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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:

DISPOSAL OF ENTIRE EQUITY INTEREST IN A SUBSIDIARY

On 18 March 2011 (after trading hours of the Stock Exchange), the Vendor entered into the Disposal Agreement with the Purchaser for the disposal of the Sale Shares and the Sale Loan for an aggregate cash consideration of HK\$30,000,000. The Target is an investment holding company and the Target Group is principally engaged in manufacturing and trading of pharmaceutical products.

The Disposal constitutes a major transaction of the Company for the purpose of the Listing Rules and is subject to the approval of the Shareholders. A SGM will be convened to consider and, if thought fit, approve the Disposal and the transactions contemplated thereunder. As no Shareholder has a material interest in the Disposal, none of the Shareholders is required to abstain from voting at the SGM.

A circular containing, among other things, further details of the Disposal, general information of the Group and notice of the SGM will be despatched by the Company to the Shareholders on or before 8 April 2011.

* *For identification purposes only*

On 18 March 2011 (after trading hours of the Stock Exchange), the Vendor entered into the Disposal Agreement with the Purchaser for the disposal of the Sale Shares and the Sale Loan for an aggregate cash consideration of HK\$30,000,000, details of which are set out below:

THE DISPOSAL AGREEMENT

Date: 18 March 2011

Parties: (i) the Vendor (as vendor)

(ii) the Purchaser (as purchaser)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Purchaser is principally engaged in investment holding and the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Asset to be disposed of:

- (i) the Sale Shares, representing the entire issued share capital of the Target; and
- (ii) the Sale Loan, representing all obligations, liabilities and debts owing or incurred by the Target Group to the Group on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. As at the date of the Disposal Agreement, the Target Group was indebted to the Group in the amount of approximately HK\$12,566,000.

Consideration:

The consideration for the Disposal is HK\$30,000,000 which has been satisfied by the Purchaser in the following manner:

- (a) as to HK\$6,000,000 has been paid by the Purchaser to the Vendor in cash upon the signing of the MOU;
- (b) as to HK\$12,000,000 has been paid by the Purchaser to the Vendor in cash before the signing of the Disposal Agreement; and

- (c) as to the remaining HK\$12,000,000 has been paid by the Purchaser to the Vendor by way of post-dated cheque (which will be paid on the Completion Date) before signing of the Disposal Agreement.

The consideration for the Disposal was arrived at after arm's length negotiations between the parties to the Disposal Agreement after taking into account the unaudited consolidated net asset value of the Target as at 31 January 2011 and the value of the Sale Loan as at 31 January 2011.

The Directors consider that the consideration for and the terms of the Disposal Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Conditions Precedent

Completion is conditional upon the satisfaction of the following conditions:

- (i) the Shareholders passing at the SGM an ordinary resolution approving the Disposal Agreement and the transactions contemplated thereunder;
- (ii) the warranties provided by the Vendor and the Purchaser under the Disposal Agreement remaining true and accurate in all respects; and
- (iii) all necessary approvals, consents, authorisations and licences in relation to the transactions contemplated under the Disposal Agreement having been obtained by the Vendor and the Purchaser.

If the above conditions are not fulfilled at or before 5:00 p.m. on 12 May 2011 or such later date as the Vendor and the Purchaser may agree, the Vendor shall refund all the deposit paid by the Purchaser and the Disposal Agreement shall cease and determine and no party shall have any obligations and liabilities under the Disposal Agreement save for any antecedent breaches of the terms thereof.

Completion

Completion will take place on the third Business Day following the satisfaction of the above conditions.

Upon Completion, the Target Group will cease to be subsidiaries of the Company.

The licence agreement

Immediately before the Completion, the Vendor shall procure the Trademark Holder to enter into a licence agreement to grant the Purchaser a licence to use a trademark, which is beneficial by the Trademark Holder, in Wenzhou City, Zhejiang Province, the PRC.

Release of cross corporate guarantees

As at the date of this announcement, the Target Group and the Group provide cross corporate guarantees for each other to secure certain banking facilities obtained by the Target Group and the Group respectively. The Vendor undertakes to procure the release of all cross corporate guarantees by not later than 4 months after Completion.

INFORMATION OF THE TARGET GROUP

The Target is a company incorporated in the British Virgin Islands on 26 August 2002. The Target is an investment holding company and the Target Group is principally engaged in manufacturing and trading of pharmaceutical products.

Set out below are the unaudited consolidated turnover, net loss before tax and net loss after tax of the Target Group for the period ended 31 January 2011 and for the year ended 31 March 2010:

	For the period ended 31 January 2011 (HK\$'000)	For the year ended 31 March 2010 (HK\$'000)
Turnover	37,837	46,521
Net loss before tax	17,829	5,212
Net loss after tax	17,829	5,212

Unaudited consolidated net asset value of the Target together with its subsidiary as at 31 January 2011 was about HK\$10,270,000.

REASONS FOR THE DISPOSAL

The Company is an investment holding company. The Group is principally engaged in manufacturing and sale of pharmaceutical products and iron mining business.

For the past few years, the Target Group has been operating at a loss, which was mainly due to high operating costs in Wenzhou City, such as labour cost and production cost, and very keen competition. Thus, it is expected that the loss of the Target Group will be further increased. Through the Disposal, the Company does not need to commit further capital investment or replenish extra working capital to the Target Group. Upon Completion of the Disposal, the Group can focus its resources in other subsidiaries which the Board believes that can generate better return to the Company and its Shareholders as a whole.

The Directors consider that the net proceeds from the Disposal of about HK\$29,550,000 will strengthen the financial position of the Group. The Group intends to use the proceeds as general working capital.

The Board considers that the terms of the Disposal are fair and reasonable and that the Disposal is in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL

The unaudited consolidated net asset value of the Target together with its subsidiary as at 31 January 2011 was approximately HK\$10,270,000. The Board wishes to further disclose that the estimated gain on the Disposal of approximately HK\$6,800,000 is calculated on the basis that the consideration of the Disposal of HK\$30,000,000 less (i) costs of Sale Loan of approximately HK\$12,566,000; (ii) the net asset value of the Target; and (iii) costs and expenses incurred by the Company in connection with the Disposal.

IMPLICATIONS UNDER THE LISTING RULES

The Disposal constitutes a major transaction of the Company for the purpose of the Listing Rules and is subject to the approval of the Shareholders. A SGM will be convened to consider and, if thought fit, approve the Disposal and the transactions contemplated thereunder. As no Shareholder has a material interest in the Disposal, none of the Shareholders is required to abstain from voting at the SGM.

A circular containing, among other things, further details of the Disposal, general information of the Group and a notice of SGM will be despatched by the Company to the Shareholders on or before 8 April 2011.

DEFINITION

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

“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“Company”	Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares and the Sale Loan in accordance with the terms of the Disposal Agreement
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Directors”	directors of the Company
“Disposal”	the disposal of the Sale Shares and the Sale Loan subject to and upon the terms and conditions of the Disposal Agreement
“Disposal Agreement”	an agreement entered into between the Vendor and the Purchaser in respect of the Disposal
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	a non-binding memorandum of understanding dated 7 January 2011 entered into between the Company and the Purchaser in relation to the sale and purchase of the Sale Shares and the Sale Loan
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and Macau Special Administrative Regions
“PRC Subsidiary”	Zhejiang Juneng Rosi Pharmaceutical Co., Ltd (浙江巨能樂斯藥業有限公司), a company established in the PRC and the subsidiary of the Target
“Purchaser”	Keen Talent International Limited (堅俊國際有限公司), which is a company incorporated in British Virgin Islands, principally engaged in investment holding
“Sale Loan”	all obligations, liabilities and debts owing or incurred by the Target Group to the Group on or at any time prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. As at the date of the Disposal Agreement, the Target Group was indebted to the Group in the amount of approximately HK\$12,566,000
“Sale Shares”	20,000 ordinary shares of US\$1.00 each in the capital of the Target
“SGM”	special general meeting to be convened and held by the Company to consider, and if thought fit, approve the Disposal and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company

“Shareholder(s)”	the holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Bright Central Investments Limited, a company incorporated in the British Virgin Islands, the issued shares of which are wholly and beneficially owned by the Vendor
“Target Group”	the Target and the PRC Subsidiary
“Trademark Holder”	Siping Juneng Pharmaceutical Company Limited# (四平巨能藥業有限公司), a company established in the PRC, the holder of a trademark currently used by the PRC Subsidiary
“Vendor”	Billion Source Investments Limited, a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent.

By order of the Board
Asia Resources Holdings Limited
Chim Kim Lun, Ricky
Chairman

Hong Kong, 20 March 2011

As at the date of this announcement, the Board consists of four executive directors, Mr. Chim Kim Lun, Ricky, Mr. Chan Sung Wai, Mr. Chan Hau Kong and Mr. Wong King Lam, Joseph; one non-executive director, Mr. Tong Leung Sang; and four independent non-executive Directors, Mr. Yiu Fai Ming, Mr. Zhang Xianlin, Mr. Tse Yuk Kong and Mr. Lum Pak Sum.

The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names