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

(Stock Code: 8025)

**ANNOUNCEMENT FOR ISSUE OF NEW SHARES AND GRANT OF  
OPTIONS UNDER A SPECIFIC MANDATE  
AND  
RESUMPTION OF TRADING**

The Company entered into a Subscription Agreement with United Hill on 5 September 2007 after trading hours, pursuant to which it agreed to issue and allot 25,014,820 Shares to United Hill, representing 3.91% of the issued share capital of the Company. The price of the each share was \$0.229, with a total subscription cost of \$5,728,394. The Subscription Shares(1) were issued in satisfaction of the contractual sum payable by the Company to United Hill for a loan owed by the Company to United Hill totaling \$5,728,394.

The Company entered into a Subscription Agreement with Bonus Gain on 5 September 2007 after trading hours, pursuant to which it agreed to issue and allot 35,860,262 Shares to Bonus Gain, representing 5.61% of the issued share capital of the Company. The price of the each share was \$0.229, with a total subscription cost of \$8,212,000. The Subscription Shares(2) were issued in satisfaction of the contractual sum payable by the Company to Bonus Gain for a loan owed by the Company to Bonus Gain totaling \$8,212,000.

The Company entered into a Subscription Agreement with Always Fast on 5 September 2007 after trading hours, pursuant to which it agreed to issue and allot 11,223,231 Shares to Always Fast, representing 1.76% of the issued share capital of the Company. The price of the each share was \$0.229, with a total subscription cost of \$2,570,120. The Subscription Shares(3) were issued in satisfaction of the contractual sum payable by the Company to Always Fast for a loan owed by the Company to Always Fast totaling \$2,570,120.

The Subscription Shares are intended to be issued to United Hill, Bonus Gain, and Always Fast pursuant to a specific mandate to issue new shares.

Application will be made to the Exchange for the listing of and permission to deal in the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3).

On 5 September 2007, the Company entered into agreements after trading hours with United Hill, Bonus Gain, and Always Fast whereby the Company agreed to grant to United Hill, Bonus Gain, and Always Fast 33,946,039, 48,663,704, and 15,230,330 Options respectively, with the rights to require, at any time during the Option Period, the Company to issue and allot one Option Share upon the exercise of each option at the Exercise Price of HK\$0.275 per Option.

At the request of the Company, trading in the shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 6 September 2007 pending the release of this announcement. Application has been made by the Company for resumption of trading in the shares on the Stock Exchange with effect from 9:30 a.m. on 12 September 2007.

## **THE SUBSCRIPTION – UNITED HILL**

Asian Capital Resources (Holdings) Limited (“the Company”) has entered into a subscription agreement with United Hill Investments Limited (“United Hill”) on 5 September 2007 after trading hours, for the issue of 25,014,820 ordinary shares in the Company at the nominal value of HK\$0.10 per share (“the Subscription Shares(1)”), pursuant to which the Company agreed to issue and allot the Subscription Shares(1), representing approximately 3.91% of the issued share capital of the Company, to United Hill at the total consideration of HK\$5,728,394 (i.e. HK\$0.229 per share in the Company (“the Shares”)) (“the Subscription Agreement(1)”). The issue price will be paid by way of releasing the Company from all debts and other liabilities due to United Hill for monies that are owed by the Company to United Hill amounting to HK\$5,728,394.

### **Issue Price**

The issue price of HK\$0.229 per share represents (i) a discount of approximately 16.73% to the average closing price of HK\$0.275 per Share as quoted on the Stock Exchange for the preceding five days up to and including 5 September 2007, and (ii) a discount of approximately 19.65% to the closing price of HK\$0.285 per Share on the date of the Subscription Agreement, being 5 September 2007. The issue price was determined having regard to the closing price on the date of the Subscription Agreement. The closing price of HK\$0.285 was used as the reference price upon which the parties agreed the issue price of HK\$0.229.

### **Rights**

The Subscription Shares(1), when issued and fully paid, will rank pari passu in all aspects with the existing Shares in issue, including the right to receive all dividends and distributions which may be declared, made or paid after the date of completion of the subscription.

### **Number of Subscription Shares**

25,014,820 new Shares, representing 4.4% of the Shares in issue as at 5 September 2007, and approximately 3.91% of the issued share capital of the Company as enlarged by the Subscription Shares(1), Subscription

Shares (2), and Subscription Shares (3). The issued share capital of the Company as enlarged by the issuance of the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3) and the Option Shares will be 737,175,491. The issue of 25,014,820 represents 3.39% of the issued share capital of the Company as enlarged by the issuance of the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3) and the Option Shares.

The issuance of the Subscription Shares(1) does not represent the full and final settlement of the loan amount due to United Hill. The outstanding amount of the loan, after the issuance of new Shares, will be HK\$1,115,628.77. The outstanding amount of the loan will be settled by way of two equal cash installments of HK\$557,814, which will be paid out of the working capital of the Company. The date of the first instalment payment shall be on or before 31 December 2007. Thereafter the remaining instalment payment shall be paid on or before 31 December 2008.

### **Issue of the new Shares**

The issuance of new shares is subject to the approval of the Shareholders of the Company under a specific mandate to be obtained at a Shareholders meeting to be held. No parties will be required to abstain from voting for the Subscription Agreements and the Option Agreements.

The Company has entered into the transaction as a means to capitalizing the loan that United Hill is owed by the Company, which will incur the benefits to the Company of being able to repay the outstanding loan to United Hill without drawing on the working capital of the Company. The Directors believe that the terms of the transaction are fair and reasonable and in the interests of the Shareholders as a whole.

### **Terms of the Loan**

As of 5 September 2007 the Company owed a loan amounting to HK\$6,844,022.77 to United Hill. The loan has no fixed terms of repayment, and has been outstanding as from 5 September 2007, and is repayable upon demand. The Company received notification on 29 August 2007 that a loan previously owed by the Company to a director and an ex-director of the Company had been assigned on 29 August 2007 by the director and ex-director to United Hill for the consideration of HK\$400,000 and is now due and owing to United Hill. The part of the director's and ex-director's loans were assigned to United Hill because the director and ex-director were in need of additional monies for their private purposes, and the Company was unable to satisfy any part-payment of the loans for a cash consideration at this point in time, and does not wish to raise other funding requirements. Furthermore United Hill indicated that it was willing to accept the issue of new Shares in repayment of the assigned loans. The assignment of the loans to United Hill is without recourse. United Hill has now demanded partial repayment of the loan by way of the issuance of new Shares.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, the director and ex-director of the Company and United Hill, are third parties independent of and unconnected with each other.

## **Condition of the Subscription**

The Subscription is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Subscription Shares(1). Application will be made to the Exchange for the listing of and permission to deal in the Subscription Shares(1).

The Subscription is also subject to the approval of the Shareholders of the Company under a specific mandate.

## **Information about the Subscriber**

The subscriber is United Hill. United Hill is a company incorporated in Samoa and beneficially owned by Beauty Good Limited. The principal activities of United Hill is that United Hill is an investments holdings company. United Hill is independent of and unconnected to the Company. The ultimate beneficial owner of United Hill is also independent and not a connected person as defined under the Listing Rules of the Growth Enterprise Market.

Immediately prior to the Subscription Agreement(1) United Hill held 0% shareholding interest in the Company, and immediately after the Subscription Agreements United Hill holds approximately 3.91% shareholding interest in the Company.

## **THE SUBSCRIPTION – BONUS GAIN**

The Company has entered into a subscription agreement with Bonus Gain Limited (“Bonus Gain”) on 5 September 2007 after trading hours, for the issue of 35,860,262 ordinary shares in the Company at the nominal value of HK\$0.10 per share (“the Subscription Shares(2)”), pursuant to which the Company agreed to issue and allot the Subscription Shares(2), representing approximately 5.61% of the issued share capital of the Company, to Bonus Gain at the total consideration of HK\$8,212,000 (i.e. HK\$0.229 per share in the Company (“the Shares”)) (“the Subscription Agreement(2)”) . The issue price will be paid by way of releasing the Company from all debts and other liabilities due to Bonus Gain for monies that are owed by the Company to Bonus Gain amounting to HK\$8,212,000.

## **Issue Price**

The issue price of HK\$0.229 per share represents (i) a discount of approximately 16.73% to the average closing price of HK\$0.275 per Share as quoted on the Stock Exchange for the preceding five days up to and including 5 September 2007, and (ii) a discount of approximately 19.65% to the closing price of HK\$0.285 per Share on the date of the Subscription Agreement, being 5 September 2007. The issue price was determined having regard to the closing price on the date of the Subscription Agreement. The closing price of HK\$0.285 was used as the reference price upon which the parties agreed the issue price of HK\$0.229.

## **Rights**

The Subscription Shares(2), when issued and fully paid, will rank pari passu in all aspects with the existing Shares in issue, including the right to receive all dividends and distributions which may be declared, made or paid after the date of completion of the subscription.

## **Number of Subscription Shares**

35,860,262 new Shares, representing 6.32% of the Shares in issue as at 5 September 2007, and approximately 5.61% of the issued share capital of the Company as enlarged by the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3). The issued share capital of the Company as enlarged by the issuance of the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3) and the Option Shares will be 737,175,491. The issue of 35,860,262 represents 4.86% of the issued share capital of the Company as enlarged by the issuance of the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3) and the Option Shares.

The issuance of the Subscription Shares(2) represents the full and final settlement of the loan amount due to Bonus Gain.

## **Issue of the new Shares**

The issuance of new Shares is subject to the approval of the Shareholders of the Company under a specific mandate to be obtained at a Shareholders meeting to be held. No parties will be required to abstain from voting for the Subscription Agreements and the Option Agreements.

The Company has entered into the transaction as a means to capitalizing the loan that Bonus Gain is owed by the Company, which will incur the benefits to the Company of being able to repay the outstanding loan to Bonus Gain without drawing on the working capital of the Company. The Directors believe that the terms of the transaction are fair and reasonable and in the interests of the Shareholders as a whole.

## **Terms of the Loan**

As of 5 September 2007 the Company owed a loan amounting to HK\$8,212,000 to Bonus Gain. The loan has no fixed terms of repayment, and has been outstanding as from 5 September 2007, and is repayable upon demand. The Company received notification on 29 August 2007 that a loan previously owed by the Company to Asian Dynamics International Limited, the ultimate holding company of the Company, had been fully assigned on 29 August 2007 by Asian Dynamics International Limited for a consideration of HK\$400,000 to Bonus Gain and is now due and owing to Bonus Gain. The loan owed to the ultimate holding company was assigned to Bonus Gain because the ultimate holding company wished to reduce the facilities that had been advanced to the Company, and the Company was unable to satisfy any part-payment of the loans for a cash consideration at this point in time, and does not wish to raise other funding requirements. Furthermore Bonus Gain indicated that it was willing to accept the issue of new Shares in repayment of the assigned loans. The

assignment of the loan to Bonus Gain is without recourse. Bonus Gain has now demanded full repayment of the loan by way of the issuance of new Shares.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, the Asian Dynamics International Limited and Bonus Gain, are third parties independent of and unconnected with each other.

### **Condition of the Subscription**

The Subscription is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Subscription Shares(2). Application will be made to the Exchange for the listing of and permission to deal in the Subscription Shares(2).

The Subscription is also subject to the approval of the Shareholders of the Company under a specific mandate.

### **Information about the Subscriber**

The subscriber is Bonus Gain. Bonus Gain is a company incorporated in Samoa and beneficially owned by Reach Chance Investments Limited. The principal activities of Bonus Gain is that Bonus Gain is an investments holdings company. Bonus Gain is independent of and unconnected to the Company. The ultimate beneficial owner of Bonus Gain is also independent and not a connected person as defined under the Listing Rules of the Growth Enterprise Market.

Immediately prior to the Subscription Agreement(2) Bonus Gain held 0% shareholding interest in the Company, and immediately after the Subscription Agreements Bonus Gain holds approximately 5.61% shareholding interest in the Company.

### **THE SUBSCRIPTION – ALWAYS FAST**

The Company has entered into a subscription agreement with Always Fast International Limited (“Always Fast”) on 5 September 2007 after trading hours, for the issue of 11,223,231 ordinary shares in the Company at the nominal value of HK\$0.10 per share (“the Subscription Shares(3)”), pursuant to which the Company agreed to issue and allot the Subscription Shares(3), representing approximately 1.76% of the issued share capital of the Company, to Always Fast at the total consideration of HK\$2,570,120 (i.e. HK\$0.229 per share in the Company (“the Shares”)) (“the Subscription Agreement(3)”). The issue price will be paid by way of releasing the Company from all debts and other liabilities due to Always Fast for monies that are owed by the Company to Always Fast amounting to HK\$2,570,120.

### **Issue Price**

The issue price of HK\$0.229 per share represents (i) a discount of approximately 16.73% to the average closing price of HK\$0.275 per Share as quoted on the Stock Exchange for the preceding five days up to and including 5 September 2007, and (ii) a discount of approximately 19.65% to the closing price of HK\$0.285 per Share on

the date of the Subscription Agreement, being 5 September 2007. The issue price was determined having regard to the closing price on the date of the Subscription Agreement. The closing price of HK\$0.285 was used as the reference price upon which the parties agreed the issue price of HK\$0.229.

## **Rights**

The Subscription Shares(3), when issued and fully paid, will rank pari passu in all aspects with the existing Shares in issue, including the right to receive all dividends and distributions which may be declared, made or paid after the date of completion of the subscription.

## **Number of Subscription Shares**

11,223,231 new Shares, representing 1.98% of the Shares in issue as at 5 September 2007, and approximately 1.76% of the issued share capital of the Company as enlarged by the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3). The issued share capital of the Company as enlarged by the issuance of the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3) and the Option Shares will be 737,175,491. The issue of 11,223,231 represents 1.52% of the issued share capital of the Company as enlarged by the issuance of the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3) and the Option Shares.

The issuance of the Subscription Shares(3) does not represent the full and final settlement of the loan amount due to Always Fast. The outstanding amount of the loan, after the issuance of new Shares, will be HK\$959,000. The outstanding amount of the loan will be settled by way of two equal cash installments of HK\$479,500, which will be paid out of the working capital of the Company. The date of the first instalment payment shall be on or before 31 December 2007. Thereafter the remaining instalment payment shall be paid on or before 31 December 2008.

## **Issue of the new Shares**

The issuance of new shares is subject to the approval of the Shareholders of the Company under a specific mandate to be obtained at a Shareholders meeting to be held. No parties will be required to abstain from voting for the Subscription Agreements and the Option Agreements.

The Company has entered into the transaction as a means to capitalizing the loan that Always Fast is owed by the Company, which will incur the benefits to the Company of being able to repay the outstanding loan to Always Fast without drawing on the working capital of the Company. The Directors believe that the terms of the transaction are fair and reasonable and in the interests of the Shareholders as a whole.

## **Terms of the Loan**

As of 5 September 2007 the Company owed a loan amounting to HK\$3,529,120 to Always Fast. The loan has no fixed terms of repayment, and has been outstanding as from 5 September 2007, and is repayable upon demand. The Company received notification on 29 August 2007 that a loan previously owed by the Company

to an ex-director of the Company had been assigned on 29 August 2007 by the ex-director to Always Fast for the consideration of HK\$400,000 and is now due and owing to Always Fast. Part of the ex-director's loan was assigned to Always Fast because the ex-director was in need of additional monies for private purposes, and the Company was unable to satisfy any part-payment of the loans for a cash consideration at this point in time, and does not wish to raise other funding requirements. Furthermore United Hill indicated that it was willing to accept the issue of new Shares in repayment of the assigned loans. The assignment of the loan to Always Fast is without recourse. Always Fast has now demanded partial repayment of the loan by way of the issuance of new Shares.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, the ex-director of the Company and Always Fast, are third parties independent of and unconnected with each other.

### **Condition of the Subscription**

The Subscription is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in the Subscription Shares(3). Application will be made to the Exchange for the listing of and permission to deal in the Subscription Shares(3).

The Subscription is also subject to the approval of the Shareholders of the Company under a specific mandate.

### **Information about the Subscriber**

The subscriber is Always Fast. Always Fast is a company incorporated in Samoa and beneficially owned by Color Boom Investments Limited. The principal activities of Always Fast is that Always Fast is an investments holdings company. Always Fast is independent of and unconnected to the Company. The ultimate beneficial owner of Always Fast is also independent and not a connected person as defined under the Listing Rules of the Growth Enterprise Market.

Immediately prior to the Subscription Agreement(3) Always Fast held 0% shareholding interest in the Company, and immediately after the Subscription Agreements Always Fast holds approximately 1.76% shareholding interest in the Company.

## SHAREHOLDING STRUCTURE

The shareholding structure of the Company immediately before and after the Subscription Agreements is as follows:

Shareholders	Shareholding before the Issue		Shareholding after the Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Substantial Shareholders</b>				
Asian Dynamics International Limited(1)	328,139,431	57.85%	328,139,431	50.98%
Aldgate Agents Limited(2)	66,120,000	11.66%	66,120,000	10.27%
<b>Public Shareholders</b>				
Concord Square Limited	27,794,569	4.90%	27,794,569	4.32%
Public Shareholders	145,183,105	25.59%	145,183,105	22.56%
United Hill	0	0%	25,014,820	3.91%
Bonus Gain	0	0%	35,860,262	5.61%
Always Fast	0	0%	11,223,231	1.76%
<b>Public Shareholders sub-total</b>	<b>172,977,674</b>	<b>30.49%</b>	<b>245,075,987</b>	<b>38.16%</b>
<b>Total</b>	<b>567,237,105</b>	<b>100%</b>	<b>639,335,418</b>	<b>100%</b>

Notes:

1. Asian Dynamics International Limited is a company incorporated in the British Virgin Islands and beneficially owned by Asian Wealth Incorporated(21.88%), Denwell Enterprises Limited(23.43%), Glamour House Limited(29.59%), Mr. Chan Chi Ming(14.16%) and Mr. Chau Tak Tin(10.94%). Mr. Chan Chi Ming and Mr. Chau Tak Tin are independent third parties of the Company.
2. Aldgate Agents Limited is a wholly owned subsidiary of Mongolia Energy Corporation Limited, a company listed on the Stock Exchange (stock code 276).

## **TOTAL SUBSCRIPTION SHARES**

The total Subscription Shares to be issued to United Hill, Bonus Gain, and Always Fast totals 72,098,313 ordinary shares with each share having a nominal value of HK\$0.10. The total issued share capital of the Company as at 4 September 2007 is 567,237,105 shares. Therefore the proportion of Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3) to the total issued share capital of the Company is 12.71%.

## **OUTSTANDING OPTIONS OR OTHER CONVERTIBLE SECURITIES**

As at 5 September 2007 there are no outstanding options or other convertible securities which can be exercised.

## **STATEMENT OF INDEPENDENCE**

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, United Hill, Bonus Gain, and Always Fast and the ultimate beneficial owners of United Hill, Bonus Gain and Always Fast are third parties independent of the Company and connected persons of the Company.

Furthermore, United Hill, Bonus Gain and Always Fast and their ultimate beneficial owners are independent and not connected with each other.

## **FUNDING ACTIVITIES FOR THE PAST 12 MONTHS**

On 12 February 2007, the Company entered into a subscription agreement with the controlling shareholder of the Company, Asian Dynamics International Limited ("Asian Dynamics") for the issue of 91,000,000 shares in the Company (the "Issued Shares"), pursuant to which the Company issued and allotted the Issued Shares to Asian Dynamics at the total consideration of HK\$9,100,000.

The proceeds that were raised from the Issued Shares were used to repay a loan that was owed to Asian Dynamics amounting to HK\$9,100,000, which meant that the Company did not have to draw on its working capital to repay the loan owed to Asian Dynamics. All of the proceeds that were raised from the Issued Shares have been utilized by the Company as at the date of this announcement.

Save for the above, there were no funding activities for the past 12 months.

## **OPTION AGREEMENTS**

### **Number of Option Shares**

On 5 September 2007, the Company entered into agreements with United Hill, Bonus Gain, and Always Fast whereby the Company agreed to grant to United Hill, Bonus Gain, and Always Fast 33,946,039, 48,663,704, and 15,230,330 Options respectively, with the rights to require, at any time during the Option Period, the

Company to issue and allot one Option Share upon the exercise of each Option at the Exercise Price of HK\$0.275 per Option (the “Option Agreements”).

### **Option Period**

The Options shall be granted to United Hill, Bonus Gain, and Always Fast after the independent Shareholders have approved the Options and they are exercisable during the period commencing on the date of the grant of the Options and ending four years after the date of the grant of the Options.

### **Exercise Price**

The Exercise Price of an Option is HK\$0.275. The Exercise Price represents (i) a discount of approximately 3.5% to the closing price of HK\$0.285 per share as quoted on the Stock Exchange on 5 September 2007; and (ii) the average closing price per share of HK\$0.275 as quoted on the Stock Exchange for the last five days up to 31 August 2007.

The Exercise price was reached after arm’s length negotiations between the Company and United Hill, Bonus Gain, and Always Fast taking into account the market price of the shares for the last five trading days up to 31 August 2007.

### **Premium**

No premium is payable for the grant of the Options. The Option Agreements are offered as an inducement to United Hill, Bonus Gain and Always Fast to enter into the Subscription Agreements, and are part of the loan conversion exercise. No premium is payable because entering into the Subscription Agreements constitutes the consideration or premium for the Options.

### **Number of Option Shares**

The Options, if fully exercised, will result in the issuance and allotment of 97,840,073 Option Shares which represents (i) approximately 17.25% of the existing issued share capital of the Company of 567,237,105 Shares as at the date of this announcement; and (ii) about 14.71% of the issued share capital of the Company of 665,077,178 Shares as enlarged by the issuance of the Option Shares. The issued share capital of the Company as enlarged by the issuance of the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3) and the Option Shares will be 737,175,491. The issue of Option Shares represents 13.27% of the issued share capital of the Company as enlarged by the issuance of the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3) and the Option Shares.

### **Funds from the Exercise of the Options**

Upon the exercise of the Options the Company will receive approximately HK\$26,906,020. These funds will be put towards and used as the working capital of the Company.

## **Transfer of Options**

No transfer of any Options shall be made to any connected person of the Company.

## **Listing Application**

An application will be made to the Stock Exchange for the listing of and permission to deal in the Option Shares.

The option agreements are subject to the approval of the independent Shareholders of the Company under a specific mandate.

## **Ranking**

The Option Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of Option Shares.

## **Reasons for the Grant**

The proposed options will not be issued under the share option scheme of the Company. Rather the Board approved the granting of the proposed options because the Company had agreed on 5 September 2007 with United Hill, Bonus Gain and Always Fast to repay the loans owed to them by the Company by way of the issue of new shares at the price of HK\$0.229, plus the granting of the proposed options to United Hill, Bonus Gain, and Always Fast. The Subscription Agreements under which new shares will be issued were entered into with the Option Agreements being offered by the Company to its creditors to encourage its creditors to enter into the Subscription Agreements. The Subscription Agreements and Option Agreements are not inter-conditional on each other, and are stand alone agreements. The Subscription Agreements and Option Agreement were reached with the intention of reducing the liabilities of the Company, without drawing on the working capital of the Company, and ultimately improving the net asset value of the Company, which the Directors consider is in interests of the Shareholders of the Company as a whole. The granting of the proposed Options is one part of the overall agreement to repay the loans owed to United Hill, Bonus Gain and Always Fast. The Directors are of the view that the terms of the proposed Options, which were arrived at after arm's length negotiations between the Company and United Hill, Bonus Gain and Always Fast, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **SHAREHOLDING STRUCTURE AFTER THE ISSUANCE OF THE SUBSCRIPTION SHARES AND THE EXERCISE OF THE OPTIONS**

The shareholding structure of the Company immediately before and after the issuance of the Subscription Shares(1), Subscription Shares (2), and Subscription Shares (3), and the exercise of the Option Shares is as follows:

Shareholders	Shareholding before the Issue of Subscription Shares and Exercise of Options		Shareholding after the Issue of Subscription Shares and Exercise of Options	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>Substantial Shareholders</b>				
Asian Dynamics International Limited(1)	328,139,431	57.85%	328,139,431	44.25%
Bonus Gain	0	0%	84,523,966	11.47%
<b>Public Shareholders</b>				
Aldgate Agents Limited(2)	66,120,000	11.66%	66,120,000	8.92%
Concord Square Limited	27,794,569	4.90%	27,794,569	3.75%
Public Shareholders	145,183,105	25.59%	145,183,105	19.58%
United Hill	0	0%	58,960,859	8.00%
Always Fast	0	0%	26,453,561	3.59%
<b>Public Shareholders sub-total</b>	<b>172,977,674</b>	<b>30.49%</b>	<b>324,512,094</b>	<b>43.84%</b>
<b>Total</b>	<b>567,237,105</b>	<b>100%</b>	<b>737,175,491</b>	<b>100%</b>

Notes:

1. Asian Dynamics International Limited is a company incorporated in the British Virgin Islands and beneficially owned by Asian Wealth Incorporated(21.88%), Denwell Enterprises Limited(23.43%), Glamour House Limited(29.59%), Mr. Chan Chi Ming(14.16%) and Mr. Chau Tak Tin(10.94%). Mr. Chan Chi Ming and Mr. Chau Tak Tin are independent third parties of the Company.
2. Aldgate Agents Limited is a wholly owned subsidiary of Mongolia Energy Corporation Limited, a company listed on the Stock Exchange (stock code 276). Before the issuance of new Shares and exercise of the Options, Aldgate Agents Limited is a substantial Shareholder of the Company. After the issuance of new Shares and exercise of the Options, Aldgate Agents Limited will become a public Shareholder.

## COMPLETION

The expected completion date of the Subscription Agreements and the Option Agreements will be the date upon which the approval of the Shareholders of the Company under a specific mandate is obtained at a Shareholders meeting to be held, and furthermore as the issue of new Shares and Option Shares is further conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant listing of and permission to deal in the new Shares and Option Shares, completion is expected to take place on or before 22 October 2007.

The completion of the Option Agreements is not conditional on the completion of the Subscription Agreements.

## **OUTSTANDING OPTIONS OR OTHER CONVERTIBLE SECURITIES**

As at 5 September 2007 there are no outstanding options or other convertible securities which can be exercised.

## **GENERAL**

The major business operation of the Group is logistics services and information technology, which will remain unchanged after the Subscription Agreements.

## **ISSUE OF CIRCULAR**

As the issuance of new shares under the Subscription Agreements and grant of Options is subject to the approval of the Shareholders at a general meeting, a circular will be issued to the Shareholders in due course, setting out the proposed resolutions for the Shareholders' approval. A notice of the proposed EGM and other details of the Subscription Agreements and Option Agreements will also be included in the circular.

## **SUSPENSION AND RESUMPTION OF TRADING IN SHARES**

At the request of the Company, trading in the shares on the Stock Exchange was suspended with effect from 9:30 a.m. on 6 September 2007 pending the release of this announcement. Application has been made by the Company for resumption of trading in the shares on the Stock Exchange with effect from 9:30 a.m. on 12 September 2007.

Shareholders and/or investors are advised to exercise caution when dealing in the shares.

## **DEFINITIONS**

“Board”	the board of Directors;
“Directors”	the directors of the Company;
“Exercise Price”	HK\$0.275 per Option Share;
“Group”	the Company and its subsidiaries;
“HK\$”	the lawful currency of Hong Kong;
“Option(s)”	means the right(s) granted under the Option Agreements to subscribe for Option Share(s);
“Option Period”	the option period commencing on the date of the grant of the Options and ending on four years after the date of the grant of the Options;
“Option Share”	means the Share issued from the exercise of each Option;

“Share(s)”	ordinary shares of HK\$0.10 each of the Company;
“Shareholder(s)”	holders of the issued Shares;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Subscription Agreements”	the three agreements entered into between the Company and United Hill, Bonus Gain and Always Fast whereby the Company agreed to issue 25,014,820, 35,860,262, and 11,223,231 Shares to United Hill, Bonus Gain and Always Fast respectively at the issue price of HK\$0.229 per Share.

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

Hong Kong, 11 September 2007

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

*This announcement, for which the directors of Asian Capital Resources (Holdings) Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Asian Capital Resources (Holdings) Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting and on the Company’s website at [www.airnet.com.hk](http://www.airnet.com.hk).*