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# Asia Resources Holdings Limited

## 亞洲資源控股有限公司\*

*(incorporated in Bermuda with limited liability)*

(Stock Code: 899)

### SUBSCRIPTION OF NEW SHARES UNDER THE GENERAL MANDATE

On 7 July 2017 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue the Subscription Shares at the Subscription Price on the Subscription Completion Date.

1,000,000,000 Subscription Shares represent approximately 18.71% of the existing issued share capital of the Company as at the date of this announcement and approximately 15.76% of the issued share capital of the Company as enlarged by the Subscription Shares. The Subscription Shares will be issued under the General Mandate and will rank equally among themselves and with the existing Shares in issue on the Subscription Completion date.

The Subscription is conditional upon, inter alia, the approval by the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares and if required, the Bermuda Monetary Authority having granted permission for the issue of the Subscription Shares.

The gross proceeds of the Subscription will be HK\$250,000,000. The net proceeds of the Subscription will be approximately HK\$249,900,000 and are intended to be used for acquisition and development of businesses related to natural resources or the products thereof or working capital of the Group.

**Completion of the Subscription is subject to fulfillment of the conditions precedent set forth in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE SUBSCRIPTION AGREEMENT**

On 7 July 2017 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue the Subscription Shares at the Subscription Price on the Subscription Completion Date.

### **The Subscription Price**

The Subscription Price is HK\$0.25 per Share. The Subscription Price is equivalent to the nominal value of each Share and represents (i) a premium of approximately 106.6% to the closing price of HK\$0.121 per Share as quoted on the Stock Exchange on 7 July 2017, being the date of the Subscription Agreement; and (ii) a premium of approximately 110.4% to the average closing price of approximately HK\$0.1188 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including 6 July 2017.

### **Number of Subscription Shares**

1,000,000,000 Subscription Shares represent approximately 18.71% of the existing issued share capital of the Company as at the date of this announcement and approximately 15.76% of the issued share capital of the Company as enlarged by the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$250,000,000.

### **Ranking of Subscription Shares**

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the issued Shares as at the date of allotment of the Subscription Shares.

### **Conditions of the Subscription**

Completion of the Subscription is conditional upon:

- (a) approval by the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares;
- (b) all necessary corporate approvals and consents and third party consents, including the approval of the Bermuda Monetary Authority to the issue of the Subscription Shares (if necessary) for the transactions contemplated under the Subscription Agreement being obtained on or before completion of the Subscription;

- (c) the Subscriber being satisfied that the warranties set out in the Subscription Agreement are true and accurate in all respects as at the date of the Subscription Agreement and at the Subscription Completion Date; and
- (d) there is no indication from the Stock Exchange that the listing status of the securities of the Company will be revoked by the Stock Exchange as a result of the implementation of the transactions contemplated under the Subscription Agreement.

The Subscription Agreement does not provide for either party to waive any of the above conditions.

### **Completion**

Completion of the Subscription shall take place within 3 Business Days following the satisfaction of all the conditions precedent referred to in the Subscription Agreement (which shall be no later than 7 October 2017 or such later date as may be agreed by all the parties hereto in writing) at the principal place of business of the Company, or other such place as may be agreed between the parties in Hong Kong.

The Subscriber will become a substantial shareholder of the Company upon completion of the Subscription.

### **GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES**

The issue of the Subscription Shares will not be subject to the approval by the Shareholders and the Subscription Shares will be issued under the General Mandate granted to the Directors at the AGM. Pursuant to the General Mandate, the total number of new Shares that the Company is authorised to issue is 1,068,738,000 Shares, representing 20% of the issued nominal capital of the Company as at the date of the AGM.

Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate.

### **APPLICATION FOR LISTING**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Subscription Shares.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the existing and enlarged shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after the completion of the Subscription (assuming there is no change in the share capital of the Company):

	As at the date of this announcement		Immediately after completion of the Subscription	
	No. of Shares	Approx. percentage	No. of Shares	Approx. percentage
Yang XiaoQiang	1,330,000,000	24.89%	1,330,000,000	20.97%
Huang Yilin	70,000	0.00%	70,000	0.00%
Chan Shi Yin, Keith	1,200,000	0.02%	1,200,000	0.02%
Subscriber	0	0.00%	1,000,000,000	15.76%
Public Shareholders	<u>4,012,420,000</u>	<u>75.09%</u>	<u>4,012,420,000</u>	<u>63.25%</u>
<b>Total</b>	<b><u>5,343,690,000</u></b>	<b><u>100.00%</u></b>	<b><u>6,343,690,000</u></b>	<b><u>100.00%</u></b>

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company did not carry out any equity fund raising activity in the past twelve months.

## REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Directors consider that the Subscription offers a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group so as to facilitate its future development.

The Subscription Price was determined with reference to the prevailing market price of the Shares, the nominal value of each Share and the minimum subscription price allowed under the Listing Rules and the applicable laws.

The Directors consider that the terms of the Subscription Agreement are fair and reasonable, on normal and commercial terms and are in the interests of the Company and the Shareholders as a whole. The gross proceeds of the Subscription will be HK\$250,000,000. The net proceeds (after deducting all applicable costs and expenses reasonably incurred in relation to the entering of the Subscription Agreement and the related documents) of approximately HK\$249,900,000 from the Subscription are intended to be used for acquisition and development of businesses related to natural resources or the products thereof or working capital of the Group. The net price of each Subscription Share will be approximately HK\$0.2499.

## **INFORMATION ON THE COMPANY AND THE SUBSCRIBER**

The Company is an investment holding company. The Group is principally engaged in iron mining business, securities and other trading business; money lending business; and property investments.

The Subscriber is an individual businessman. The Subscriber was the original sole ultimate beneficial owner of Hong Kong Spring Water Ding Dong Group Company Limited (“**HK Spring Water**”). In April 2017, the Group acquired 20% shareholding interest in HK Spring Water. Details of the acquisition has been disclosed in the announcements of the Company dated 19 April 2017 and 25 April 2017. After completion of the acquisition, HK Spring Water was beneficially owned by the Subscriber and the Group as to 80% and 20% respectively. Save for the aforesaid, to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Subscriber is a third party independent of and not connected with the Company and its connected persons.

## **WARNING**

**Completion of the Subscription is subject to fulfillment of the conditions precedent set forth in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the expressions below have the meanings assigned:

“AGM”	the annual general meeting of the Company held on 7 September 2016;
“Board”	the board of Directors;
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong and on which the Stock Exchange is open for the business of dealing in securities;

“Company”	Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange (stock code: 899);
“Director(s)”	director(s) of the Company;
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the AGM;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Share(s)”	the ordinary share(s) with nominal value of HK\$0.25 each in the capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Mr. Li Yuguo, an individual businessman and the subscriber under the Subscription Agreement;
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 7 July 2017 entered into between the Company and the Subscriber;

“Subscription Completion Date”	the date of completion of the subscription of the Subscription Shares;
“Subscription Price”	HK\$0.25 per Subscription Share;
“Subscription Shares”	1,000,000,000 Shares to be issued by the Company, credited as fully paid up, to the Subscriber; and
“%”	per cent.

By order of the Board  
**Asia Resources Holdings Limited**  
**Huang Yilin**  
*Executive Director*

Hong Kong, 7 July 2017

*As at the date of this announcement, the Board consists of four executive directors, Mr. Huang Yilin, Mr. Chan Shi Yin, Keith, Mr. Liu Yan Chee, James and Mr. Chan Yuk Sang; and three independent non-executive directors, Mr. Zhang Xianlin, Mr. Kwok Hong Yee, Jesse and Mr. Ng Ping Yiu.*