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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)

PROPOSED CAPITAL REORGANISATION

CAPITAL REORGANISATION

The Company proposes to implement the Capital Reorganisation which will involve the Capital Reduction and the Share Subdivision, details of which are as follows:

(i) Capital Reduction

The Company proposes to implement the Capital Reduction, pursuant to which the issued share capital of the Company will be reduced by a reduction of the par value of each issued Existing Share from HK\$0.25 to HK\$0.01 which reduction will comprise a cancellation of such amount of the paid-up capital on each issued Existing Share so that each issued Existing Share will be treated as one fully paid-up share of par value of HK\$0.01 each in the share capital of the Company immediately following the Capital Reduction and the credit arising from the Capital Reduction will be credited to the contributed surplus account of the Company within the meaning of the Companies Act.

(ii) Share Subdivision

Immediately following the Capital Reduction, each of the authorised but unissued Existing Shares of par value of HK\$0.25 each will be sub-divided into twenty-five (25) New Shares of par value of HK\$0.01 each.

The Existing Shares are traded in board lots of 10,000 Existing Shares. The Board proposes to remain the board lot size for trading in the shares of the Company unchanged at 10,000 New Shares upon the Capital Reorganisation becoming effective.

* *for identification purpose only*

GENERAL

The SGM will be convened for the Shareholders to consider and, if thought fit, approve, among other things, the Capital Reorganisation. A circular containing, among other things, (i) details of the Capital Reorganisation; and (ii) a notice of the SGM, is expected to be despatched to the Shareholders on or before Wednesday, 10 October 2018. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Capital Reorganisation and as such, no Shareholder is required to abstain from voting on the special resolution to be proposed at the SGM.

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(ii) Share Subdivision

Immediately following the Capital Reduction, each of the authorised but unissued Existing Shares of par value of HK\$0.25 will be sub-divided into twenty-five (25) New Shares of par value of HK\$0.01 each.

The Existing Shares are traded in board lots of 10,000 Existing Shares. The Board proposes to remain the board lot size for trading in the shares of the Company unchanged at 10,000 New Shares upon the Capital Reorganisation becoming effective.

Conditions

The implementation of the Capital Reorganisation is conditional upon:

- (i) the passing of a special resolution approving the Capital Reorganisation by the Shareholders at the SGM;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and Outstanding Options;
- (iii) the compliance with the relevant procedures and requirements under the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Subject to the above conditions being fulfilled, the Capital Reorganisation is expected to become effective on the next Business Day immediately following the date of passing the special resolution approving the Capital Reorganisation.

Effects and reasons of the Capital Reorganisation

As at the date of this announcement, the authorised share capital of the Company is HK\$2,500,000,000 divided into 10,000,000,000 Existing Shares of par value of HK\$0.25 each, of which 7,611,690,000 Existing Shares have been issued and 2,388,310,000 Existing Shares remain unissued. Assuming there will be no change in the issued share capital of the Company from the date of this announcement until the effective date of the Capital Reorganisation, the authorised share capital of the Company after the Capital Reorganisation will become HK\$2,500,000,000 divided into 250,000,000,000 New Shares of par value of HK\$0.01 each, of which 7,611,690,000 New Shares are issued and 242,388,310,000 New Shares remain unissued.

As at the date of this announcement, save as the Outstanding Options entitling the holders thereof to subscribe for a total of 272,520,000 Existing Shares, the Company does not have any other outstanding options, warrants or securities in issue which are convertible or exchangeable into the shares of the Company.

The Capital Reorganisation will reduce the par value per share of the Company from HK\$0.25 to HK\$0.01 (including both issued and unissued shares of the Company). Save as such, the Capital Reorganisation will not affect the Outstanding Options. Assuming no

further Existing Shares will be issued or repurchased prior to the effective date of the Capital Reorganisation, the effect of the Capital Reorganisation and the share capital structure of the Company is summarised below:

	As at the date of this announcement	Immediately upon the Capital Reorganisation being effective
Par value per share of the Company	HK\$0.25 per Existing Share	HK\$0.01 per New Share
Authorised share capital	HK\$2,500,000,000 divided into 10,000,000,000 Existing Shares	HK\$2,500,000,000 divided into 250,000,000,000 New Shares
Number of issued shares of the Company	7,611,690,000 Existing Shares	7,611,690,000 New Shares
Number of unissued shares of the Company	2,388,310,000 Existing Shares	242,388,310,000 New Shares

Based on 7,611,690,000 Existing Shares in issue as at the date of this announcement and assuming that the par value of each of the 7,611,690,000 issued Existing Shares will be reduced from HK\$0.25 to HK\$0.01 per issued Existing Share by way of the Capital Reduction, a credit amounting to approximately HK\$1,826,805,600 will arise as a result of the Capital Reduction. It is proposed that the credit arising from the Capital Reduction will be credited to the contributed surplus account of the Company within the meaning of the Companies Act, which will be used by the Board to set-off against the accumulated losses of the Company (if any) after the Capital Reorganisation becoming effective or in any manner as the Board may deem fit as may be permitted under the applicable laws and the bye-laws of the Company.

As at the date of this announcement, the Company had not, and had no immediate intention or was not under any negotiation to enter into any agreement to conduct equity fund raising activity. Nevertheless, the Company has considered, and does not eliminate the possibility of the need for fund raising for the forthcoming 12 months from the date of this announcement. Given the shares of the Company should normally not be issued below its par value and the par value of the Existing Shares is high, the chance of carrying out a successful funding raising from independent third parties without amending the par value of the shares of the Company will be minimal. The proposed Capital Reorganisation will give the Company

greater flexibility in pricing future capital raising exercise. The Board therefore considers that the proposed Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred and to be incurred, the implementation of the Capital Reorganisation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the proportionate interests of the Shareholders. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

Status of the New Shares

All New Shares in issue immediately following the Capital Reorganisation becoming effective will rank pari passu in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

Listing application

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and Outstanding Options.

Subject to the granting of listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The New Shares will be identical in all respects and rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal in is being currently proposed to be sought from any other stock exchange.

Exchange of share certificates

Subject to the Capital Reorganisation becoming effective, which is expected to be on Wednesday, 7 November 2018, Shareholders may on or after Wednesday, 7 November 2018 and until Friday, 14 December 2018 (both days inclusive) submit their existing share certificates for the Existing Shares to the Registrar for exchange for share certificates for the New Shares at the expense of the Company. Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each share certificate issued for the New Shares or each existing share certificate for the Existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. After 4:00 p.m. on Friday, 14 December 2018, existing share certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for share certificates for New Shares at any time but are not acceptable for trading, settlement and registration purposes.

EXPECTED TIMETABLE

The expected timetable for implementation of the Capital Reorganisation is as follows:

Event	2018
Publication of a reduction notice in relation to the Capital Reduction in Bermuda	Between Monday, 8 October and Tuesday, 23 October
Despatch of the Company's circular with notice of SGM and form of proxy	Wednesday, 10 October
Latest time and date for lodging transfer of the Existing Shares in order to qualify for attending and voting at the SGM	4:30 p.m. on Wednesday, 31 October
Register of members of the Company closed	from Thursday, 1 November to Tuesday, 6 November (both days inclusive)
Latest time and date for lodging forms of proxy for the SGM (not less than 48 hours prior to the time of the SGM)	11:00 a.m. on Sunday, 4 November
Time and date of the SGM	11:00 a.m. on Tuesday, 6 November
Publication of announcement of poll results of the SGM	Tuesday, 6 November

The following events are conditional on the fulfillment of the conditions of the Capital Reorganisation:

Expected effective date of the Capital Reorganisation Wednesday, 7 November

First day for free exchange of existing share certificates

for Existing Shares for new share certificates

for New Shares 9:00 a.m. on Wednesday, 7 November

Last day for free exchange of existing share certificates

for Existing Shares for the new share certificates

for New Shares Friday, 14 December

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

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Shareholders and potential investors of the Company should note that the credit arising in the accounts of the Company from the Capital Reduction will be subject to change depending on the number of the Existing Shares in issue immediately prior to the Capital Reduction becoming effective.

DEFINITION

“Board”	the board of Director(s);
“Business Day(s)”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours;
“Capital Reduction”	the proposed reduction of the issued share capital of the Company by reducing the par value of each issued Existing Share from HK\$0.25 to HK\$0.01 by way of a cancellation of such amount of the paid-up capital on each issued Existing Share so that each issued Existing Share will be treated as one fully paid-up share of par value of HK\$0.01 in the share capital of the Company;
“Capital Reorganisation”	collectively, the Capital Reduction and the Share Subdivision;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Companies Act”	the Companies Act 1981 of Bermuda;
“Company”	Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	director(s) of the Company;
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.25 each in the share capital of the Company prior to the Capital Reorganisation becoming effective;

“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“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;
“New Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective;
“Outstanding Options”	the right(s) granted under the Share Option Schemes to subscribe for shares of the Company in accordance with the Share Option Schemes;
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong;
“SGM”	the special general meeting of the Company to be held for the Shareholders to consider and, if thought fit, approve, among others, the Capital Reorganisation;
“Share Option Schemes”	the share option scheme of the Company adopted on 14 January 2002 and 9 August 2011;
“Share Subdivision”	the proposed subdivision of each of the authorised but unissued Existing Shares of par value of HK\$0.25 into twenty-five (25) shares of par value of HK\$0.01 each;

“Shareholder(s)” holder(s) of shares of the Company;

“Stock Exchange” The Stock Exchange of Hong Kong Limited.

By Order of the Board
Asia Resources Holdings Limited
Li Yuguo
Executive Director

Hong Kong, 21 September 2018

As at the date of this announcement, the Board consists of four executive directors, Mr. Li Yuguo, Ms. Guo Yumei, Mr. Liu Yan Chee James and Mr. Chan Yuk Sang; two non-executive directors, Mr. Yang Xiaoqiang and Mr. Huang Yilin; and three independent non-executive directors, Mr. Ba Junyu, Mr. Zhu Xueyi and Mr. Wong Chung Man.