

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Asia Resources Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

Asia Resources Holdings Limited

亞洲資源控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

- (1) SHARE SUBSCRIPTION BY INVESTOR UNDER
SPECIFIC MANDATE;
(2) PLACING OF CONVERTIBLE BONDS UNDER
SPECIFIC MANDATE;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING

Financial Advisor to the Company



Karl Thomson Financial Advisory Limited

Placing Agent



新邦証券
Newpont Securities

A notice convening a special general meeting of the Company to be held at Empire Room 1, 1/F, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong on Wednesday, 22 July 2015 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 of this circular.

Whether or not you are able to attend the special general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the office of the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the special general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the special general meeting or any adjournment thereof should you so wish.

CONTENT

| | <i>Page</i> |
|--|-------------|
| Definitions | 1 |
| Letter from the Board | 5 |
| Notice of Special General Meeting | SGM-1 |

DEFINITIONS

In this circular, the following terms and expressions shall have the following meanings unless the context otherwise requires:

| | |
|------------------------|--|
| “acting in concert” | has the meaning ascribed thereto in the Takeovers Code |
| “Board” | the board of Directors |
| “Bye-laws” | the Bye-laws of the Company, as amended, modified or otherwise supplemented from time to time |
| “Business Day(s)” | a day (excluding Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business |
| “CB Placees” | any independent individual, institutional investors whom the Placing Agent and/or any of their sub-placing agent(s) have procured to subscribe for any of the Convertible Bonds under the CB Placing |
| “CB Placing” | the placing of the Convertible Bonds in accordance with the terms and conditions of the CB Placing Agreement |
| “CB Placing Agreement” | the conditional placing agreement entered into between the Company and the Placing Agent dated 21 May 2015 in relation to the CB Placing |
| “Companies Ordinance” | the Companies Ordinance (Chapter 622 of the laws of Hong Kong), as amended, supplemented or modified from time to time |
| “Company” | Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the securities of which are listed on the Stock Exchange |
| “Connected person(s)” | has the same meaning ascribed to it in the Listing Rules |
| “Conversion Price” | the initial conversion price of HK\$0.72, (subject to adjustment) per Conversion Share upon conversion of the Convertible Bonds |

DEFINITIONS

| | |
|---------------------------------|--|
| “Conversion Share(s)” | the new Shares to be allotted and issued by the Company upon exercise of the conversion rights attaching to the Convertible Bonds |
| “Convertible Bonds” | the convertible bonds in the aggregate principal amount of up to HK\$432 million to be issued by the Company to the CB Placees pursuant to the CB Placing Agreement |
| “Director(s)” | the director(s) of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Independent Third Parity(ies)” | any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons |
| “Last Trading Day” | 15 May 2015, being the last trading day preceding the signing of the Share Subscription Agreement and the CB Placing Agreement |
| “Latest Practicable Date” | 3 July 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein |
| “Listing Committee” | The Listing Committee of the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Maturity Date” | 3 years from the date of issue of Convertible Bonds or if such date is not a business day, the next business day |
| “Placing Agent” | Newpont Securities Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |

DEFINITIONS

| | |
|------------------------------------|---|
| “Placing Period” | 60 days from the date of signing of the CB Placing Agreement or if such date is not a business day, the next business day |
| “PRC” | The People’s Republic of China |
| “Securities and Futures Ordinance” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or modified from time to time |
| “SGM” | the special general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the ordinary resolutions in respect of the Share Subscription Agreement, CB Placing Agreement and the transaction contemplated thereunder, including the issue of Subscription Shares, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares under the Specific Mandate |
| “Share(s)” | ordinary share(s) of HK\$0.25 each in the issued share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Share Subscription” | the subscription of the Shares in accordance with the terms and conditions of the Share Subscription Agreement |
| “Share Subscription Agreement” | The share subscription agreement dated 19 May 2015 entered into between the Company and the Subscriber in respect of the Share Subscription |
| “Specific Mandate” | the specific mandate to be sought from Shareholders at the SGM to authorise the Directors to issue the Subscription Shares, the Convertible Bonds and to allot and issue the Conversion Shares |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscriber” | Xi’an Communication Energy (Hongkong) Co., Limited |
| “Subscription Price” | HK\$0.36 per Subscription Share |

DEFINITIONS

| | |
|------------------------------|--|
| “Subscription Share(s)” | The 1,330,000,000 new Shares proposed to be allotted and issued to the Subscriber pursuant to the Share Subscription Agreement |
| “substantial shareholder(s)” | having the meaning ascribed thereto under the Listing Rules |
| “Supplemental Deed” | the supplemental deed entered into between the Company and the Placing Agent dated 5 June 2015 in relation to the amendment of terms of the CB Placing Agreement |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers |
| “HK\$” | Hong Kong dollar(s), the lawful currency of Hong Kong |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “%” | per cent |

Asia Resources Holdings Limited
亞洲資源控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

Executive Directors:

Mr. Huang Yilin
Mr. Lin Chengdong
Mr. Chan Shi Yin, Keith
Mr. Mo Tsz Yuk

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors:

Mr. Zhang Xianlin
Mr. Kwok Hong Yee, Jesse
Mr. Ho Chun Kit, Gregory

Principal place of business in Hong Kong:

Unit 4312, 43/F
COSCO Tower
183 Queen's Road Central
Hong Kong

6 July 2015

To the Shareholders

Dear Sir or Madam,

**(1) SHARE SUBSCRIPTION BY INVESTOR UNDER
SPECIFIC MANDATE;
(2) PLACING OF CONVERTIBLE BONDS UNDER
SPECIFIC MANDATE;
AND
(3) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

On 19 May 2015, the Company entered into the Share Subscription Agreement with the Subscriber pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 1,330,000,000 Subscription Shares at the Subscription Price of HK\$0.36 per Subscription Share. On 21 May 2015, the Company entered into the CB Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, the Convertible Bonds with a principal amount of up to HK\$432,000,000 to not less than six CB Places within the Placing Period.

* For identification purposes only

LETTER FROM THE BOARD

The Share Subscription Agreement and the CB Placing Agreement and the transaction contemplated thereunder, including the issue of Subscription Shares, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares under the Specific Mandate are subject to the approval of the Shareholders at the SGM. The purpose of this circular is to provide you with, among other things, (i) details of the Share Subscription Agreement, CB Placing Agreement, the Convertible Bonds and the Specific Mandate; and (ii) a notice of the SGM.

(I) THE SHARE SUBSCRIPTION AGREEMENT

Date

19 May 2015

Parties

Issuer: The Company

Subscriber: Xi'an Communication Energy (Hongkong) Co., Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Subscriber and its ultimate beneficial owner(s) is an Independent Third Party.

The Share Subscription

Pursuant to the Share Subscription Agreement, the Subscriber has conditionally agreed to subscribe 1,330,000,000 Subscription Shares at HK\$0.36 per Subscription Share, representing approximately 35.67% of the issued share capital of the Company as at the Latest Practicable Date, and approximately 26.29% of the issued share capital as enlarged by the allotment and issue of the Subscription Shares (assuming that there will be no change in the issued share capital of the Company between the date of the Share Subscription Agreement and immediately prior to the completion of the Share Subscription. The aggregate nominal value of the Subscription Shares will be HK\$332,500,000.

The Subscriber

Xi'an Communication Energy (Hongkong) Co., Limited is a company incorporated in Hong Kong with limited liability. It is a wholly-owned subsidiary of Xi'an Communication Gas Corporation Ltd, being a company incorporated in the PRC with limited liability jointly established by Xi'an Urban Infrastructure Construction Investment Group Co., Ltd. and Shaanxi Yanchang Petroleum (Group) Co., Ltd*. 陝西延長石油(集團)有限責任公司. The Subscriber's group is principally engaged in construction, operation and leasing of gas station and filling station; wholesale and retail of natural gas; research, development and sales of gas equipment and accessories, and development of new energy technologies in the PRC.

* For identification purpose only

LETTER FROM THE BOARD

Subscription Price

The Subscription Price of HK\$0.36 per Subscription Share represents:

- (i) a discount of approximately 44.62% to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 34.90% to the average of the closing prices of HK\$0.553 per Share for the last five (5) trading days for the Shares prior to and including the Last Trading Day;
- (iii) a discount of approximately 30.64% to the average of the closing prices of HK\$0.519 per Share for the last ten (10) trading days for the Shares prior to and including the Last Trading Day;
- (iv) a discount of approximately 5.76% to the average closing price of HK\$0.382 per Share as quoted on the Stock Exchange for the last sixty (60) trading days up to and including the Last Trading Day; and
- (v) a premium of approximately 68.22% to the unaudited net asset attributable to of the Group of approximately HK\$0.214 per Share as at 30 September 2014.

The aggregate consideration for the Share Subscription is HK\$478,800,000, which will be paid in cash by the Subscriber to the Company upon the completion.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank *pari passu* in all respects among themselves and with the existing Shares in issue, including as to the right to receive all dividends and distributions which may be declared made or paid after the completion date and will be issued free and clear of all liens, encumbrances, equities or other third party rights.

Conditions precedent to the Share Subscription

The completion of the Share Subscription is conditional upon the fulfillment of the following conditions:

- (a) the passing of the resolutions by the Shareholders of the Company (who are not required to be abstained from voting) at the SGM (including but not limited to):-
 - I. approving the Share Subscription Agreement and the transactions contemplated thereunder;
 - II. authorising the Directors of the Company to allot and issue the Subscription Shares according to the Share Subscription Agreement;

LETTER FROM THE BOARD

- III. approving persons(s) nominated by the Subscriber to be a Director to the Board upon the completion of the Share Subscription Agreement;
- (b) both parties having complied with all applicable laws and regulations, (including but not limited to the Listing Rules (if applicable), the Takeovers Code, the Companies Ordinance, the Securities and Futures Ordinance and other relevant laws and regulations;
 - (c) the Listing Committee having granted (either unconditionally or subject only to conditions to which neither the Company nor the Subscriber shall reasonably object) the listing of, and permission to deal in the Subscription Shares and such approval not having been revoked;
 - (d) the Company having complied with all the procedures of publishing announcement(s) and obtained the approval from the Stock Exchange pursuant to the Listing Rules;
 - (e) the Company and its parties acting in concert do not have an obligation to make a mandatory general offer under the Takeovers Code;
 - (f) both parties and/or their subsidiaries, holding company (if applicable) having obtained all consents and approvals necessary for consummation of the transactions contemplated by the Share Subscription Agreement and such consents and approvals remain valid on the completion of the Share Subscription Agreement;
 - (g) no representation, warranty or undertaking under the Share Subscription Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case as at the date when the conditions are satisfied;
 - (h) the Company having fulfilled all its obligations and commitments under the Share Subscription Agreement, in each case on or prior to the date of completion;
 - (i) save as disclosed, no material adverse event on the business, assets, financial condition, performance, operations, properties or conditions of the Group;
 - (j) both parties having signed the Share Subscription Agreement;
 - (k) the passing of Board resolutions approving the Share Subscription Agreement and the transactions contemplated thereunder and the Share Subscription of the Subscription Shares;

LETTER FROM THE BOARD

- (l) the passing of the resolutions by the shareholders of the Subscriber to approve the Share Subscription Agreement and the transactions contemplated thereunder;
- (m) the Subscriber having obtained approvals, consents, registration, filing from the relevant government authorities, and/or approval(s) of transferring funds in relation to the Share Subscription to the bank account of the Company from the relevant government authorities; and
- (n) all the warranties made by the Company being true, complete and accurate in all respects and not misleading in any respect as of the date of the completion of the Share Subscription Agreement.

As at the Latest Practicable Date, the conditions precedent set out in paragraphs (j), (k) and (l) have been fulfilled. Save for the above, none of the condition has been satisfied or waived by both parties.

Specific Mandate

The Subscription Shares will be issued under the Specific Mandate which is subject to Shareholders' approval at the SGM.

The completion date of the Share Subscription

The completion of the Share Subscription will take place on the completion date, being the 90th Business Day after the fulfillment of the conditions (or any other dates as agreed by both parties) referred to in the section headed "Conditions precedent to the Share Subscription" above.

Termination

Any provision of the Share Subscription Agreement may be amended, waived or interpreted only if the parties verbally agree or agree in writing.

If the conditions precedent in respect of the Share Subscription are not fulfilled on or before 31 August 2015 (or such other time and date as may be agreed between the Subscriber and the Company), the Share Subscription Agreement will become invalid and void and terminate and neither the Company nor the Subscriber shall have any claims against each other, save for any antecedent breach.

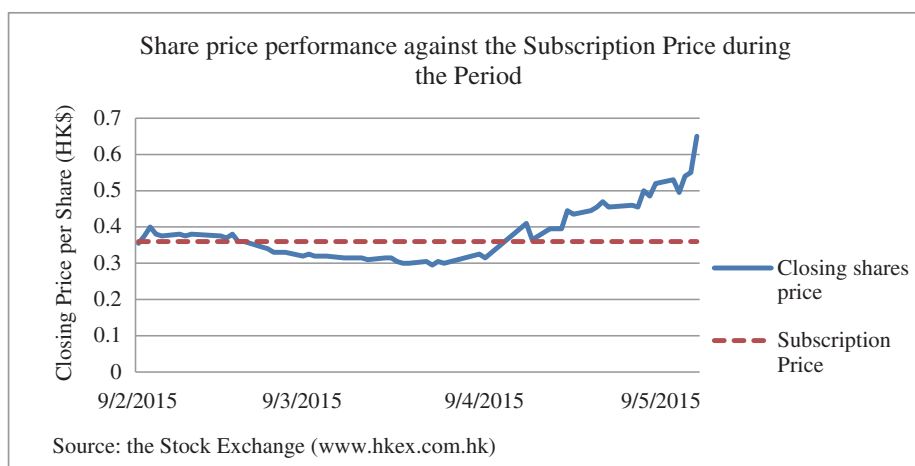
Application for listing

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

LETTER FROM THE BOARD

Basis and factors being considered in determining the Subscription Price

The Subscription Price of HK\$0.36 per Subscription Share was determined on arm's length basis between the Company and the Subscriber based on current market conditions, the prevailing and the historical Share prices, the liquidity of the Shares and financial performance of the Company. The graph below shows the closing prices of the Shares as quoted on the Stock Exchange for the 60 days prior to 15 May 2015 (the "Period"), being the Last Trading Date.



As shown in graph above, the closing Share price for the Period was ranging from a lowest price at HK\$0.295 to a highest price of HK\$0.650 with an average closing Share price of approximately HK\$0.382. The Subscription Price of HK\$0.36 represents a premium of approximately 22.03% over the aforementioned lowest closing Share price, discount of approximately 44.62% to the aforementioned highest closing Share price and a discount of approximately 5.76% to the average closing Share price during the Period respectively.

It is noted that the closing Share price has been on an increasing trend in general since mid-April 2015. On 15 April 2015, the Company has made an announcement in relation to the disposal of manufacture and sales of pharmaceutical business. As mentioned in the announcement, the business is loss-making and total segment loss over the last five financial years was approximately HK\$79.3 million. Furthermore, on 15 May 2015, the Company has made an announcement in relation to an acquisition of PRC property. Apart from the abovementioned events, the Board is not aware of any particular occurrences which might have led to such movement in the Share price. The Board considers that the recent surge in Share price may due to the positive market sentiment and perception towards the disposal of loss-making business and future prospect of the Company arising from the acquisitions. Therefore, the 60 days average closing Share price serves as a more fair and meaning basis in determining the Subscription Price.

Apart from the historical Share prices, the Board and the Subscriber also considered the liquidity of the Shares and the financial performance of the Company in determining the Subscription Price. According to historical data, the

LETTER FROM THE BOARD

trading volume of the Shares was relatively thin during the Period, with an average daily trading volume of approximately 63,863,390 Shares, representing approximately 1.71% of the Company's total issued share capital as at the Latest Practicable Date. The relatively low liquidity of the Shares may indicate that the Company is less favourable as compared to those listed companies with high trading liquidity. Furthermore, the financial performance of the Company is not so satisfactory given the fact that the Group recorded net loss attributable to owners of the Company for previous five financial years. Having considered the above factors, the Subscriber seeks a deeper discount on the Subscription Price.

The Directors consider that it is commercially reasonable for the Company to offer a deep discount on the Subscription Price to the prevailing market price of the Shares as an incentive to attract the Subscriber to invest in the Company given the fact that the subscription size is relatively large. Furthermore, in view of the absence of means of financing alternative to raise fund as disclosed in the sub-section headed "Reasons and benefits for the Share Subscription and CB Placing" on pages 21 to 23 of the circular, it is rather difficult for the Company to procure a fund raising exercise for substantial amount by way of issue of new Share to existing Shareholders on a pro rata basis with considerable discount price.

In light of the above, the Directors (including the independent non-executive Directors) consider that the Subscription Price of the Subscription Share is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Nomination Right

Pursuant to the Share Subscription Agreement, the Subscriber is allowed to nominate person(s) to be a director to the Board upon completion of the Share Subscription Agreement. The nomination right is a contractual term and one-off in nature under the Share Subscription Agreement and it is agreed that the appointment of such director(s) is subject to the approval from the nomination committee and the Board.

Pursuant to bye-law 88 of the Bye-Laws, in the event that a general meeting is to be held for the purpose of electing a Director, if a shareholder of the Company (other than the person to be proposed as a Director) who is qualified to attend and vote at that general meeting wishes to propose a person other than a retiring Director for election as a Director at that general meeting (the "**Nomination Right**"), he/she can submit to the Company a signed written notice of his/her intention to propose such person as a Director together with a notice signed by the person to be proposed of his/her willingness to be elected no later than seven days prior to the date of such general meeting. As the Subscriber will become one of the Shareholders of the Company upon completion of the Share Subscription, it is eligible for the Nomination Right which entitled to all Shareholders.

LETTER FROM THE BOARD

Each appointment of director is subject to the approval from the nomination committee of the Company (the “**Nomination Committee**”). The Nomination Committee will conduct a background check on candidates to assess his or her suitability on the positions and to nominate and recommend suitable candidates for the Board and shareholders’ consideration. In the selection process, the Nomination Committee will identify suitable candidates with reference to their reputation for integrity, accomplishment as well as educational background, ethnicity, professional experience in the industry. Furthermore, the Nomination Committee will assess the independence of the independent non-executive Directors and any proposed independent non-executive Directors and review the policy on Board diversity.

(II) THE CB PLACING AGREEMENT (AS AMENDED BY THE SUPPLEMENTAL DEED)

Date

21 May 2015 (after trading hours)

Parties

- (1) The Company (as the issuer); and
- (2) The Placing Agent

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party.

CB Placing

The Placing Agent has conditionally agreed to place, on a best effort basis, the Convertible Bonds with a principal amount of up to HK\$432,000,000 to not less than six CB Placees within the Placing Period. The Placing Agent shall use all reasonable endeavours to ensure that the CB Placees (being independent individual, professional or institutional investors) and their ultimate beneficial owners are Independent Third Parties and that none of the CB Placees will become a substantial shareholder of the Company as a result of the placing of the Convertible Bonds subscribed by him on fully converted basis as at the date of completion of the CB Placing (taking into account other securities held by such CB Placee at the time of his subscription of the Convertible Bonds). The Placing Agent will receive a placing commission of 1.25% of the aggregate principal amount of the Convertible Bonds successfully placed by the Placing Agent to the CB Placees.

LETTER FROM THE BOARD

Conditions precedent to the CB Placing

The completion of the CB Placing is conditional upon the fulfillment of the following conditions:

- (i) if required, the Listing Committee having approved the issue of the Convertible Bonds either unconditionally or subject to conditions to which neither the Company nor the subscriber of the Convertible Bonds shall reasonably object and the satisfaction of such conditions;
- (ii) the Listing Committee having granted the listing of, and permission to deal in, the Conversion Shares which may fall to be allotted and issued upon the exercise of the conversion rights attached to the Convertible Bonds;
- (iii) the passing by the shareholders of the Company who are entitled to vote and not required to be abstained from voting under the Listing Rules and other applicable regulations of resolutions to approve the CB Placing Agreement and transaction contemplated hereunder, including the CB Placing and the issue of the Convertible Bond(s) and the issue and allotment of the Conversion Shares;
- (iv) the warranties in the opinion of the Placing Agent remaining true and accurate in all material respects, and not misleading in any material respect, as given on the date of the CB Placing Agreement and at the completion;
- (v) if required, the Bermuda Monetary Authority granting its permission for the issue of the Convertible Bond(s) and the issue and allotment of the Conversion Shares;
- (vi) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the CB Placing Agreement and the transactions contemplated hereunder having been obtained.

If the conditions precedent above are not fulfilled (or waived in respect of conditions (iv) and (vi) above) on or before 31 July 2015 (or such other date as agreed between the Company and the Placing Agent in writing), the CB Placing Agreement will cease and terminate and neither the Company nor the Placing Agent shall have any claim against each other, save for any antecedent breach.

The completion of the CB Placing

The completion of the CB Placing shall take place not later than 11 a.m. on the 5th Business Day after the date on which all the conditions precedent to the CB Placing have been fulfilled or waived (or such other time and date as may be agreed between the Placing Agent and the Company) and in any such case, the completion day shall be no later than 30 days upon the completion of SGM.

LETTER FROM THE BOARD

Termination of the CB Placing Agreement

If at any time on or prior to 10:00 a.m. on the Business Day preceding the relevant date of the completion of the CB Placing:

- (a) there develops, occurs or comes into force:
 - (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date hereof) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a material adverse change in, or which may result in a material adverse change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the reasonable opinion of the Placing Agent would materially adversely affect the success of the CB Placing; or
 - (ii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the reasonable opinion of the Placing Agent, would materially adversely affect the success of the CB Placing; or
 - (iii) any material adverse change in conditions of local, national or international securities markets occurs which in the reasonable opinion of the Placing Agent would materially and adversely affect the success of the CB Placing; or
 - (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the reasonable opinion of the Placing Agent any such new law or change may materially and adversely affect the business or financial prospects of the Group and/or the success of the CB Placing; or
 - (v) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere and if in the reasonable opinion of the Placing Agent, any such change or development would materially adversely affect the success of the CB Placing; or

LETTER FROM THE BOARD

- (vi) any new litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the reasonable opinion of the Placing Agent would materially and adversely affect the success of the CB Placing;
- (b) any material breach of any of the representations and warranties set out in the CB Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the completion which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the CB Placing Agreement;
- (c) there is any adverse change in the financial position of the Company which is material in the context of the CB Placing; and
- (d) there is any adverse change in market conditions occurs which makes it inexpedient or inadvisable to proceed with the placing of the Convertible Bonds or any suspension in the trading of the Company's securities on the Stock Exchange for a period of more than thirty (30) consecutive business days, excluding any suspension in connection with the clearance of the announcement, the circular or other documents in connection with the placing of the Convertible Bonds,

then and in any such case, the Placing Agent may terminate the CB Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 10:00 a.m. on the Business Day preceding the relevant date of the completion.

Principal terms of the Convertible Bonds

- | | |
|-------------------------|---|
| Issuer: | The Company |
| Total principal amount: | Up to HK\$432,000,000 |
| Interest: | 4% per annum on the outstanding principal amount thereof, which will be payable by the Company yearly in arrears. The first payment will be made on the first anniversary date of the date of issue of the Convertible Bonds. |
| Maturity Date: | 3 years from the date of issue of Convertible Bonds or if such date is not a Business Day, the next Business Day. |

LETTER FROM THE BOARD

Conversion Price: HK\$0.72 per Conversion Share, subject to the adjustments as set out and in accordance with the terms and conditions of the Convertible Bonds.

Adjustment events: The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events:

- (i) any consolidation or sub-division of the Shares;
- (ii) issue (other than in lieu of a cash dividend) of any Shares credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund);
- (iii) making any capital distribution to the Shareholders or granting the Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries;
- (iv) offer of new Shares to Shareholders for subscription by way of rights, or granting Shareholders any options or warrants to subscribe for new Shares, at a price which is less than 80% of the market price at the date of the announcement of such offer or grant;
- (v) issue of any securities wholly for cash which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares;
- (vi) issue of any Shares wholly for cash at a price per Share which is less than 80% of the market price at the date of the announcement of the terms of such issue;
- (vii) issue of any Shares for the acquisition of asset at a total effective consideration per Share which is less than 80% of the market price at the of the announcement of the terms of such issue.

LETTER FROM THE BOARD

- Conversion Shares: Assuming the Convertible Bonds are fully placed, based on the initial Conversion Price of HK\$0.72 per Conversion Share, 600,000,000 Conversion Shares will be allotted and issued by the Company upon exercise in full of the conversion rights attaching to the Convertible Bonds, representing:
- (a) approximately 16.09% of the existing issued share capital of the Company; and (b) approximately 13.86% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares and (c) approximately 10.60% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares and the Subscription Shares (assuming there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).
- Conversion Period: The period commencing on the date of issue of the Convertible Bonds and ending on the Maturity Date.
- Conversion rights: Holders of the Convertible Bonds will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares at the Conversion Price of HK\$0.72 per Conversion Share at any time during the Conversion Period in amounts of no less than a whole multiple of HK\$10,000,000 on each conversion provided that the conversion of the Convertible Bonds (i) does not trigger any mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holders of the Convertible Bonds which exercised the conversion rights, represents more than 30% (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued ordinary share capital of the Company or otherwise pursuant to other provisions of the Takeovers Code; or (ii) does not reduce the public float of the Shares to less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares.

LETTER FROM THE BOARD

- Redemption:** The Convertible Bonds shall be redeemed (in whole or in part) at the option of the Company commencing from the date of issue of the Convertible Bonds prior to the Maturity Date.
- Any principal amount of the Convertible Bonds which has not been converted in accordance with the terms and conditions of then Bond by the Maturity Date shall be redeemed by the Company on the Maturity Date at a redemption amount equal to 100% of the principal amount of the outstanding Convertible Bonds.
- Ranking:** Conversion Shares issued upon exercise of conversion rights attaching to the Convertible Bonds shall rank pari passu in all respects with all other existing Shares outstanding at the date of the conversion notice and all Conversion Shares shall include rights to participate in all dividends and other distributions the record date of which falls on or after the date of the conversion notice.
- Voting:** The holders of the Convertible Bonds will not be entitled to attend or vote at any general meetings of the Company by reason only of being the holders of the Convertible Bonds.
- Transferability:** The Convertible Bonds are assignable and transferable subject to the applicable laws and regulations, and the Listing Rules provided that no assignment or transfer shall be made to a connected person of the Company without the prior approval of the Company and that the principal amount to be assigned or transferred is at least HK\$10,000,000 and in integral multiples of HK\$10,000,000 unless the outstanding principal amount of the Convertible Bonds is less than HK\$10,000,000 in which case the whole (but not part only) of that amount may be assigned and transferred.

LETTER FROM THE BOARD

- Lock up period: The holders of the Convertible Bonds may sell, transfer or otherwise dispose of any Shares issued upon conversion of the Convertible Bonds commencing from three (3) months after the date of issue of the Convertible Bonds.
- Application for listing: No application will be made by the Company to the Stock Exchange for the listing of the Convertible Bonds. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in the Conversion Shares.

Basis in determining the interest rate of the Convertible Bonds and the Conversion Price

The interest rate under the terms of the CB Placing Agreement was determined by the Company with reference to the prevailing market rate and the interest rate of the exiting borrowings. As disclosed in the annual report of the Company for the financial year ended 31 March 2014, the contractual floating interest rates in respect of bank borrowings and fixed interest rates in respect of short-term borrowings were 6.6% and 8.04% respectively, which are higher than the current interest charged under the Convertible Bonds. As such, the Board considers that the interest rate of 4% attached to the Convertible Bonds is fair and acceptable.

The Conversion Price was determined after arm's length negotiations between the Company and the Placing Agent after considering the current market condition, the prevailing Share prices and the historical Share prices. In accessing the conversion Price, the Directors has considered the Share prices for the 60 trading days prior the Last Trading Date.

The initial Conversion Price of HK\$0.72 represents (i) a premium of approximately 10.77% to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a premium of approximately 30.20% to the average of the closing prices of HK\$0.553 per Share for the last five (5) trading days for the Shares prior to and including the Last Trading Day; (iii) a premium of approximately 38.73% to the average of the closing prices of HK\$0.519 per Share for the last ten (10) trading days for the Shares prior to and including the Last Trading Day; (iv) a premium of approximately 88.48% to the average closing price of HK\$0.382 per Share as quoted on the Stock Exchange for the last sixty (60) trading days up to and including the Last Trading Day; and (v) a premium of approximately 68.22% to the unaudited net asset attributable to of the Group of approximately HK\$0.214 per Share as at 30 September 2014.

LETTER FROM THE BOARD

Having considered that (i) the premium of the Conversion Price over the closing price of the Shares on the Last Trading Day and the average closing price of the Shares for last five, ten and sixty consecutive trading days up to and including the Last Trading Day; (ii) the premium of the Conversion Price over the net asset value per Shares as at 30 September 2014; (iii) the lower interest charged under the Convertible Bonds as compared to the existing borrowings of the Group; and (iv) the potential dilution effect is not immediate; the Directors consider that the Conversion Price are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Specific Mandate

The Convertible Bonds will be issued under the Specific Mandate which is subject to Shareholders' approval at the SGM.

REASONS FOR THE SHARE SUBSCRIPTION AND THE CB PLACING

Business Plan and strategy of the Company

Upon completion of the disposal of pharmaceutical products business, the remaining business of the Group mainly include (i) property development business at Dalian of the PRC, property investments in coffee shop and recreation playground at Hangzhou and other properties located at Yantian and Guangzhou in the PRC which are subject to completion of the acquisition; (ii) iron mining operation and trading in Indonesia; and (iii) securities and gold trading.

It is the Group's business strategy to focus on the development and expansion of the real estate business in the PRC, in particular, the property investments in major cities in the PRC including but not limited to Guangzhou and Shenzhen to enhance the growth potentials of the Company. Moreover, in order to broaden the sources of income of the Group, the Company will not rule out any possibility to tap into natural gas business or others appropriate investments and acquisitions if there are attractive investment opportunities in the market. Save for the above and as at the Latest Practicable Date, the Company did not consider other investment opportunities.

Potential investment and development on natural gas business

The Subscriber's group is principally engaged in natural gas related business. Shaanxi Yanchang Petroleum (Group) Co., Ltd* 陝西延長石油(集團)有限責任公司 ("Yanchang Petroleum"), being one of the ultimate shareholders of the Subscriber, is one of the four largest state-owned enterprises with the qualifications for oil and gas exploration and exploitation in the PRC. In terms of annual revenue, it ranked No.464 amongst the top 500 companies in the world based on the Fortune Global 500 listing in 2013 issue. In recent years, Yanchang Petroleum has been actively expanding its overseas business and acquisitions through its Hong Kong subsidiaries.

* For identification purpose only

LETTER FROM THE BOARD

China is the largest primary energy consumer in the world and its major source of energy is coal. Due to the strong energy consumption, greenhouse gas emitting problem in the PRC is severe. In order to reduce gas emissions, the PRC government has released a series of policies with the goal of emphasising the development of clean energy alternatives such as natural gas, hydropower and renewable energy. Natural gas is a clean fossil fuel and is considered to be an energy alternative for the PRC aiming to reduce emissions.

In 2012, the National Development and Reform Commission issued the Natural Gas Utilisation Policy (《天然氣利用政策》), which stated that natural gas, being a lower-carbon energy, will play a strategic role in optimising the country's energy supply structure, enhancing energy efficiency as well as reducing emissions. China is currently the world's fourth largest natural gas consumption country. The PRC government targets to increase the proportion of gas consumption from 4% in 2012 to 8% by 2015, and further increase it to 10% by 2020. It is expected that the demand for natural gas in China will rapidly increase along with economic development and the urbanisation process.

The natural gas industry is subject to a broad range of laws and regulations in the PRC, such as the laws and regulations on environmental health and safety and foreign investment. The industry may be affected as a result of new or revised legislation or regulations or by changes in the interpretation or enforcement of existing laws and regulations.

It is expected that the person to be nominated by the Subscriber will have relevant experience in oil and gas industry which could assist the Company to identify and assess the potential investment in natural gas business. In assessing the suitable investment opportunities, the Company will consider target companies with good quality of assets and business as well as the strong management and expertise team.

Upon the suitable business opportunity is identified, the Company will engage qualified legal advisers and the expertise to advise on the potential legal issues in relation to the new business and to ensure that the acquisition and operation of the target company will not give rise to any non-compliance with any applicable law or regulation.

Having considered the good track records of the Subscriber's group and the government's support on natural gas industry in the PRC, the Board believes that the prospect of the natural gas business is positive.

Reasons and benefits from the Share Subscription and CB Placing

By entering into the Share Subscription Agreement, the Company could line up a strategic relationship with enterprise in the PRC as well as to strengthen the profile of its shareholders. It also represents a good opportunity for the Company to leverage different platforms and networks to access new other business opportunities, including but not limited to the development of natural gas business.

LETTER FROM THE BOARD

The Directors believe that the Share Subscription and CB Placing could strengthen the Company's cash resources and working capital position for the development of the Group's existing business and the investment in natural gas business when opportunities arise. The additional capital will also facilitate the efficient and timely execution of such potential investments as and when they arise.

The Board has considered other alternative fund raising methods such as debt financing, rights issue or open offers. In relation to the debt financing, no mid-term or long-term bank loans with better terms as compared to the Convertible Bonds could be identified so far. The Directors considered that debt financing may incur interest burden on the Group and it may subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position and the then financial market condition. Given the unsatisfactory financial performance of the Company, the Board considers debt financing to be relatively uncertain and time-consuming. On the other hand, rights issue or open offer may also involve relatively substantial time and cost to complete as compared to the equity financing through the issue of new Shares. In the course of this fund raising exercise, the Company had approached a few securities firms for other fund raising opportunities. However, none of them showed interest in providing underwriting services and the Company could not identify any independent institutional underwriters for right issues at favourable terms. In view of the continuous loss-making position of the Group, the Directors consider that it may not be possible to procure underwriters for pre-emptive issues on acceptable terms under the prevailing market conditions.

The Subscription Price under the Share Subscription Agreement was determined after arm's length negotiations between the Company and the Subscriber. Having considered the "Basis and factors being considered in determining the Subscription Price" as disclosed on pages 10 to 11 of Circular, the Directors consider that the Subscription Price of the Subscription Share is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

For the Convertible Bonds, the terms of the Convertible Bonds under the CB Placing Agreement (including the Conversion Price) were determined after arm's length negotiations between the Company and the Placing Agent. Given the nature of the convertible debt securities, in the event that the Convertible Bonds holders exercise the conversion rights and convert the Convertible Bonds into shares before maturity, the shareholding interest of the public will be diluted. By setting a higher Conversion Price, the dilution effect on the shareholding structure could be minimized. Thus, the Board considers that it is reasonable to have the Conversion Price higher than the Subscription Price. Furthermore, as the Conversion Price was set at a premium as compared to the shares closing price of Last Trading Day and the last five, ten and sixty consecutive trading days up to and including the Last Trading Day, the Directors consider that the Conversion Price of the Convertible Bonds is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Completion of the Share Subscription and the CB Placing is not conditional on each other. Having considered the discussions above, the Directors are of the view that the terms of the Share Subscription Agreement (including the Subscription Price) and the CB Placing Agreement (including the interest rate, the Conversion Price and the placing commission) are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

USE OF PROCEEDS AND EXPECTED FUNDING NEEDS FOR THE NEXT TWELVE MONTHS

Based on the projection on working capital of the Group for the twelve months ending June 2016, the internal resources and the expected operating cash inflow are sufficient for the internal operations of the Group for the next twelve months. The forecast is prepared based on the basis of accounting policies consistent in all material aspects with those currently adopted by the Group. The major assumptions for the cash flow projection are as follows:

1. The administrative expense and the operation costs are assumed to be consistent with last twelve months;
2. Interest payment of the outstanding convertible notes will be made in October 2015 and April 2016, assuming no conversion is made;
3. Major capital investments are assumed as follows:-
 - (a) the acquisition of property in Yantian dated 24 June 2014 – the completion date is assumed to be in June 2016 and the final payment of approximately HK\$13,497,000 will be paid upon completion;
 - (b) the acquisition of property in Jinma Waterfront Square dated 15 April 2015 – The delivery of physical possession of the Property is assumed to be completed before 31 March 2016 and the final payment of approximately HK\$12,688,000 will be paid upon completion;
 - (c) further acquisition of property in Yantian dated 15 May 2015 – the final payment of approximately HK\$6,385,000 is expected to be paid on or before 30 June 2016; and
 - (d) further acquisition of property in Jinma Waterfront Square dated 5 June 2015 – the final payment of approximately HK\$1,998,000 is expected to be paid on or before 31 March 2016.

LETTER FROM THE BOARD

On the assumption that 1,330,000,000 Subscription Shares are successfully subscribed, the gross proceeds of the Share Subscription will be HK\$478,800,000 and the net proceeds of the Share Subscription will amount to approximately HK\$472,565,000. On such basis, the net Subscription Price is estimated to be approximately HK\$0.355. The Company intends to use the net proceeds from the Share Subscription for the investment in natural gas business when opportunities arise and the Company will actively engaged with Subscriber for any possible investment opportunity. As at the Latest Practicable, the Company has not yet identified any suitable investment opportunity in relation to natural gas business.

Assuming the Convertible Bonds are fully placed by the Placing Agent and based on the estimated expenses of the CB Placing in the amount of approximately HK\$5,650,000, the gross and net proceeds from the CB Placing are estimated to be HK\$432,000,000 and approximately HK\$426,350,000 respectively. On such basis, the net Conversion Price is estimated to be approximately HK\$0.711. The Company intends to utilize the net proceeds from CB Placing as to approximately HK\$34,500,000 for the settlement of the outstanding balance of the consideration arising from the previous acquisitions; as to approximately HK\$50,000,000 for the general working capital of the Group and the remaining balance as to approximately HK\$341,850,000 for the investments in any potential business opportunities including the real estate project.

Even though the Group's internal resources are sufficient for its internal operations for the next twelve months, the expected cash surplus is not sufficient for business development and further investments of the Group. Furthermore, with reference to summary on the fund raising activities of the Company in the past twelve months on page 25 to 26 of the Circular, the net proceeds from the previous fund raising activities have been almost fully utilized and as at the Latest Practicable Date, the unutilized net proceeds only amounted to HK\$33,500,000. In light of the above, the Directors consider it is prudent and reasonable for the Group to maintain a sufficient cash resources for general working capital and future business development from time to time and therefore the Share Subscription and CB Placing represents appropriate means to strengthen the cash position for future development and expansion of the Group by satisfying its expected funding needs for the next twelve months. As at the Latest Practicable Date, the Company does not have other existing plan to conduct further fund raising activities.

LETTER FROM THE BOARD

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon the completion of the Share Subscription (assuming the Subscription Shares were placed in full); (iii) immediately upon exercise in full of the conversion rights attaching to the Convertible Bonds (assuming the Convertible Bonds were placed in full); (iv) immediately after exercise in full the conversion rights attaching to the Outstanding Convertible Notes and (v) immediately after the completion of the Share Subscription and exercise in full of the conversion rights attaching to the Convertible Bonds and Outstanding Convertible Notes (assuming the Subscription Shares and the Convertible Bonds were placed in full and there is no other change in the issued share capital of the Company from the Latest Practicable Date up to the date of full conversion of the Convertible Bonds):

| | As at the Latest Practicable Date | | Immediately upon completion of the Share Subscription (assuming no conversion of Convertible Bonds and Outstanding Convertible Notes) | | Immediately upon exercise in full of the conversion rights attaching to the Convertible Bonds (assuming no Share Subscription and conversion of Outstanding Convertible Notes) | | Immediately full conversion of the outstanding convertible notes at a non-adjusted Price of HK\$0.38 (note) (assuming no Share Subscription and no conversion of Convertible Bonds) | | Immediately (i) after completion of the Share Subscription; (ii) exercise in full of the conversion rights attaching to the Convertible Bonds and (iii) full conversion of the outstanding convertible notes at a non-adjusted Price of HK\$0.38 | |
|---------------------|-----------------------------------|--------------------|---|--------------------|--|--------------------|---|--------------------|--|--------------------|
| | Approximate | | Approximate | | Approximate | | Approximate | | Approximate | |
| | Number of Shares | % of issued Shares | Number of Shares | % of issued Shares | Number of Shares | % of issued Shares | Number of Shares | % of issued Shares | Number of Shares | % of issued Shares |
| Directors | | | | | | | | | | |
| Huang Yilin | 57,800,000 | 1.55 | 57,800,000 | 1.14 | 57,800,000 | 1.34 | 57,800,000 | 1.54 | 57,800,000 | 1.02 |
| Chan Shi Yin, Keith | 1,200,000 | 0.03 | 1,200,000 | 0.02 | 1,200,000 | 0.03 | 1,200,000 | 0.03 | 1,200,000 | 0.02 |
| Public | | | | | | | | | | |
| Shareholders | 3,669,290,000 | 98.42 | 3,669,290,000 | 72.55 | 3,669,290,000 | 84.77 | 3,669,290,000 | 97.73 | 3,669,290,000 | 64.55 |
| CB Placees | - | - | - | - | 600,000,000 | 13.86 | - | - | 600,000,000 | 10.55 |
| Subscriber | - | - | 1,330,000,000 | 26.29 | - | - | - | - | 1,330,000,000 | 23.40 |
| CN Holders | - | - | - | - | - | - | 26,310,000 | 0.70 | 26,310,000 | 0.46 |
| Total | 3,728,290,000 | 100.00 | 5,058,290,000 | 100.00 | 4,328,290,000 | 100.00 | 3,754,600,000 | 100.00 | 5,684,600,000 | 100.00 |

Note: As at the Latest Practicable Date, there is outstanding convertible notes with a principal amount of HK\$9,997,800 to be due in 2016 (the “**Outstanding Convertible Notes**”) and the maximum number of shares to be converted from such outstanding convertible notes is 26,310,000. Please refer to the Company’s circular dated 8 September 2014 for further details of the convertible notes.

LETTER FROM THE BOARD

As demonstrated above, the shareholding interests of the existing other public Shareholders (i) will be reduced from approximately 98.42% as at the Latest Practicable Date to approximately 72.54% immediately upon completion of the Share Subscription assuming there are no conversion of the Convertible Bonds; (ii) will be reduced to approximately 84.77% immediately upon full conversion of the Convertible Bonds assuming there are no Share Subscription; and (iii) will be reduced to approximately 64.55% immediately upon the completion of the Share Subscription and exercise in full of the conversion rights attaching to the Convertible Bonds and the Outstanding Convertible Notes.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

During the past 12 months immediately preceding the Latest Practicable Date, the Company has conducted the following equity fund raising activities:

| Date of announcement | Event | Net proceeds | Intended use of proceeds | Actual use of proceeds | Intended use of any amount not yet utilized |
|---|------------------------------|-------------------------------|---|---|---|
| 11 July 2014, 3 September 2014, 15 October 2014, 22 October 2014, 29 October 2014 | Placing of convertible notes | approximately HK\$599,600,000 | (i) as to approximately HK\$450,000,000 for potential future investments, including real estate projects; and (ii) the remaining amount for general working capital, capital and investments in any potential business opportunity, if any | (i) as to approximately HK\$162,500,000 for the settlement of the consideration in relation to the acquisition of 15% equity interest of Shenzhen Zhaosheng Anye Investment Development Company Limited (ii) as to approximately HK\$37,500,000 for the settlement of the consideration and the capital commitment in relation to the acquisition of 100% equity interest of Guangzhou Shi An Ye Investment Development Company Limited (iii) as to approximately HK\$150,000,000 for the settlement of the consideration in relation to the acquisition of property in Jinma Waterfront Square in PRC (iv) as to approximately HK\$60,000,000 for the settlement of the consideration in relation to the acquisition of property in Yantian | (i) approximately HK\$17,000,000 is deposited at bank and will be used for general working capital and investments in any potential business opportunity, including but not limited to real estate projects |

LETTER FROM THE BOARD

| Date of announcement | Event | Net proceeds | Intended use of proceeds | Actual use of proceeds | Intended use of any amount not yet utilized |
|----------------------|---|-------------------------------|---|--|---|
| | | | | (v) as to approximately HK\$12,500,000 for the settlement of the prepayment in relation to the acquisition of property in the PRC | |
| | | | | (vi) as to approximately HK\$160,100,000 for the general working capital of the Group of which approximately HK\$92,200,000 for internal operation cashflow; approximately HK\$30,000,000 for the interest payment of the convertible notes; approximately HK\$12,900,000 for the administrative expense and approximately HK\$25,000,000 for the prepaid expenses of the Group | |
| 6 May 2015 | Placing of new shares under general mandate | Approximately HK\$141,000,000 | to be used for property investment business of the Group and general working capital of the Group | <p>(i) as to approximately HK\$15,000,000 for the settlement of the consideration in relation to the acquisition of property in Yantian</p> <p>(ii) as to approximately HK\$92,500,000 for the settlement of the further acquisition of property in Jinma Waterfront Square in PRC</p> <p>(iii) as to approximately HK\$17,000,000 for the general working capital of the Group of which approximately HK\$15,000,000 for internal operation cashflow; and approximately HK\$2,000,000 for administrative expense of the Group</p> | (i) approximately HK\$16,500,000 is deposited at bank and will be used for general working capital and investments in any potential business opportunity, including but not limited to real estate projects |

LETTER FROM THE BOARD

GENERAL

The SGM will be held for the Shareholders to consider and, if thought fit, approve the ordinary resolutions in respect of the Share Subscription Agreement and the CB Placing Agreement and the transaction contemplated thereunder, including allotment and the issue of Subscription Shares, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares under the Specific Mandate. As no Shareholder has an interest in the Share Subscription Agreement and the CB Placing Agreement that is materially different from the other Shareholders, no Shareholder is required to abstain from voting at the SGM in respect of the Shares Subscription Agreement and the CB Placing Agreement.

THE SGM

A notice convening the SGM to be held at Empire Room 1, 1/F, Empire Hotel Hong Kong, 33 Hennessy Road, Wan Chai, Hong Kong on Wednesday, 22 July 2015 at 11:00 a.m. is set out on pages SGM-1 to SGM-3 in this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instruction printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM (or any adjournment thereof) should you so wish.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Director or Shareholder has a material interest in the Share Subscription and the CB Placing and no Shareholder is required to abstain from voting at the SGM.

RECOMMENDATION

The Board considers that the Share Subscription and the CB Placing is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders to vote in favour of the resolutions to be proposed at the SGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By order of the Board
Asia Resources Holdings Limited
Huang Yilin
Chairman

Asia Resources Holdings Limited

亞洲資源控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 899)

NOTICE IS HEREBY GIVEN that a special general meeting of Asia Resources Holdings Limited (the “**Company**”) will be held at Empire Room 1, 1/F, Empire Hotel Hong Kong, 33 Hennessy Road, Wanchai, Hong Kong at 11:00 a.m. on Wednesday, 22 July 2015 for the purpose of considering and, if thought fit, passing, with or without modification, the following resolutions:

ORDINARY RESOLUTIONS

1. “**THAT:**

- (A) the terms and conditions of the subscription agreement (the “**Share Subscription Agreement**”) dated 19 May 2015 signed by the Company and Xi’an Communication Energy (Hongkong) Co., Limited (the “**Subscriber**”), a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification, pursuant to which the Company has agreed to issue and the Subscriber has agreed to subscribe for 1,330,000,000 new shares of the Company (the “**Subscription Shares**”) at the subscription price of HK\$0.36 per Subscription Share be and are hereby approved, confirmed and ratified;
- (B) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Subscription Shares and fulfillment (or, as applicable, waiver) of the conditions precedent set out in the Share Subscription Agreement and the allotment and issue of the Subscription Shares be and are hereby approved, confirmed and ratified;
- (C) the directors of the Company be and are hereby authorised to do all such things and acts, to sign, seal, execute, perfect and deliver all such other documents as they may in their absolute discretion consider necessary, desirable or expedient for the purpose of or in connection with the implementation and/or giving effect to any matters relating to the Share Subscription Agreement and all transactions contemplated thereunder.”

* For identification purposes only

NOTICE OF SPECIAL GENERAL MEETING

2. “THAT:

- (A) the terms and conditions of the placing agreement dated 21 May 2015 between the Company and Newpont Securities Limited, (the “**Placing Agent**”), as amended by the supplemental agreement dated 5 June 2015 (the “**CB Placing Agreement**”), a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification, in relation to the placing of the convertible bonds of a principal amount of HK\$432,000,000, with a term of 3 years, at an initial conversion price of HK\$0.72 per conversion share (“**Conversion Share**”) be and are hereby approved, confirmed and ratified;
- (B) conditional upon, among others, the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the new Shares (the “**Conversion Shares**”) which may fall to be allotted and issued upon the exercise of the conversion rights attaching to the Convertible Bonds, the allotment and issue of the Conversion Shares to the relevant holder(s) of the Convertible Bond(s) be and are hereby approved and the board of directors (the “**Directors**”) of the Company be and is hereby granted with a specific mandate to allot and issue the Conversion Shares to the relevant holder(s) of the Convertible Bond(s) in accordance with the terms of the Convertible Bonds; and
- (C) the directors of the Company be and are hereby authorised to do all such things and acts, to sign, seal, execute, perfect and deliver all such other documents as they may in their absolute discretion consider necessary, desirable or expedient for the purpose of or in connection with the implementation and/or giving effect to any matters relating to the CB Placing Agreement and all transactions contemplated thereunder.”

By order of the Board
Asia Resources Holdings Limited
Huang Yilin
Chairman

Hong Kong, 6 July 2015

Registered office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

*Head office and principal place of
business in Hong Kong:*
Unit 4312, 43/F
COSCO Tower
183 Queen’s Road Central
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
2. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy need not be a registered shareholder of the Company.
3. In order to be valid, the form of proxy must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of attorney or authority, not later than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting (as the case may be) should they so wish, and in such event, the form of proxy shall be deemed to be revoked.
5. Where there are joint holders of any shares in the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.