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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)**

### **MAJOR TRANSACTION**

## **ACQUISITION OF TWO TARGET COMPANIES INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

### **THE ACQUISITIONS**

The Board is pleased to announce that on 23 August 2023 (after trading hours), the Purchaser (a direct wholly-owned subsidiary of the Company), the Vendor, the Target Companies and the Guarantors entered into the Agreements, pursuant to which the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Shares A (representing the entire issued share capital of the Target Company A) and the Sale Shares B (representing 73.1% of the issued share capital of the Target company B) and the Shareholder's Loan in accordance with the terms and conditions of the Agreements respectively.

Upon the completion of reorganisation of the Target Companies and its subsidiaries, the Target Company A, through Hunan Chenxi and Jiuyuan Mining, will indirectly hold Project Jiuyuan situated in the PRC and Target Company B, through Hunan Hongjia and Jinhao Mining, will indirectly hold Project Jinhao situated in the PRC. The total consideration payable by the Purchaser for the Acquisitions is HK\$200,000,000. The Purchaser will settle the total consideration as to HK\$156,833,600 by way of issue of Promissory Notes and as to the remaining amount of HK\$43,166,400 by the allotment and issue of 187,680,000 Consideration Shares at the Issue Price of HK\$0.23 per Consideration Share. The Consideration Shares will be allotted and issued under the Specific Mandate to be sought at the SGM. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. Upon Completion, the Target Companies will become the subsidiaries of the Company and their financial results will be consolidated into the financial statements of the Company.

\* For identification purpose only

## **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions calculated on an aggregate basis is more than 25% but is less than 100%, the Acquisitions constitute a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **WARNING**

**SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT THE ACQUISITIONS ARE SUBJECT TO CONDITIONS TO BE SATISFIED, AND CONSEQUENTLY THE ACQUISITIONS MAY OR MAY NOT BE COMPLETED. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN DEALING OR CONTEMPLATING DEALING IN THE SECURITIES OF THE COMPANY.**

## **THE ACQUISITIONS**

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## **THE AGREEMENTS**

The principal terms of the Agreements are set out below:

### *Agreement A*

#### **Date**

23 August 2023 (after trading hours)

#### **Parties**

- (1) East Dynasty Group Limited, a direct wholly-owned subsidiary of the Company, as the Purchaser;
- (2) Creation Financial Group Limited, as the Vendor;
- (3) Yonyin Investment Holdings Limited as the Target Company A;
- (4) Mr. Chen Huaijun (陳懷軍) as the Guarantor A; and
- (5) Mr. Chen Dongrao (陳東堯) as the Guarantor B.

#### **Subject matter**

The Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Shares A and the entire shareholder's loan advanced to the Target Company A in accordance with the terms and conditions of the Agreement A. The Guarantors agreed to guarantee the obligations of the Vendor under the Agreement A.

Upon Completion, the Target Company A will become an indirect wholly-owned subsidiary of the Company and the financial results of Target Company A will be consolidated into the financial statements of the Group.

There is no restriction on subsequent sale of the Sale Shares A.

## **Consideration**

The total consideration for the acquisition of the entire issued share capital of, and the shareholder's loan advanced to, the Target Company A shall be HK\$37,000,000, which shall be payable by the Purchaser in the following manner:

- (a) by way of issue of promissory note in the principal amount of HK\$29,640,000 to the Vendor upon Completion; and
- (b) by the allotment and issue of 32,000,000 Consideration Shares at the Issue Price of HK\$0.23 per Consideration Share by the Company to the Vendor (equivalent to the amount of HK\$7,360,000) within 6 months after Completion;

provided that if the Target Company A or its subsidiaries have any liability before Completion that has not been disclosed to the Purchaser, the Purchaser has the right to deduct the equivalent amount from the total consideration for the Sale Shares A. The Vendor agrees not to raise any claim or proceedings regarding such deduction.

## **Basis of the Consideration**

The total consideration for the Sale Shares A and the relevant Shareholders' Loan was determined after arm's length negotiations between the Purchaser and the Vendor taking into account a number of factors including but not limited to (i) the unaudited net assets of the Target Company A and Jiuyuan Mining as at 30 June 2023, being HK\$Nil and approximately RMB\$27,476,000 (equivalent to approximately HK\$29,630,000) respectively; (ii) the appraised market value of Project Jiuyuan as at 30 June 2023 in the aggregate amount of HK\$37,000,000 based on an independent professional valuation; (iii) the estimated reserves and resources of Project Jiuyuan; and (iv) the future prospects and profitability of the Target Company A.

## Conditions Precedent

Completion of Agreement A is conditional upon the satisfaction of the following conditions precedent:

- (a) compliance by the Purchaser and the Company of all requirements under the Listing Rules in respect of the transactions contemplated in the Agreement A and the obtaining of all approvals from the Stock Exchange and other regulatory authorities and/or governmental departments (including Shareholders' approval) required under the Listing Rules and the applicable laws;
- (b) completion of the due diligence on the legal, financial, business and assets of the Target Company A by the Purchaser with satisfactory results in all respects;
- (c) the warranties given by the Vendor as set out in the Agreement A remain true and accurate in all material respects;
- (d) there is no material adverse change in the Target Company A and its subsidiaries;
- (e) no title, mining or other material operational issues on Project Jiuyuan have been identified and the valuation of Project Jiuyuan is not less than HK\$37,000,000;
- (f) the Purchaser has received a PRC legal opinion in form and substance satisfactory to the Purchaser on matters in respect of Hunan Chenxi, Jiuyuan Mining and Project Jiuyuan;
- (g) the Purchaser has received a competent person's report in form and substance satisfactory to the Purchaser on matters in respect of Project Jiuyuan;
- (h) the Target Company A and its subsidiaries have completed reorganization to the satisfaction of the Purchaser; and
- (i) the Stock Exchange has granted the listing of and permission to deal in the Consideration Shares and not subsequently revoked prior to completion.

The Purchaser may waive the conditions as set out in paragraphs (b) to (f) above. If any of the conditions has not been satisfied within 6 months from the date of the Agreement A (or such other date as the Vendor and the Purchaser may agree in writing), either the Vendor or the Purchaser may terminate the Agreement A and no party shall have any claim against the other party, except in respect of any antecedent breach.

## **Completion**

Subject to the satisfaction of all conditions precedent, Completion shall take place on the third Business Day following the date of the satisfaction or waiver of all the conditions precedent of the Agreement A (or such other date as the Vendor and the Purchaser may agree in writing).

## *Agreement B*

## **Date**

23 August 2023 (after trading hours)

## **Parties**

- (1) East Dynasty Group Limited, a direct wholly-owned subsidiary of the Company, as the Purchaser;
- (2) Creation Financial Group Limited, as the Vendor;
- (3) Yongming Investment Holdings Limited as the Target Company B;
- (4) Mr. Chen Huaijun (陳懷軍) as the Guarantor A; and
- (5) Mr. Chen Dongrao (陳東堯) as the Guarantor B.

## **Subject matter**

The Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell the Sale Shares B and the 73.1% of the shareholder's loan advanced to the Target Company B in accordance with the terms and conditions of the Agreement B. The Guarantors agreed to guarantee the obligations of the Vendor under the Agreement B.

Upon Completion, the Target Company B will become an indirect non-wholly owned subsidiary of the Company and the financial results of Target Company B will be consolidated into the financial statements of the Group.

There is no restriction on subsequent sale of the Sale Shares B.

## **Consideration**

The total consideration for the acquisition of 73.1% of the issued share capital of, and the shareholder's loan advanced to, the Target Company B shall be HK\$163,000,000, which shall be payable by the Purchaser in the following manner:

- (a) by way of issue of promissory note in the principal amount of HK\$127,193,600 to the Vendor upon Completion; and
- (b) by the allotment and issue of 155,680,000 Consideration Shares at the Issue Price of HK\$ 0.23 per Consideration Share by the Company to the Vendor (equivalent to the amount of HK\$35,806,400) within 6 months after Completion;

provided that if the Target Company B or its subsidiaries have any liability before Completion that has not been disclosed to the Purchaser, the Purchaser has the right to deduct the equivalent amount from the total consideration for the Sale Shares B. The Vendor agrees not to raise any claim or proceedings regarding such deduction.

## **Basis of the Consideration**

The total consideration for the Sale Shares B and the relevant Shareholders' Loan was determined after arm's length negotiations between the Purchaser and the Vendor taking into account a number of factors including but not limited to (i) the unaudited net assets of the Target Company B and Jinhao Mining as at 30 June 2023, being HK\$Nil and approximately RMB\$34,395,000 (equivalent to approximately HK\$37,091,000) respectively; (ii) the appraised market value of the Project Jinhao as at 30 June 2023 in the aggregate amount of HK\$223,000,000 based on an independent professional valuation; (iii) the estimated resources of Project Jinhao; and (iv) the future prospects and profitability of the Target Company B.

## **Conditions Precedent**

Completion of Agreement B is conditional upon the satisfaction of the following conditions precedent:

- (a) compliance by the Purchaser and the Company of all requirements under the Listing Rules in respect of the transactions contemplated in Agreement B and the obtaining of all approvals from the Stock Exchange and other regulatory authorities and/or governmental departments (including Shareholders' approval) required under the Listing Rules and the applicable laws;

- (b) the completion of the due diligence on the legal, financial, business and assets of Target Company B by the Purchaser with satisfactory results in all respects;
- (c) the warranties given by the Vendor as set out in the Agreement B remain true and accurate in all material respects;
- (d) there is no material adverse change in the Target Company B and its subsidiaries;
- (e) no title, mining or other material operational issues on the Project Jinhao have been identified and the valuation of Project Jinhao is not less than HK\$223,000,000;
- (f) the Purchaser has received a PRC legal opinion in form and substance satisfactory to the Purchaser on matters in respect of Hunan Hongjia, Jinhao Mining and Project Jinhao;
- (g) the Purchaser has received a competent person's report in form and substance satisfactory to the Purchaser on matters in respect of Project Jinhao;
- (h) the Target Company B and its subsidiaries have completed reorganization to the satisfaction of the Purchaser; and
- (i) the Stock Exchange has granted the listing of and permission to deal in the Consideration Shares and not subsequently revoked prior to completion.

The Purchaser may waive the conditions as set out in paragraphs (b) to (f) above. If any of the conditions has not been satisfied within 6 months from the date of the Agreement B (or such other date as the Vendor and the Purchaser may agree in writing), either the Vendor or the Purchaser may terminate the Agreement B and no party shall have any claim against the other party, except in respect of any antecedent breach.

The Agreement A and the Agreement B are not inter-conditional to each other.

### **Completion**

Subject to the satisfaction of all conditions precedent, Completion shall take place on the third Business Day following the date of the satisfaction or waiver of all the conditions precedent of the Agreement B (or such other date as the Vendor and the Purchaser may agree in writing).

## INFORMATION ON THE PROMISSORY NOTES

Pursuant to the Agreement A and the Agreement B, approximately 78% of the total consideration of the Agreement A and the Agreement B will be satisfied by way of issue of Promissory Notes to the Vendor in the amount of HK\$29,640,000 and HK\$127,193,600 respectively.

Set out below are the principal terms of the Promissory Notes:

Issuer	the Company
Issue Date	the date of Completion
Principal Amount to be issued	HK\$29,640,000 for the Agreement A;  HK\$127,193,600 for the Agreement B
Holder of the Promissory Note	the Vendor
Issue Price	100% of the principal amount of the Promissory Notes to be issued
Maturity date	the date falling on the 1st anniversary date after the date of issue of the Promissory Notes
Interest	3% per annum on the outstanding principal amount of the Promissory Notes, payable on the maturity date of the Promissory Notes
Transferability	The holder of the Promissory Notes may assign or transfer the Promissory Notes to any third party by endorsement without the prior written consent of the Company.

Security	The obligations of the Purchaser under the Promissory Notes are unsecured.
Early redemption	The Purchaser may by giving of not less than 5 Business Days' prior notice in writing to the holder of the Promissory Notes to repay the whole or any part of the Promissory Notes and the accrued interests up to the date of redemption.
Events of Default	<p>The holder of Promissory Notes may give notice to the Purchaser requiring the Purchaser to redeem the whole (but not part) of the outstanding principal amount and the accrued interests of the Promissory Notes upon the occurrence of any of the following events and at any time thereafter:</p> <ul style="list-style-type: none"> <li>(a) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or any material part of the undertaking, property, assets or revenues of the Purchaser, in each case, which would have a material adverse effect on the ability of the Purchaser to perform its obligations under the Promissory Notes;</li> <li>(b) the Purchaser is unable to pay its debts as they mature or applies for or consents to or suffers the appointment of any administrator, liquidator or receiver of the whole or any material part of its undertaking, property, assets or revenues or enters into a general assignment or compromise with or for the benefit of its creditors, in each case, which would have a material adverse effect on the ability of the Purchaser to perform its obligations under the Promissory Notes;</li> <li>(c) a resolution is passed for the winding-up of the Purchaser or equivalent actions has taken place in the place of incorporation of the Purchaser;</li> <li>(d) any order is made by a competent court or any petition is filed for winding-up or dissolution of the Purchaser;</li> </ul>

- (e) the Purchaser defaults in the repayment of the indebtedness at the maturity thereof or at the expiration of any applicable grace period thereof, or any guarantee of or indemnity in respect of any indebtedness given by the Purchaser shall not be honoured when due and called upon, in each case, which would have a material adverse effect on the ability of the Purchaser to perform its obligations under the Promissory Notes; or
- (f) the Purchaser merges with any other corporation (other than a merger in which the Purchaser is the continuing corporation).

Application for listing                      No application will be made for the listing of the Promissory Notes on any stock exchange.

The Company intends to repay the outstanding amounts under the Promissory Notes by the internal resources of the Group.

The terms of the Promissory Notes are determined after arm's length commercial negotiation between the Purchaser and the Vendor with reference to the prevailing market condition and the financial position of the Group. In view of the above, the Directors consider the terms of the Promissory Notes are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

**ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

Pursuant to the Agreement A and the Agreement B, HK\$7,360,000 of the consideration of the Agreement A and HK\$35,806,400 of the consideration of the Agreement B respectively, will be satisfied by way of allotment and issue of Consideration Shares to the Vendor at the Issue Price of HK\$0.23 per Consideration Share.

Value of Consideration Shares                      HK\$43,166,400 in aggregate based on the Issue Price of HK\$0.23 per Consideration Share, which was negotiated on an arm's length basis between the parties of the Agreement and determined with reference to the average of the prevailing market prices of the Shares as quoted on the Stock Exchange, and it represents:

- (i) the closing price of HK\$0.23 per Share as quoted on the Stock Exchange on the date of the Agreement A and the Agreement B; and

- (ii) a premium of approximately 2.4% to the average closing price of approximately HK\$0.2246 per Share as quoted on the Stock Exchange for the last five trading days up to and including the last trading day immediately before the date of the Agreement A and the Agreement B.

The aggregate nominal value of the Consideration Shares is HK\$18,768,000.

Conditions of issue of Consideration Shares

The issue of Consideration Shares is subject to the Shareholders' approval and the approval granted by the Stock Exchange for the listing of, and permission to deal in the Consideration Shares. The Consideration Shares will be issued and allotted pursuant to the Specific Mandate.

Ranking of Consideration Shares

The Consideration Shares, when issued and fully paid, shall rank *pari passu* in all respects with the Shares in issue as at the date of issue of Consideration Shares.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

The Group has been seeking investment opportunities from time to time with a view to diversify and enhance its asset portfolio, broaden its sources of income and accelerate further growth of the Group as a whole. The Acquisitions will contribute steady cash flow and income to the Group. The Acquisitions represent an excellent opportunity for the Group to invest in the natural resources industry in the PRC.

In view of the high demand of zinc and lead under rapid economic growth in the emerging countries, which is the major driving force for expanding the production capacity of the zinc and lead ore industries, the Directors believe the Acquisitions will be a profitable investment. In particular, the continued economic growth, accelerated industrialization and urbanization in the PRC, will lead to a sustainable demand for natural resources in the long run.

Taking into consideration the reasons for and benefits of the Acquisitions to the Group, the Directors (including the independent non-executive Directors) are of the view that the terms of the Agreements and the transactions contemplated therein, including the total consideration, are on normal commercial terms or better, fair and reasonable and in the interests of the Company and its shareholders as a whole. None of the Directors had any material interest in the Acquisitions nor were required to abstain from voting on the relevant resolution(s) of the Board.

## **INFORMATION ON THE PARTIES AND THE TARGET COMPANIES**

### **Information on the Company and the Purchaser**

The Company is an investment holding company.

The Group is principally engaged in (i) water business; and (ii) property development and investment business.

The Purchaser is principally engaged in investment holding.

### **Information on the Vendor**

The Vendor is engaged in investment holding and is ultimately held by the Guarantor A and the Guarantor B as to 70% and 30% respectively.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

### **Information on the Target Companies and the Projects**

#### *Target Company A*

Target Company A is an investment holding company incorporated in the British Virgin Islands with limited liabilities, whose main asset is the entire equity interest of Hunan Chenxi, which will hold the entire equity interest in Jiuyuan Mining upon completion of the reorganization. Jiuyuan Mining holds the Project Jiuyuan.

#### *Project Jiuyuan*

Project Jiuyuan, owned by Jiuyuan Mining, is located in ZhenYuan County, Pu'er City, Yunnan Province, the PRC. Project Jiuyuan has a mining license across an area of 0.9844 sq. km, with mineral resources of lead and zinc.

Project Jiuyuan began infrastructure construction in 2003 and carried out small-scale mining activities until 2013. From 2014 to 2016, due to the shrinkage of international and domestic metal markets, the mine did not carry out normal mining activities. Project Jiuyuan mined 45,330 tons of ores during 2017-2021. There was no mining activity during 2022 and 2023 since strict pandemic control measures in the PRC in 2022.

Further information of Project Jiuyuan will be set out in the competent person's report to be included in the circular of the Company.

#### *Target Company B*

Target Company B is an investment holding company incorporated in the British Virgin Islands with limited liabilities, whose main asset is the entire equity interest of Hunan Hongjia, which will hold the entire equity interest in Jinhao Mining upon completion of the reorganization. Jinhao Mining holds the Project Jinhao.

#### *Project Jinhao*

Project Jinhao, owned by Jinhao Mining, is located at ZhenYuan County, Pu'er City, Yunnan Province, the PRC. Project Jinhao is a mineral resources project with an exploration license across an area of 7.31 sq. km, with mineral resources of lead, copper, and silver.

There was an exploration history but no mining history in the Project Jinhao. Both Project Jiuyuan and Project Jinhao are all located within the rich mineralization zone of Pu'er City, which have opportunities to expand exploration and mining boundaries and increase greatly in resources and reserves of various minerals and deposits including lead, zinc, copper and silver.

Further information of Project Jinhao will be set out in the competent person's report to be included in the circular of the Company.

#### **Financial Information of the Target Companies, Jinhao Mining and Jiuyuan Mining**

The Target Companies has been recently incorporated with no significant assets nor liabilities.

The following unaudited financial information is extracted from the management accounts of the Target Companies compiled in accordance with the generally accepted accounting principles of Hong Kong.

*Target Company A*

**From 8 June 2023**  
**(date of**  
**incorporation) to**  
**30 June 2023**  
(unaudited)  
*HK\$*

Turnover	Nil
Profit before and after tax	Nil

The unaudited net assets of the Target Company A as at 30 June 2023 were HK\$Nil.

*Target Company B*

**From 15 June 2023**  
**(date of**  
**incorporation) to**  
**30 June 2023**  
(unaudited)  
*HK\$*

Turnover	Nil
Profit before and after tax	Nil

The unaudited net assets of the Target Company B as at 30 June 2023 were HK\$Nil.

The following unaudited financial information is extracted from the management accounts of Jiuyuan Mining and Jinhao Mining compiled in accordance with the generally accepted accounting principles of the PRC:

*Jiuyuan Mining*

	<b>Year ended 31 December 2021 RMB'000 (unaudited)</b>	<b>Year ended 31 December 2022 RMB'000 (unaudited)</b>	<b>Six months ended 30 June 2023 RMB'000 (unaudited)</b>
Revenue	3,598	–	–
Loss before tax	(1,685)	(665)	(222)
Loss after tax	(1,685)	(665)	(222)

The unaudited net assets of Jiuyuan Mining as at 30 June 2023 were approximately RMB27,476,000.

*Jinhao Mining*

	<b>Year ended 31 December 2021 RMB'000 (unaudited)</b>	<b>Year ended 31 December 2022 RMB'000 (unaudited)</b>	<b>Six months ended 30 June 2023 RMB'000 (unaudited)</b>
Revenue	–	–	–
Loss before tax	–	–*	–
Loss after tax	–	–*	–

\* *less than RMB1,000*

The unaudited net assets of Jinhao Mining as at 30 June 2023 were approximately RMB34,395,000.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 938,402,800 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the allotment and issue of the Consideration Shares (assuming there is no other change to the share capital and in the shareholding structure of the Company between the date of this announcement and Completion):

Shareholders	As at the date of this announcement		Immediately upon the allotment and issue of Consideration Shares	
	<i>Number of shares</i>	<i>%</i>	<i>Number of shares</i>	<i>%</i>
Mr. Li Yuguo	226,800,000	24.17	226,800,000	20.14
Full Tenda Development Limited	77,003,800	8.20	77,003,800	6.84
Vendor	–	–	187,680,000	16.67
	303,803,800	32.37	491,483,800	43.65
Other public shareholders	634,599,000	67.63	634,599,000	56.35
Total issued shares	938,402,800	100.00	1,126,082,800	100.00

Upon Completion, the Vendor will become a substantial shareholder of the Company, holding approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming there will be no change in the share capital of the Company prior to the Completion).

## IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions calculated on an aggregate basis is more than 25% but is less than 100%, the Acquisitions constitute a major transaction of the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **SGM**

The SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Agreements and the transactions contemplated thereunder. To the Directors' best knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, no Shareholder has a material interest in the Agreements and therefore no Shareholder is required to abstain from voting on the proposed resolution(s) approving the Agreements at the SGM.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) further details of the Agreements, (ii) the competent person's report, (iii) the valuation reports, (iv) a notice convening the SGM and (v) other information as required to be disclosed under the Listing Rules, is expected to be despatched to the Shareholders on or before 12 September 2023 since more time is needed to incorporate the required information into the circular.

## **WARNING**

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## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

“Acquisitions” the acquisition of the entire issued share capital in, and the relevant Shareholder's Loan advanced to, Target Company A by the Purchaser from the Vendor pursuant to the terms and conditions of Agreement A, and the 73.1% of the issued share capital in, and the relevant Shareholder's Loan advanced to, Target Company B by the Purchaser from the Vendor pursuant to the terms and conditions of Agreement B, and each an “Acquisition”

“Agreement A”	the sale and purchase agreement dated 23 August 2023 entered into between the Purchaser, the Vendor, the Target Company A and the Guarantors in respect of the acquisition of the entire issued share capital in, and the relevant Shareholder’s Loan advanced to, the Target Company A
“Agreement B”	the sale and purchase agreement dated 23 August 2023 entered into between the Purchaser, the Vendor, the Target Company B and the Guarantors in respect of the acquisition of the entire issued share capital in, and the relevant Shareholder’s Loan advanced to, the Target Company B
“Agreements”	collectively, the Agreement A and the Agreement B, each an “Agreement”
“Board”	the board of Directors
“Business Day(s)”	a day, other than a Saturday or Sunday or public holiday in Hong Kong, on which the commercial banks are open for general business
“Company”	Asia Resources Holdings Limited (亞洲資源控股有限公司), a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 899)
“Completion”	the completion of the Acquisitions in accordance with the terms and conditions of the Agreements
“Consideration Shares”	new Shares of the Company to be allotted and issued by the Company at the Issue Price for part payment of the consideration for the Sale Shares A and the Sale Shares B
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor A”	Mr. Chen Huaijun (陳懷軍), a merchant and the 70% shareholder of each of the Target Companies

“Guarantor B”	Mr. Chen Dongrao (陳東堯), a merchant and the 30% shareholder of each of the Target Companies
“Guarantors”	collectively, the Guarantor A and the Guarantor B
“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
“Hunan Chenxi”	Hunan Chenxi Holdings Co., Ltd.* (湖南辰熹控股有限公司), a wholly foreign-owned enterprise established in the PRC and a wholly-owned subsidiary of the Target Company A
“Hunan Hongjia”	Hunan Hongjia Holdings Co., Ltd.* (湖南虹嘉控股有限公司), a wholly foreign-owned enterprise established in the PRC and a wholly-owned subsidiary of the Target Company B
“Independent Third Party”	third parties independent of the Group and its connected persons
“Issue Price”	HK\$0.23 per Consideration Share
“Jinhao Mining”	ZhenYuan County JinHao Mining Co., Ltd. (鎮沅彝族自治州金豪礦業有限公司), a company incorporated under the laws of the PRC with limited liability, which is principally engaged in mineral exploration and mining activities in the PRC and a wholly-owned subsidiary of Hunan Chenxi upon completion of the reorganisation
“Jiuyuan Mining”	ZhenYuan County JiuYuan Mining Co., Ltd. (鎮沅縣九源礦業有限公司), a company incorporated under the laws of the PRC with limited liability, which is principally engaged in mineral exploration and mining activities in the PRC and a wholly-owned subsidiary of Hunan Hongjia upon completion of the reorganisation

\* For identification purpose only

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau and Taiwan
“Project Jinhao”	the mineral resources project by Jinhao Mining consisting of an exploration license with minerals of copper, lead and silver located at 中國雲南省普洱市鎮沅彝族哈尼族拉祜族自治縣恩水路 (民江集貿市場段) (Enshui Road (Minjiang Market Section), Zhenyuan Yi Hani Lahu Autonomous County, Pu’er City, Yunnan Province, the PRC*)
“Project Jiuyuan”	the mineral resources project by Jiuyuan Mining consisting of a mining license with minerals of lead and zinc located at 中國雲南省普洱市鎮沅縣九甲鄉 (Jiujia Township, Zhenyuan County, Pu’er City, Yunnan Province, the PRC*)
“Projects”	collectively, the Project Jiuyuan and the Project Jinhao, each a “Project”
“Promissory Notes”	the promissory note in the principal amount of HK\$29,640,000 to be issued by the Purchaser to the Vendor pursuant to the terms of Agreement A, and the promissory note in the principal amount of HK\$127,193,600 to be issued by the Purchaser to the Vendor pursuant to the terms of Agreement B, each a “Promissory Note”
“Purchaser”	East Dynasty Group Limited (東匯集團有限公司), a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC

\* For identification purpose only

“Sale Shares A”	50,000 shares in the share capital of Target Company A, representing the entire issued share capital of Target Company A as at the date of this announcement
“Sale Shares B”	36,550 shares in the share capital of Target Company B, representing 73.1% of the issued share capital of Target Company B as at the date of this announcement
“SGM”	a special general meeting of the Company to be held for the Shareholders to consider and, if thought fit, approve, inter alia, the Agreements and the transactions contemplated thereunder
“Share(s)”	ordinary shares(s) of the Company of par value HK\$0.1 each
“Shareholder(s)”	the holder(s) of the Shares
“Shareholder’s Loan”	the entire amount of the shareholder’s loan advanced by the Vendor to the Target Company A (if any) and 73.1% of the shareholder’s loan advanced by the Vendor to the Target Company B (if any)
“Specific Mandate”	a specific mandate to allot and issue the Consideration Shares which is subject to the approval by the Shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	collectively, the Target Company A and the Target Company B and each a “Target Company”
“Target Company A”	Yonyin Investment Holdings Limited (永亦投資控股有限公司), a company incorporated in the British Virgin Islands with limited liabilities, which is wholly-owned by the Vendor as at the date of this announcement
“Target Company B”	Yongming Investment Holdings Limited (永名投資控股有限公司), a company incorporated in the British Virgin Islands with limited liabilities, which is wholly-owned by the Vendor as at the date of this announcement

“Vendor” Creation Financial Group Limited (創世金融集團有限公司), a company incorporated in the British Virgin Islands with limited liabilities, and the sole shareholder of the Target Companies as at the date of this announcement

“%” per cent.

*In this announcement, unless the context otherwise requires, the terms “associate(s)”, “connected person(s)”, “percentage ratio(s)” and “subsidiary(ies)” shall have the meanings given to such terms in the Listing Rules, as modified by the Stock Exchange from time to time.*

*For illustrative purpose of this announcement only, conversion of RMB into HK\$ is made at the following exchange rate: RMB1 = HK\$1.0784.*

By Order of the Board  
**Asia Resources Holdings Limited**  
**Li Yuguo**  
Chairman

Hong Kong, 23 August 2023

*As at the date of this announcement, the Board consists of three executive directors, Mr. Li Yuguo, Mr. Liu Yan Chee James and Mr. Li Xiaoming; 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.*