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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)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT 2019

References are made to the annual report 2019 (the “**2019 Annual Report**”) of Asia Resources Holdings Limited (the “**Company**”) for the year ended 31 March 2019 published on 24 July 2019. Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the 2019 Annual Report.

FUND RAISING ACTIVITIES OF THE GROUP

Reference is made to the paragraph headed “Fund Raising Activities of the Group” of the 2019 Annual Report. The board (the “**Board**”) of directors of the Company wishes to supplement the expected timeline for utilizing the unutilized net proceeds of the placing of shares on 3 August 2018 as follows:

Intended use of net proceeds	Original allocation of net proceeds		Actual use of net proceeds		Actual allocation of net proceeds		Utilisation up to 31 March 2019	Remaining balance of net proceeds as at 31 March 2019	Expected timeline for utilizing the unutilized net proceeds
	HK\$' million	% of net proceeds	HK\$' million	% of net proceeds	HK\$' million	HK\$' million			
Capital expenditure on the production facilities of Hunan Xintian	56.0	17.7%	Capital expenditure on the production facilities of Hunan Xintian	56.0	17.7%	–	56.0	From 1 April 2019 to 30 June 2020	
Potential acquisition of business or companies	213.0	67.3%	Acquisition of Shenyang Properties	213.0	67.3%	213.0	–	N/A	
Working capital of the Group	47.5	15.0%	Working capital of the Group	47.5	15.0%	–	47.5	From 1 April 2019 to 31 December 2020	
	316.5	100.0%		316.5	100.0%	213.0	103.5		

* For identification purpose only

IMPAIRMENT LOSS

The Company wishes to provide the following additional information in relation to the management's assessment of the recoverability of the properties under development and completed properties held for sale:

(a) The value of the inputs used in the impairment assessment

The Company has been using the following as the value of inputs for the properties under development and completed properties held for sale:

	Properties under development	Completed properties held for sale
Marketing Expense	3%	3%
Sales Tax	11%	11%
Profit and Risk	5%	Nil
Professional Fee	5%	Nil
Contingency Costs	3%	Nil
Interest Rate	4.75% <i>(Note 1)</i>	Nil
Expected sales price	Average of market comparable within neighbouring region and with the same usage as the properties under development <i>(Note 2)</i>	Average of market comparable within neighbouring region and with the same usage as the completed properties held for sale <i>(Note 4)</i> and the actual presale value
Expected development cost	Average of market comparable within neighbouring region and with the same usage as the properties under development <i>(Note 3)</i>	Estimated total cost to complete <i>(Note 5)</i>

Note 1: The interest rate is based on the best lending rate in the PRC and will vary depending on the remaining period of the development.

Note 2: As at 31 March 2019, the expected future sales price decreased by approximately 18.5% as compared to 2018. It was because of the drop in market prices of properties within neighbouring region.

Note 3: As at 31 March 2019, the expected development cost increased by approximately 8.9% as compared to 2018. It was because of the increase in construction costs within neighbouring region.

Note 4: As at 31 March 2019, the expected future sales price of unsold properties decreased by approximately 13.8% as compared to 2018. It was because of the drop in market prices of properties within neighbouring region.

Note 5: As at 31 March 2019, the expected total costs to complete the properties increased by approximately 9.5% as compared to 2018. It was because of the increase in construction costs and repair and maintenance costs caused by the delay and long period of property development.

(b) The valuation method

The Company has been using the residual method for the properties under development and market comparison method for the completed properties held for sale.

According to Rule 8.23-8.25 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, residual method is essentially a means of valuing land with reference to its development potential by deducting costs and developer's profit from its estimated completed development value.

Further, referring to HKIS Guidance Notes on Valuation of Development Land, the market comparison method is considered the best method of valuation for development if relevant comparable site sales are available. Therefore, for completed properties held for sales, comparable sales within target properties' region are selected for valuation.

There is no subsequent changes in the valuation method used by the Company.

The above additional information does not affect other information contained in the 2019 Annual Report. Save as disclosed above, all other information in the 2019 Annual Report remains unchanged.

By order of the Board
Asia Resources Holdings Limited
Li Yuguo
Chairman

Hong Kong, 28 August 2020

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