 31 December 2020. Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as those defined in the 2020 Annual Report.

Further to the information disclosed in the 2020 Annual Report, the Company wishes to provide to the shareholders of the Company and the potential investors with the following supplementary information:

**QUALIFIED OPINION OF THE ESTIMATION OF RECOVERABLE AMOUNT OF GOODWILL OF THE CONSULTANCY SERVICES SEGMENT OF THE GROUP AS AT 31 DECEMBER 2020**

**Reasons, details of events and circumstances leading to the qualified opinion**

As advised by Cheng & Cheng Limited, the auditors of the Company (the “**Auditors**”), they considered that they were not provided with sufficient appropriate audit evidence on the assumptions made in estimation of the recoverable amount of the related group of cash generating units (i.e. the consultancy services segment) (the “**CGU**”) in 2020 (the “**Assumptions**”).

The Company engaged an independent professional qualified valuer (the “**Valuer**”) to conduct a valuation (the “**2020 Valuation**”) to determine the recoverable amount of the CGU for the year ended 31 December 2020. The Company provided the Valuer a financial forecast under which the forecast was based on two signed management and financial advisory agreements for the purpose of preparing the 2020 Valuation. Details of the two agreements are summarised below:

- (i) a signed management and financial advisory agreement (the “**GNSG Advisory Agreement**”) with Guangdong New South Group Co. Ltd.\* (廣東新南方集團有限公司) (“**GNSG**”) with a term from 1 January 2021 to 1 January 2025 with an advisory fee of RMB2.8 million per quarter; and

(ii) a signed management and financial advisory agreement (the “**Yifan Advisory Agreement**”) with Yifan (Guangzhou) Investment Limited (“**Yifan**”) with a term from 1 January 2021 to 31 December 2025 with an advisory fee of RMB2.6 million per quarter.

According to the 2020 Valuation, the estimated carrying amount of goodwill for the consultancy services segment was HK\$23,900,000 as at 31 December 2020.

Pursuant to the Yifan Advisory Agreement, the service period starts from 1 January 2021 and the advisory fee is charged on a quarterly basis, the Yifan Advisory Agreement therefore had yet to recognise any revenue for the Group as at the valuation date (i.e. 26 March 2021) (the “**Valuation Date**”). As advised by the Auditors, they considered that they were not provided with sufficient appropriate audit evidence on the Assumptions as Yifan Advisory Agreement was a newly signed agreement and had yet to recognise any revenue for the Group as at the Valuation Date. Therefore, they considered that there was uncertainty on the revenue to be generated from the Yifan Advisory Agreement.

Notwithstanding the fact that the Company provided signed agreements, the Auditors had nevertheless considered that the evidence provided did not provide sufficient confidence for them to provide a non-qualified opinion, in particular actual recognition of the revenue to be generated from the Yifan Advisory Agreement to address their concern.

#### **Different views between the management of the Company (the “Management”) and the Auditors on the recoverable amount of goodwill**

It is considered that the different view between the Management and the Auditors arise from differences in judgment. The Management considers that the Assumptions were reasonable due to the followings:

##### *The business relationship between Yifan and the Group*

The Group has more than one year of business relationship with Yifan. Before entering into the Yifan Advisory Agreement, the Group had provided one-off advisory services to Yifan on the third quarter of 2020 for providing multi-media value added consultancy services. The Management is of the view that after entering into the Yifan Advisory Agreement, the Group has maintained a stable and long lasting business relationship with Yifan.

##### *Revenue recognised from Yifan for the nine months ended 30 September 2020*

As mentioned above, although the Yifan Advisory Agreement had yet to generate any services fee for the Group in 2020, the Company had provided one-off advisory services to Yifan before entering into the Yifan Advisory Agreement. The Company had generated revenue from Yifan of approximately RMB 0.80 million for the nine months ended 30 September 2020 for providing multi-media value added consultancy services to Yifan.

*The corporate advisory services provided to Yifan by the Group*

Pursuant to the Yifan Advisory Agreement, the Group would provide corporate advisory services including but not limited to consultation on policies and regulations, financial advisory and communicate with potential investors for Yifan. As at the date of this announcement, the Group has already provided certain corporate advisory services to Yifan and the Company had issued invoices of RMB5,200,000 to Yifan for the advisory services provided during the six months ended 30 June 2021.

The Audit Committee had noted the audit qualification. After considering and reviewing the bases above, the Audit Committee had agreed with the Board's bases for the use of Assumptions in performing the goodwill impairment assessment.

**Proposed plan for the Company to address the audit qualification**

In order to address the audit qualification, the Directors, to their best endeavors, had tried to sources new clients and investors for the private equity management services. Based on the efforts of the Directors, as at the date of this announcement, the Company had entered into two limited partnership fund agreements and pursuant to which two limited partnership funds had been successfully registered. Furthermore, other than the private equity management services, the Directors had also tried to source new clients for the consultancy and advisory services. However, the lockdown during the coronavirus pandemic had caused interruptions and impossibility for the Directors to travel freely and brought an adverse impact on the deal sourcing.

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

Hong Kong, 8 July 2021

*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 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, having made all reasonable enquires, 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 announcement misleading.*

*This announcement will remain on the "Latest Listed Company Information" page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and the Company website at [www.airnet.com.hk](http://www.airnet.com.hk).*

\* *For identification purpose only*