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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 AND RESUMPTION OF TRADING

SHARE TRANSFER AGREEMENT

The Company wishes to announce that on 3 August 2012 (after trading hours of the Stock Exchange), the Settlement Agreement has been entered into among the 1st Plaintiff, the Company, the 1st Defendant and the 2nd Defendant for the settlement of the claims under the Writ subject to the terms and conditions thereof.

Pursuant to the Settlement Agreement, the Share Transfer Agreement has also been entered into between the 1st Plaintiff and the 1st Defendant on the same date, pursuant to which the 1st Defendant shall transfer to the 1st Plaintiff the Transfer Share, representing the entire issued share capital of the Target Company when the same be incorporated and immediately before the completion of the Transfer, subject to the terms and conditions thereunder.

The Transfer constitutes a major transaction on the part of the Company for the purpose of the Listing Rules and is subject to the approval of the Shareholders. As no Shareholder has a material interest in the Transfer, none of the Shareholders is required to abstain from voting at the special general meeting to be convened for the approval of the Transfer.

* *For identification purposes only*

A circular containing, among other things, further details of the Transfer, financial information of the Target Group, valuation report of the Properties, financial information and general information of the Group, and the notice of the special general meeting of the Company to be convened will be despatched by the Company to the Shareholders on or before 4 September 2012 as more time is required to prepare the financial information of the Target Group to be included in the circular.

RESUMPTION OF TRADING

Trading of the issued Shares has been suspended with effect from 9:00 a.m. on 6 August 2012 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the issued Shares from 9:00 a.m. on 8 August 2012.

BACKGROUND

Reference is made to the announcement of the Company dated 18 April 2012 in relation to the issue of the Writ at the High Court of Hong Kong on 16 April 2012 by the Plaintiffs against the Defendants.

The Company wishes to announce that on 3 August 2012 (after trading hours of the Stock Exchange), the Settlement Agreement has been entered into among the 1st Plaintiff, the Company, the 1st Defendant and the 2nd Defendant for the settlement of the claims under the Writ.

Pursuant to the Settlement Agreement, the Share Transfer Agreement has also been entered into between the 1st Plaintiff and the 1st Defendant on the same date, pursuant to which the 1st Defendant shall transfer to the 1st Plaintiff the Transfer Share, representing the entire issued share capital of the Target Company when the same be incorporated and immediately before the completion of the Transfer, subject to the terms and conditions of the Share Transfer Agreement. The Target Company will, through its interests in the WOFE, legally owns the land use rights of the Properties.

Settlement Arrangement

Pursuant to the terms and conditions of the Settlement Agreement, the Defendants shall jointly and severally repay the Outstanding Balance to the Company. Such repayment shall take effect by (i) the 1st Defendant transferring the Transfer Share to the 1st Plaintiff so that the Group will legally own the land use rights of the Properties through the Target Group, and (ii) the repayment of the remaining of the Outstanding Balance, being the Outstanding Balance less the Valuation, by the 1st Defendant to the Company within 24 months from the date of the Share Transfer Agreement.

In consideration of the Defendants agreeing to repay the Outstanding Balance, the Company and the 1st Plaintiff jointly agree (i) to take appropriate action to withdraw the claim under the Writ against the Defendants from the High Court of Hong Kong within 7 days after the date of the Settlement Agreement; and (ii) within 5 Business Days from the Completion of the Transfer, the 1st Plaintiff shall return the share certificate in respect of the 3 issued shares in the issued share capital of Skyyield Holdings Limited to the 1st Defendant which was the subject matter disposed of by the 1st Plaintiff to the 1st Defendant under the sale and purchase agreement dated 12 December 2007.

Conditions to the completion of settlement

The completion of the settlement is subject to the following conditions:

- (1) the Plaintiffs being satisfied with the results of the due diligence review to be conducted on the Properties, the WOFE and the Target Company;
- (2) each of the Company and the 1st Plaintiff has obtained all necessary approvals for the entering into of the Settlement Agreement and the transactions contemplated thereunder;
- (3) the delivery by the 1st Defendant of the certified copies of all documents and evidence necessary to prove the transfer of the legal title of the land use rights in the Properties and relevant procedures are completed legally so that the Target Company would become the ultimate beneficiary of the land use rights in the Properties;
- (4) no breach of warranties given by the Defendants under the Share Transfer Agreement which have material adverse impact on the Properties prior to the completion of the settlement;

- (5) (if applicable) the obtaining of Shareholders' approval by the Company at the special general meeting of the Company to be convened and held for the approval of the Settlement Agreement and the transactions contemplated thereunder and the obtaining by the Company all necessary approvals or consents required under the Listing Rules or applicable laws;
- (6) the obtaining of a PRC legal opinion to be issued by a PRC lawyer designated by the Plaintiffs and in the form and substance satisfactory to the Plaintiffs covering the following matters:
 - i. the due incorporation, legality and existence of the WOFE (including its equity interest holding structure, article of association and paid-up capital under PRC laws);
 - ii. the obtaining of all necessary licenses and approvals by the WOFE for its operation including but not limited to those to be issued by the State Administration for Industry and Commerce, Ministry of Commerce and its relevant organisations;
 - iii. the legality and validity of the licenses and approvals obtained by the WOFE; and
 - iv. the due transfer of title of the Properties to the WOFE free from all mortgage, liens (except those created by the operation of law), charges, encumbrances, security, delayed payment and other third party rights and agreements relating to the above;
- (7) the obtaining of a valuation report issued by an independent valuer appointed by the Company in the form and substance satisfactory to the Plaintiffs which shows that the Valuation is not less than HK\$40,000,000 as at the date of the Share Transfer Agreement;
- (8) the Plaintiffs being satisfied that there is no material adverse change in, among others, the status, rights, existence of the Properties and the status, rights, incorporation, existence, indebtedness of the Target Group;
- (9) the Completion of Reorganisation and the transactions contemplated thereunder being approved by the relevant authorities;
- (10) completion of the Transfer; and

(11) no occurrence of events of default as set out in the Settlement Agreement.

The above conditions are incapable of being waived. If the above conditions (save and except condition (10)) are not fulfilled on or before 12:00 p.m. on 30 November 2012 or such later date as agreed by the parties to the Settlement Agreement in writing, the Settlement Agreement shall lapse and the parties thereto shall have no liability thereunder save for antecedent breach. For the avoidance of doubt, the lapse of the Settlement Agreement shall not prejudice the rights of the Plaintiffs to claim for the Outstanding Balance.

THE SHARE TRANSFER AGREEMENT

Date: 3 August 2012

Parties:

Transferor: the 1st Defendant; and

Transferee: the 1st Plaintiff

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the 1st Defendant is an independent third party independent of the Company and its connected persons within the meaning of the Listing Rules.

Consideration

In consideration of the Plaintiffs agreeing to withdraw the claim under the Writ, the 1st Defendant shall transfer the Transfer Share to the 1st Plaintiff.

Upon completion of the Transfer, the Outstanding Balance will be reduced by the Valuation and the Defendants will only be liable to repay the remaining Outstanding Balance within the 24 months from the date of the Share Transfer Agreement. In view of the above, the Directors consider that the consideration for the Transfer be fair and reasonable and on normal commercial terms. The Directors consider that the terms of Transfer are fair and reasonable and are in the interests of the Group and the Shareholders as a whole.

Conditions precedent

The completion of the Share Transfer Agreement is conditional upon:

- (1) the 1st Plaintiff being satisfied with the results of the due diligence review to be conducted on the Properties, the WOFE and the Target Company;
- (2) the Plaintiffs have obtained all necessary approval for the entering into of the Share Transfer Agreement and the transactions contemplated thereunder;
- (3) no breach of warranties given by the 1st Defendant which constitute material adverse impact on the Properties prior to the completion of the Transfer;
- (4) the obtaining of Shareholders' approval by the Company at the special general meeting to be convened and held for the approval of the Share Transfer Agreement and the transactions contemplated thereunder, and the obtaining of all necessary consent and approvals under the Listing Rules;
- (5) the obtaining of a PRC legal opinion to be issued by a PRC lawyer appointed by the 1st Plaintiff and in the form and substance satisfactory to the Plaintiffs covering the following matters:
 - i. the due incorporation, legality and existence of the WOFE (including its equity interest holding structure, article of association and paid-up capital under the PRC laws);
 - ii. the obtaining of all necessary licences and approvals by the WOFE for its operation including but not limited to those to be issued by the State Administration for Industry and Commerce, Ministry of Commerce and its relevant organisations;
 - iii. the legality and validity of the licenses and approvals obtained by the WOFE; and
 - iv. the due transfer of title of the Properties to the WOFE free from all mortgage, liens (except those created by the operation of law), charges, encumbrances, security, delayed payment and other third party rights and agreements relating to the above;

- (6) the obtaining of a valuation report issued by an independent valuer appointed by the 1st Plaintiff (or the Company) in the form and substance satisfactory to the Plaintiffs which shows the Valuation is not less than HK\$40,000,000 as at the date of the Share Transfer Agreement;
- (7) the 1st Plaintiff being satisfied there is no material adverse change in, among others, the status, rights, incorporation, and continuing existence of the Properties, and the status, rights, incorporation, continuing existence and indebtedness of the Target Group; and
- (8) the Completion of Reorganisation and the transactions contemplated thereunder being approved by the relevant authorities; and
- (9) no breach of the undertakings given by the 1st Defendant under the Share Transfer Agreement prior to the completion of the Transfer.

The above conditions are incapable of being waived. If the above conditions are not fulfilled on or before 12:00 p.m. on 30 November 2012 or such later date as agreed by the parties to the Share Transfer Agreement in writing, the Share Transfer Agreement shall lapse and the parties thereto shall have no liability thereunder save for antecedent breach. For the avoidance of doubt, the lapse of the Share Transfer Agreement shall not prejudice the rights of the 1st Plaintiff to claim for the Outstanding Balance.

Subject matter of the Share Transfer Agreement

The Transfer Share shall represent the entire issued share capital of the Target Company when the same be incorporated. The asset of the Target Company will solely consist of the entire equity interests of the WOFE upon its incorporation, and the WOFE will in turn own the legal title of the land use rights of the Properties upon the completion of the Reorganisation.

Pursuant to the terms and conditions of the Share Transfer Agreement, the Completion of Reorganisation, one of the conditions precedent, and the 1st Defendant shall effect the Transfer within 5 Business Days upon the fulfillment of the conditions precedent to the Share Transfer Agreement.

INFORMATION ON THE TARGET GROUP

The Target Group will consist of the Target Company and the WOFE, and the WOFE will own the legal title of the land use rights of the Properties upon the completion of the Reorganisation.

The Target Company

The Target Company will be incorporated in the British Virgin Islands with limited liability and its entire issued share capital will be owned by the 1st Defendant immediately upon its incorporation and until the completion of the Transfer.

The WOFE

The WOFE will be established in the PRC and its entire equity interests will be owned by the Target Company immediately upon its incorporation and until the completion of the Transfer.

The only asset of the WOFE will be the land use rights of the Properties immediately upon the completion of the Reorganisation.

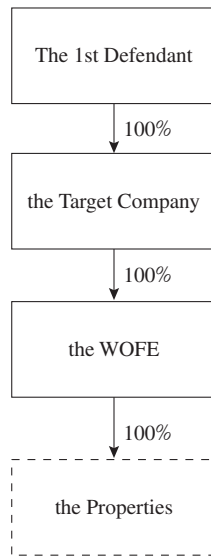
The Properties

The land use rights of the Properties are owned by Zhejiang Binjiang as at the date of this announcement and the Properties consist of:

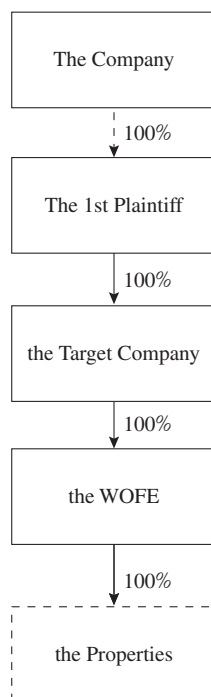
- (1) a shop located at Unit 211, Block 1, JingJiang Chengshi Huayuan (景江城市花園1幢211室商業用房#), No. 958 Zhijiang Road, Shangcheng District, Hangzhou City, Zhejiang Province, The PRC (中國浙江省杭州市上城區之江路958號景江城市花園#), with a gross area of approximately 718.3 square metres, for commercial use;
- (2) a shop located at No. 30, Block 2, JingJiang Chengshi Huayuan (景江城市花園2幢30號#), No. 958 Zhijiang Road, Shangcheng District, Hangzhou City, Zhejiang Province, The PRC (中國浙江省杭州市上城區之江路958號景江城市花園#) with a gross area of approximately 111.21 square metres, for commercial use; and
- (3) 13 carport spaces with numbers 101-113 at basement level 2, JingJiang Chengshi Huayuan, (景江城市花園地下二層車位101-113號#), No. 958 Zhijiang Road, Shangcheng District, Hangzhou City, Zhejiang Province, The PRC (中國浙江省杭州市上城區之江路958號景江城市花園#).

According to the preliminary valuation conducted by the independent valuer appointed by the Company, the market value of the Properties is in the total amount of RMB33,200,000 (approximately HK\$40,987,654) as at the date of the Share Transfer Agreement.

Set out below is the proposed structure of the Target Group immediately following the completion of the proposed Reorganisation:



Set out below is the proposed structure of the Target Group immediately upon the completion of the Transfer:



There is no financial information of the Target Company and WOFE available as they are yet to be incorporated as at the date of this announcement.

REASONS FOR THE TRANSFER

The Group is principally engaged in the manufacturing and sales of pharmaceutical products and operation and exploitation of mines.

The Company has been actively negotiating with the 1st Defendant in relation to the settlement of the Outstanding Balance over the past few years. The Board considers that the Transfer is in the interests of the Group as it substantially reduces the Outstanding Balance, and the settlement arrangement avoids further spending of resources by the Company should the litigation process continues, as well as secures immediate repayment by the Defendants and hence reduces the uncertainty in the litigation process and the risk of the Defendants being lack of the financial resources to repay after lengthy litigation process. The Board therefore considers the Transfer beneficial to and is in the interests of the Company and the Shareholders as a whole.

The Board intends to lease the Properties to third party for generating rental income and may consider the possibility of disposing the same if there is possible future appreciation in their market value.

IMPLICATIONS UNDER THE LISTING RULES

The Transfer constitutes a major transaction of the Company for the purpose of the Listing Rules and is subject to the approval of the Shareholders. As no Shareholder has a material interest in the Acquisition, none of the Shareholders is required to abstain from voting at the special general meeting of the Company to be convened for the approval of the Share Transfer Agreement and the transaction contemplate thereunder.

A circular containing, among other things, further details of the Transfer, financial information of the Target Group, valuation report, financial information and general information of the Group and the notice of the special general meeting of the Company to be convened will be despatched by the Company to the Shareholders on or before 4 September 2012 as more time is required to prepare the financial information of the Target Group to be included in the circular.

RESUMPTION OF TRADING

Trading of the issued shares has been suspended with effect from 9:00 a.m. on 6 August 2012 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the issued shares from 9:00 a.m. on 8 August 2012.

DEFINITIONS

The following expressions have the following meanings in this announcement:

“1st Plaintiff”	Bestime Systems Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“1st Defendant”	Zhou Yu Kang, the first defendant named in the Writ
“2nd Defendant”	China Culture & Tourism Investments Limited, a company incorporated in Hong Kong with limited liability, and is the second defendant named in the Writ
“Business Day”	a day (other than Saturday, Sunday, public holiday and day on which a tropical cyclone warning no.8 or above or black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open in Hong Kong for general banking business
“Board”	the board of Directors
“Company”	Asia Resources Holdings Limited, a company incorporated in Bermuda with limited liability, whose issued Shares are listed on the Main Board of the Stock Exchange
“Defendants”	together, the 1st Defendant and the 2nd Defendant
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Outstanding Balance”	the outstanding balance of HK\$63,999,751 owed by the Defendants to the Company and the 1st Plaintiff which is the subject matter of the claim under the Writ
“Plaintiffs”	together, the Company and the 1st Plaintiff
“Properties”	the properties consist of 1 unit for commercial use, 1 shop premises and 13 carport spaces and owned by Zhejiang Binjiang as at the date of this announcement
“PRC”	the People’s Republic of China, which for the purposes of this announcement excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Reorganisation”	the proposed reorganisation whereby the 1st Defendant shall at his own effort and expenses to (i) incorporate the Target Company; (ii) establish the WOFE and wholly owned by the Target Company, and complete all necessary filing and registration at the relevant authorities; and (iii) legally transfer the legal title of the land use rights of the Properties from Zhejiang Binjiang to the WOFE free from all liens, charges, encumbrances and third party rights, with the completion of all necessary filing or registration at relevant authorities and obtaining all consent, approval and licence therefor
“Settlement Agreement”	the conditional settlement agreement dated 3 August 2012 and entered into between the Plaintiffs and the Defendants

“Share(s)”	existing issued share(s) of HK\$0.05 each in the capital of the Company
“Shareholder(s)”	holder(s) of issued Shares
“Share transfer Agreement”	the conditional share transfer agreement dated 3 August 2012 and entered into between the 1st Plaintiff and the 1st Defendant
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer”	the transfer of the Transfer Share from the 1st Defendant to the 1st Plaintiff pursuant to the terms and conditions of the Share Transfer Agreement
“Transfer Share”	all the issued share(s) of the Target Group representing the entire issued share capital of the Target Company upon its incorporation and immediately before the completion of the Transfer
“Target Company”	a company to be incorporated in the British Virgin Islands with limited liability and will be wholly and beneficially owned by the 1st Defendant
“Target Group”	together, the Target Company and the WOFE
“Valuation”	the 100% value of the Properties made up to the date of the Share Transfer Agreement, such valuation shall be prepared in compliance with the requirements of the Listing Rules, on a market comparable methodology and on such bases and assumptions that may be agreed by the 1st Plaintiff and the 1st Defendant
“WOFE”	a wholly foreign owned enterprise to be established in the PRC and its entire equity interests will be beneficially owned by the Target Company immediately upon completion of the proposed Reorganisation

“Writ”	the writ of summons issued by the Plaintiffs on 16 April 2012 at the High Court of Hong Kong
“Zhejiang Binjiang”	Zhejiang Binjiang Construction Co. Ltd. (浙江濱江建設有限公司#), a wholly foreign owned enterprises incorporated in the PRC and controlled by the 1st Defendant, which is the legal owner of the land use rights of the Properties as at the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 7 August 2012

the English translations of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.23. The exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

As at the date of this announcement, the Board consists of three executive Directors, Mr. Chim Kim Lun, Ricky, Mr. Chan Sung Wai and Mr. Cheung Kai Kwong; one non-executive Director, Mr. Tong Leung Sang; and three independent non-executive Directors, Mr. Zhang Xianlin, Mr. Lum Pak Sum and Mr. Kwok Hong Yee, Jesse.