

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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 FOR THE YEAR ENDED 31 MARCH 2022 AND THE INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

Reference is made to the annual report of Asia Resources Holdings Limited (the “**Company**”) for the year ended 31 March 2022 (the “**Annual Report**”) and the interim report of the Company for the six months ended 30 September 2022 (the “**Interim Report**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Annual Report and Interim Report.

The Company wishes to provide the following further information:

FUND RAISING ACTIVITIES OF THE GROUP

Placing of Shares on 3 August 2018

The net proceeds from placing of shares under specific mandate on 3 August 2018 were approximately HK\$316,000,000 (the “**2018 Proceeds**”). Details of the use of 2018 Proceeds up to 31 March 2022 and 30 September 2022 have already been disclosed in the Annual Report and the Interim Report respectively.

None of the 2018 Proceeds has been utilized during the year ended 31 March 2022 and the six months ended 30 September 2022.

* *For identification purpose only*

Placing of Shares on 29 July 2022

The net proceeds from placing of shares under general mandate on 29 July 2022 were approximately HK\$29,510,000 (the “**2022 Proceeds**”). Details of the use of 2022 Proceeds up to 30 September 2022 has been disclosed in the Interim Report.

During the six months ended 30 September 2022, approximately HK\$15,420,000 has been utilized as working capital of the Company and its subsidiaries (the “**Group**”), such as professional fee, salaries and rentals.

MATERIAL IMPAIRMENT LOSSES

Further details of the impairment losses regarding intangible assets, interests in associates, completed properties held for sales and deposits paid for the year ended 31 March 2022, are set out below:

- (a) Provision for impairment loss on intangible assets of approximately HK\$40,504,000

In the impairment assessment of the water mining licence classified as intangible assets as at 31 March 2022, a valuation report issued by an independent qualified valuer was referred to. The valuation of the water mining licence adopted the multi period excess earnings method under income approach.

As there are insufficient comparable transactions in the market, the market approach was not feasible for the valuation. As asset approach does not take future growth potential into consideration, this approach is not considered to be an adequate approach for the valuation. Therefore, income approach was considered the most appropriate valuation approach to assess the value of the water mining licence. As commercial production has not yet commenced, multi period excess earnings method is used which reflects the sum of discounted present value of the projected operating profit attributed to the water mining licence less required return for its contributory tangible and intangible assets.

Details of the value of inputs used in the valuation together with the basis and assumptions adopted has already been disclosed in note 19 to the consolidated financial statements of the Annual Report.

- (b) Provision for impairment loss on interests in associates of approximately HK\$29,395,000

In the impairment assessment of the interests in associates as at 31 March 2022, a valuation report issued by an independent qualified valuer was referred to. The valuation of the interests in associates adopted the discounted cash-flow method under income approach.

As there are insufficient comparable transactions in the market, the market approach was not feasible for the valuation. As asset approach does not take future growth potential into consideration, this approach is not considered to be an adequate approach for the valuation. Therefore, income approach was considered the most appropriate valuation approach to assess the value of the equity interests of Guangxi Spring Water Ding Dong Beverages Company Limited and the discounted cash-flow method is used which reflects the discounted present value of all future benefits that flow to the shareholders.

Details of the value of inputs used in the valuation together with the basis and assumptions adopted has already been disclosed in note 20 to the consolidated financial statements of the Annual Report.

- (c) Provision for impairment loss on completed properties held for sales of approximately HK\$10,604,000

In the impairment assessment of the completed properties held for sales located at Dalian (“**Dalian Properties**”) as at 31 March 2022, a valuation report issued by an independent qualified valuer and the sales contracts entered into between the Group and the customers were referred to.

The valuation of Dalian Properties used direct comparison method under market approach. Market approach is common for property valuation. As there are publicly available data on comparable transactions in the market, the direct comparison method is adopted, which is based on the prices realized in actual transactions and/or asking prices of comparable properties of similar size, characteristics and location, with adjustments made to the physical condition, location and economic characteristics of the properties.

Details of the value of inputs used in the valuation report of Dalian Properties are as follows:

Non-financial assets	Key inputs to the valuation	
	2022	2021
Residential	PRC comparables ranging from RMB4,026 to RMB8,320 per square metre	PRC comparables ranging from RMB4,946 to RMB13,920 per square metre
Commercial	PRC comparables ranging from RMB4,279 to RMB6,790 per square metre	PRC comparables ranging from RMB6,898 to RMB9,482 per square metre
Carpark	PRC comparables ranging from RMB2,700 to RMB4,029 per square metre	PRC comparables ranging from RMB2,375 to RMB5,850 per square metre

There is no significant changes in the assumptions from those previously adopted. The change in the value of inputs was mainly due to the decrease in market values of properties in the PRC resulting from the continuation of the COVID-19 pandemic and the debt crisis of some of the property developers in the PRC.

- (d) Provision for impairment losses on deposits paid for underlying property investments of approximately HK\$150,795,000

In the impairment assessment of the deposits paid for underlying property investments as at 31 March 2022, the valuation reports issued by an independent qualified valuer were referred to.

- (i) The valuations of the deposits paid for the property investment in Beijing (“**Beijing Properties**”) and the deposits paid for property investment in Yantian (“**Yantian Properties**”) used direct comparison method under market approach. Market approach is common for property valuation. As there are publicly available data on comparable transactions in the market, the direct comparison method is adopted which is based on prices realized in actual transactions and/or asking prices of comparable properties of similar size, characteristics and location, with adjustments made to the physical condition, location and economic characteristics of the properties.

Details of the value of inputs used in the valuation reports of Beijing Properties and Yantian Properties are as follows:

Non-financial assets		Key inputs to the valuations	
		2022	2021
Beijing Properties	Commercial	PRC comparables ranging from RMB12,000 to RMB21,800 per square metre	PRC comparables ranging from RMB20,000 to RMB26,200 per square metre
	Carpark	PRC comparables ranging from RMB8,287 to RMB11,683 per square metre	PRC comparables ranging from RMB10,667 to RMB14,344 per square metre
Yantian Properties	Commercial	PRC comparables ranging from RMB1,458 to RMB6,075 per square metre	PRC comparables ranging from RMB2,935 to RMB5,985 per square metre

There is no significant changes in the assumptions from those previously adopted. The change in the value of inputs was mainly due to the decrease in market values of properties in the PRC resulting from the continuation of the COVID-19 pandemic and the debt crisis of some of the property developers in the PRC.

- (ii) The valuation of the deposits paid for the advertisement board of Yantian Properties used discounted cash-flow method under income approach. As there are insufficient comparable transactions in the market, the market approach is not feasible for the valuation. As the advertisement board is to be leased for generating rental income, income approach is generally applied to assess the present value of the future economic benefits of its ownership. As the result, discounted cash flow method is adopted to derive the fair value for the present value of the cash flows generated from the advertisement board.

Details of the value of inputs used in the valuation report of the advertisement board of Yantian Properties are as follows:

	2022	2021
Long term annual growth rate used to extrapolate cash flow	3%	3%
Pre-tax discount rate	15%	13%

There is no significant changes in the assumptions from those previously adopted. The change in the discount rate reflects the specific risks faced by the Group.

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

Hong Kong, 17 March 2023

As at the date of this announcement, the Board consists of four executive Directors, Mr. Li Yuguo, Mr. Liu Yan Chee James, Mr. Yu Jiang 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.