



(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8025)

THIRD QUARTERLY RESULTS ANNOUNCEMENT (For the nine months ended 30 September 2014)

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

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.

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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 GEM of the Stock Exchange 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.

As at the date of this announcement, the executive directors of the Company are Mr. Xie Xuan (Chairman), Mr. Chu Yat Hong, Mr. Qiu Yue, Mr. Xiao Jing and Dr. Feng Ke; and the independent non-executive directors are Mr. Wu Jixue, Mr. Zhang Daorong and Mr. Zheng Hongliang.

UNAUDITED CONSOLIDATED RESULTS

The board of directors (the “Board”) of Asian Capital Resources (Holdings) Limited (the “Company”) present the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the three and nine months ended 30 September 2014 together with the comparative figures for the corresponding periods in 2013 as follows:

	<i>Notes</i>	For the three months ended 30 September		For the nine months ended 30 September	
		2014	2013	2014	2013
		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	2	36,104	50,230	107,601	116,712
Cost of services		(31,848)	(38,926)	(98,182)	(99,079)
Gross profit		4,256	11,304	9,419	17,633
Other revenue		54	–	108	–
Interest income		–	–	–	–
Staff costs		(871)	(1,166)	(2,313)	(2,140)
Operating lease rentals		(138)	(91)	(353)	(219)
Other operating expenses		(6,161)	(5,459)	(14,990)	(10,418)
Depreciation and amortization		(1,916)	(2,208)	(7,498)	(7,217)
Profit/Loss from operating activities		(4,776)	2,380	(15,627)	(2,361)
Finance costs		(303)	(475)	(963)	(1,019)
Profit/Loss before taxation		(5,079)	1,905	(16,590)	(3,380)
Taxation	3	(339)	(2,631)	(356)	(3,233)
Profit/Loss for the period		(5,418)	(726)	(16,946)	(6,613)
Attributable to:					
Equity holders of the Company		(5,510)	(611)	(16,902)	(6,869)
Non controlling interest		92	(115)	(44)	256
		(5,418)	(726)	(16,946)	(6,613)
Earning/Loss per share					
– Basic	4	(0.37 cents)	(0.04 cents)	(1.14 cents)	(0.47 cents)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Unaudited Consolidated Statement of Changes in Equity for the nine months ended 30 September 2014:

	Attributable to equity holders of the Company						Non-		Total
	Issued Share Capital <i>HK\$'000</i>	Share Premium <i>HK\$'000</i>	Capital Reserve <i>HK\$'000</i>	Placing Expenses <i>HK\$'000</i>	Translation Reserve <i>HK\$'000</i>	Accumulated Loss <i>HK\$'000</i>	Total <i>HK\$'000</i>	Controlling interest <i>HK\$'000</i>	
As at 1 January 2013	138,552	182,721	26,020	-	(1,321)	(390,916)	(44,944)	6,858	(38,086)
Movement of the period	10,000	55,000	-	(2,425)	-	(6,869)	55,706	256	55,962
As at 30 September 2013	<u>148,552</u>	<u>237,721</u>	<u>26,020</u>	<u>(2,425)</u>	<u>(1,321)</u>	<u>(397,785)</u>	<u>10,762</u>	<u>7,114</u>	<u>17,876</u>
As at 1 January 2014	148,552	237,721	26,020	(2,426)	(1,407)	(390,662)	17,798	(16,369)	1,429
Movement of the period	-	-	-	-	-	(16,902)	(16,902)	(44)	(16,946)
As at 30 September 2014	<u>148,552</u>	<u>237,721</u>	<u>26,020</u>	<u>(2,426)</u>	<u>(1,407)</u>	<u>(407,564)</u>	<u>896</u>	<u>(16,413)</u>	<u>(15,517)</u>

Notes:

1. BASIS OF PREPARATION

The unaudited quarterly financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and accounting principles generally accepted in Hong Kong and the GEM Listing Rules. The principal accounting policies adopted in preparing these financial statements are consistent with those followed in the Group’s annual audited consolidated financial statements for the year ended 31 December 2013.

2. TURNOVER

The Group’s turnover represents the invoiced value of service fees from the provision of managed internet protocol television (“IPTV”) services and related value-added services; and excludes intra-Group transactions as follows:

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2014	2013	2014	2013
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Internet broadband business management and internet protocol television services Income	<u>36,104</u>	<u>50,230</u>	<u>107,601</u>	<u>116,712</u>
Total turnover	<u>36,104</u>	<u>50,230</u>	<u>107,601</u>	<u>116,712</u>

3. TAXATION

	For the three months ended		For the nine months ended	
	30 September		30 September	
	2014	2013	2014	2013
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
Hong Kong Tax	–	–	–	–
PRC Tax	339	2,631	356	3,233

No Hong Kong profits tax has been provided for the nine months ended 30 September 2014 as the Group has no assessable profit in Hong Kong for the period.

4. EARNINGS PER SHARE

The calculation of basic loss per share for the three months and nine months ended 30 September 2014 is based on the net loss from ordinary activities attributable to equity holders of the Company of approximately HK\$5,510,000 (2013: HK\$611,000) and loss of HK\$16,902,000 (2013: HK\$6,869,000) and the weighted average number of ordinary shares of approximately 1,485,518,897 (2013: 1,470,498,697) during the periods.

DIVIDEND

The Board does not recommend the payment of dividend for the nine months ended 30 September 2014 (2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Turnover and loss attributable to shareholders

The total turnover of the Group for the nine months ended 30 September 2014 was approximately HK\$107,601,000 (2013: HK\$116,712,000) which was decreased by approximately 7.8% as compared to that of the previous financial year. The decrease in total turnover when comparing to the same period of last year is attributed to the competitive IPTV market conditions.

The unaudited consolidated loss from operations for the nine months ended 30 September 2014 was approximately HK\$16,946,000 which increased as compared with the corresponding period last year loss of HK\$6,613,000. The increase in loss is mainly attributed to the decrease in turnover, in addition, there was an one-off professional cost of HK\$1,671,000 attributed to the major transaction that took place during the quarter.

The Board has adopted a prudent approach and determined that amortisation on the intangible assets provision should be made. The intangible assets of the Group are comprised of the IPTV permit, namely the “Broadcast of Audio-Video Program On Web Permit” (信息網路傳播視聽節目許可證) (the “Permit”) currently held by Guangzhou Wavecom Communications and Advertising Limited (“Guangzhou Wavecom”). The Permit commenced on 1 October 2007 and will expire on 30 September 2015.

The Group’s gross profit margin decreased from approximately 15% for the nine months ended 30 September 2013 to approximately 9% for the current period.

Financial cost

The financial cost of the Group for the nine months ended 30 September 2014 was approximately HK\$963,000 (2013: HK\$1,019,000) which was decreased by approximately 5.5% as compared to that of the same period of last year.

Liquidity, financial resources and capital structure

For the nine months ended 30 September 2014, the Group's borrowing consists of a loan from the Company's immediate holding company of approximately HK\$24,248,000. The Group had a cash balance of approximately HK\$26,673,000.

The Group continues to adopt a prudent treasury policy to maintain its cash balance either in Hong Kong Dollars, or in the local currencies of the operating subsidiaries, maintaining a minimum exposure to foreign exchange risks.

The issued share capital of the Group for the nine months ended 30 September 2014 was HK\$148,551,899 (2013: HK\$148,551,899).

Gearing Ratio

As at 30 September 2014, the gearing ratio of the Group, expressed as a percentage of net debt divided by total capital plus net debt, was 82.67% (2013:4.64%).

Employee and remuneration policies

As at 30 September 2014, the Group employed a total of 7 employees (as at 30 September 2013: 423), of which 3 were located in Hong Kong and the remaining 4 were located in the PRC. The Group's remuneration policies are in line with the prevailing market practices and formulated on the basis of performance and experience of the employees. The salary and related benefits of the employees are rewarded on a performance related basis and the general remuneration structure of the Group is subject to review annually.

OPERATIONAL REVIEW

During the period under review, the Group was focusing its effort in its management services and the diversification of the sectors in which the Company offered our services to while completing the acquisition of an investment management business and a consultancy business. Furthermore the Group continues to research, develop and explore investment opportunities which are strategic to its business operations. Both the Group and the Company does not have any financial difficulties to an extent that may seriously impair the Company's ability to continue its business and the revenue generated by the services provided have sufficient cashflow to operate efficiently.

The Board, looking forward, views that by concentrating on providing our services and expanding on its financial services will enhance the company's incremental business and the future value of the company. Our group's subsidiary, Vega Capital Limited, is currently completing its acquisition of an investment management business and will be concentrating in its business investment management services and consultancy services.

The decreased in total turnover when comparing to the same period of last year is attributed to the extremely competitive IPTV sector compounded by the Company's decision to redirect the management and corporate resources to other less capital intensive services rather than the overpriced re-investment into the competitive IPTV sector as discussed in the previous quarters.

MANAGEMENT SERVICES AND INFORMATION TECHNOLOGY DIVISION

During the period under review the Company has been focused on the expansion of the sectors in which the Company offered our services to by the knowledge base gained in the financial restructuring and real estate consultative services. As discussed in the 2014 interim report the IPTV sector has become extremely challenging and extremely competitive to operate in. The Board has been concentrating on utilizing the Company's resources more efficiently rather than operating in the IPTV industry where its resources are vastly overpriced and become extremely costly to retain sustainable competitiveness.

The Company's decision to redirect the management and corporate resources to other less capital intensive services were also the result of the short tenure of the management agreement with Guangdong Yingxin, and the level of fees that can be generated from this sector, based on the performance of the period under management.

In the current challenging and extremely competitive market conditions, the Board and management have decided to operate carefully and navigate with prudence and implemented a strategy of diversifying the sectors in which the Company offered our services to. The Company is currently exploring an opportunity to leverage our expertise in our project and management services, and expansion it into the financial services related sector.

With this strategy the Board and Management believes it is in a good position to achieve a higher level of performance and to navigate through this difficult and competitive market conditions within the industry.

FINANCIAL AND ADVISORY SERVICES

The Company views that there is presently an opportunity to explore more services to be provided in the financial services sector. The Company has been equipped with senior management level professionals with extensive experiences and track record in the financial sector. The Company's executive director, Dr. Feng Ke, is currently the department head and researcher of Real Estates Finance Research Center of the Beijing University Economics Faculty, and is also a board director of another Hong Kong exchange listed company that engages in the business of specializing in providing short-term loans secured by collateral to SMEs and individuals in the PRC. With the board's expertise and leadership the Company feels it has greatly positioned itself to provide more services in the financial sector.

The Group's Financial Services division has finalized the registration of the Foreign-invested Equity Investment Enterprise in Qianhai Free Trade Zone in Shenzhen PRC. This is for the Company to take advantage of the preferential policies in the financial sector being promoted in the Qianhai zone. With the establishment of the Qianhai Foreign-invested Equity Investment Enterprise the Company would be well positioned to benefit and to offer a range of financial services that are currently being stimulating in Qianhai but have been strictly regulated in the past. Basing on the preferential policies in Qianhai, the types of financial services that the Company will be well positioned to offer will be (i) the development of foreign-invested equity investment funds, foreign exchange settlement of capital funds, investment and fund management; (ii) the expansion of offshore RMB fund flow-back channels, and the establishment of cross-border RMB business; (iii) the granting of RMB loans for offshore projects; and (iv) the issuance of RMB bonds in Hong Kong.

In addition, the shareholders have approved the proposed acquisition of the investment management business and consultancy business (please refer to the 29 September 2014 announcement made by the Company for details) and currently the Company is going through the process of completion.

Currently the Chinese private equity funds have emerged as an important force in the country's continuous development. There are currently approximately 6,000 private equity funds registered in China, managing RMB2 trillion (US\$325 billion) of funds, representing 15 per cent of the US\$2 trillion of assets under management by private equity firms globally (source: Zero2IPO data, The 17th Beijing Hong Kong Economic Cooperation Symposium 2013 and FGI estimation, and TheCityUK (2013). Fund Management September 2013). While the PRC private equity is still under development, the following highlights some of the main drivers of its growth (i) Unmet capital requirements for industrial re-structuring, buyouts and mergers and acquisition as China is making a transition from an export-led manufacturing-based economy to one that is more domestic demand-driven; (ii) China's insurance companies were allowed

to invest up to 10% of their assets in domestic private equity firms (a pool of over US\$1 trillion was unlocked for private equity investments); and (iii) Recognizing the importance of specialization in the sectors of each private equity fund. Through the Qianhai platform and the newly acquired investment management company, the Group is well positioned to take advantage of the robust private equity market that is currently developing by setting up private equity investment entities targeted at high net worth individuals and institutional investors in PRC that are seeking higher and faster returns than what they receive from listed equities and bank deposits.

With the experiences of the Board, the Group will be able to achieve and create operational added value for private equity investment entities. The operational values include financial structuring, bottom line, top line core business, and top line expansion. In addition, with the board's real estate back ground as well as reputation they would enhance the origination process and greatly improve on the deal flow while concentrating on the real estate sector as well as sustainable green businesses that are being promoted. Given the macroeconomic environment and the emergence of a vibrant private equity industry in China, the Board expects a fruitful year for this new business in 2014.

Apart from the aforementioned operations and being a growth objective enterprise, (GEM board listed company) the Group continues to research, develop and explore investment opportunities which are strategic to its business operations and which will contribute positively to the sustainability of the investment return to the Company's shareholders.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Deregistration and Winding-Up of various Subsidiaries in the Group

The Board has resolved that, in order to reduce the operating costs of the Group, those subsidiaries within the Group which no longer add value to, nor generate any income attributable to the Group, should be deregistered, or voluntarily wound up.

Those subsidiaries which are currently in the deregistration process is: Sinobase Asia Limited.

Those subsidiaries which are currently being voluntarily wound up are: Asian Information Investment Consulting Limited, BuyCollection.com Limited, and Myhome Network Limited.

MATERIAL LITIGATION AND CONTINGENT LIABILITIES

Nil

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Nil

DISCLOSURE OF INTERESTS

(A) Interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations

As at 30 September 2014, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares, or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Cap. 571, (“SFO”) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) contained in the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(i) *Long Positions in the Ordinary Shares of HK\$0.10 each (the “Shares”) of the Company*

	Number of issued shares held, capacity and nature of interest				Total	Percentage of the Company's issued Shares as at 30 September 2014
	Directly beneficially owned	Through spouse or minor children	Through controlled corporation	Beneficiary of a trust		
Directors						
Mr. Chu Yat Hong	-	-	544,514,132 <i>(Note 1)</i>	-	544,514,132	36.66%
Mr. Xie Xuan	-	-	544,514,132 <i>(Note 2)</i>	-	544,514,132	36.66%
Mr. Qiu Yue	15,430,000	-	18,620,436 <i>(Note 3)</i>	-	34,050,436	2.29%
	<u>15,430,000</u>	<u>-</u>	<u>563,134,568</u>	<u>-</u>	<u>578,564,568</u>	<u>39.11%</u>

Note 1: The controlled corporation is Glamour House Limited, which is 90% beneficially owned by Mr. Chu Yat Hong.

Note 2: The controlled corporation is Glamour House Limited, which is accustomed to acting in accordance with Mr. Xie Xuan's instructions who is its sole director, and which is the beneficial owner as to 67.18% of Asian Dynamics International Limited.

Note 3: The controlled corporation is Lucky Peace Limited, which is incorporated in Samoa, and which is 100% wholly-owned by Mr. Qiu Yue

Save as disclosed above, as at 30 September 2014, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(B) Interests and short positions of the Substantial Shareholders in the Shares, underlying shares and debentures of the Company

As at 30 September 2014, so far as was known to the Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had, or were deemed or taken to have, an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, were as follows:

(i) Long Positions in the Shares

Name of Shareholder	Capacity	Number of shares	Percentage of the Company's issued Shares as at 30 September 2014
Glamour House Limited	Interest of a controlled corporation (<i>Note 1</i>)	544,514,132	36.66%
Asian Dynamics International Limited	Beneficial owner	544,396,132	36.65%
Logic Ease Group Limited	Beneficial Owner	86,500,000	5.82%
Blue Balloon Limited	Beneficial Owner	86,500,000	5.82%
Sweetly Limited	Beneficial Owner	86,500,000	5.82%

Note 1: The controlled corporation is Asian Dynamics International Limited, which is beneficially owned as to 67.18% by Glamour House Limited.

Save as disclosed above, as at 30 September 2014, no persons, other than the Directors and chief executive of the Company, whose interests are set out under the heading "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures" above, had registered an interest or short position in any shares, underlying shares or debentures of the Company that was required to be recorded under Section 336 of the SFO.

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, Mr. Chu Yat Hong, Mr. Xie Xuan, Logic Ease Group Limited, Blue Balloon Limited and Sweetly Limited as disclosed above, there was no other person as at 30 September 2014 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.

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 period ended 30 September 2014.

CORPORATE GOVERNANCE REPORT

The Company is committed to achieving and maintaining a high standard of corporate governance. The Board recognizes 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 Code on Corporate Governance Practices and 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 period ended 30 September 2014, except:

- (i) 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 period ended 30 September 2014.

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 eight Directors, with five executive Directors, namely Mr. Xie Xuan (Chairman), Mr. Xiao Jing (Chief Executive), Mr. Chu Yat Hong, Mr. Qiu Yue and Dr. Feng Ke and three independent non-executive Directors namely Mr. Wu Jixue, Mr. Zhang Daorong and Mr. Zheng Hongliang. They are professionals in different areas and provide independent opinions based on their expertise.

Internal Control

On an annual basis the Directors have reviewed and are satisfied with their ability to comply with the policies installed as part of the Group's internal control system, including, in particular, financial, operational and compliance controls and risk management functions. Furthermore, the Directors are satisfied with the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting functions, and their training programs and budget.

Audit Committee

In compliance with Rule 5.28 of the GEM Listing Rules, the Company has established an audit committee comprising Independent Non-executive Directors, namely Mr. Zhang Daorong(Chairman of the Committee), Mr. Wu Jixue and Mr. Zheng Hongliang, and has adopted terms of reference governing the authorities and duties of the audit committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal controls of the Group. The audit committee has reviewed the draft of this quarterly report and the audited financial statements and has provided advice and comments thereon.

On behalf of the Board

Xie Xuan

Chairman

Hong Kong, 10 November 2014