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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

Financial Advisor



KINGSTON CORPORATE FINANCE LTD.

THE AGREEMENT

On 13 November 2013, the Purchaser entered into the Agreement with the Vendor and the Guarantors, pursuant to which the Purchaser conditionally agreed to acquire from the Vendor the Sale Shares at a total consideration of RMB246,000,000, which will be satisfied by cash. The Guarantors have agreed to guarantee the performance by the Vendor of all its obligations under the Agreement.

IMPLICATIONS OF THE LISTING RULES

Given that the Percentage Ratios exceed 25% but below 100%, the entering into of the Agreement constitutes a major transaction for the Company under the Listing Rules and will be subject to the approval of the Shareholders at the SGM under Chapter 14 of the Listing Rules.

* *For identification purposes only*

GENERAL

The SGM will be held to consider, and if thought fit, to pass the resolution(s) to approve the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Acquisition and a notice of the SGM for the purpose of approving the Agreement and the transactions contemplated thereunder will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules. Based on the information currently available, the Directors expected that the circular will be despatched on or before 13 December 2013 pursuant to the Listing Rules.

Shareholders and investors should note that the Agreement is subject to various conditions as stated in the section headed “The Agreement – Conditions precedent” below and therefore the Acquisition may or may not complete. As such, investors and Shareholders are urged to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

Trading in the Shares was suspended at the request of the Company with effect from 9:00 a.m. on 11 November 2013 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the trading in the Shares to resume from 9:00 a.m. on 14 November 2013 following the publication of this announcement.

THE AGREEMENT

Date 13 November 2013

Parties to the Agreement

1. The Purchaser as purchaser. The Purchaser is a wholly-owned subsidiary of the Company.

2. The Vendor as vendor. The Vendor is legally owned by Mr. Lin and beneficially owned by Ms. Lin YT and Ms. Lin YJ.
3. The Guarantors as guarantors. The Guarantors are Mr. Lin, Ms. Lin YT and Ms. Lin YJ.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and the Guarantors is a party who is not a connected person (as defined in the Listing Rules) of the Company and who together with its ultimate beneficial owner(s) are independent of the Company and of connected persons (as defined in the Listing Rules) of the Company.

Assets to be acquired

The Vendor is the legal owner of the Sale Shares, which represent the entire issued share capital of the Target Company. Immediately upon completion of the Corporate Reorganisation, the Target Company, through the HK Company and the SZ Company, will hold and own the entire equity interests of the Project Company, a limited liability company incorporated under the laws of the PRC on 7 May 2012 with a registered capital of RMB10,000,000 (fully paid). For further information on the Target Company and its subsidiaries, please refer to the paragraph headed "Information relating to the Target Group" below.

Pursuant to the Agreement, as at 21 October 2013, the Shareholders Loan in an aggregate sum of approximately RMB175,550,000, which is interest-free, is due from the SZ Company to Ms. Lin YT (as to RMB17,455,000) and Ms. Lin YJ (as to RMB158,095,000). Prior to Completion, the Shareholders Loan will be assigned by Ms. Lin YT and Ms. Lin YJ to the HK Company and there will not be any outstanding Shareholders Loan immediately before Completion.

Consideration

The total consideration for the Sale Shares under the Agreement is RMB246,000,000, and payable by way of cheque (or such other manner to be agreed between the Purchaser and the Vendor) in RMB or HK\$ in the following manner:

1. within thirty Business Days after the execution of the Agreement and conditional upon the conditions specified in the Agreement, a refundable deposit of RMB80,000,000; and

2. upon Completion, a sum of RMB166,000,000 shall be paid by the Purchaser to the Vendor.

If all the conditions precedent set out in the Agreement are not satisfied and/or waived on or before the Long Stop Date, the refundable deposit of RMB80,000,000 shall be refunded in full by the Vendor to the Purchaser.

The consideration payable under the Agreement will be funded by internal resources of the Group and the proceeds from the placing of the Convertible Notes. For further information regarding the placing of the Convertible Notes, please refer to the Company's announcements dated 15 August 2013, 16 September 2013, 3 October 2013 and 24 October 2013 and the Company's circular dated 16 September 2013.

The consideration for the Acquisition was arrived at based on normal commercial terms after arm's length negotiations between the parties to the Agreement and by reference to, among other things, (a) the unaudited net asset value of the Target Company (assuming after the completion of the Corporate Reorganisation and taking into account the fair value of the Project Land) of approximately RMB119,200,000 as of 30 September 2013; (b) the preliminary valuation of the Project Land of approximately RMB240,000,000 as at 30 September 2013; (c) the Shareholders Loan in an aggregate sum of approximately RMB175,550,000; and (d) the settlement of the Accounts Receivable as detailed under the paragraph headed "Representations and warranties" hereof.

The Board considers the consideration for the Acquisition payable by the Group under the Agreement is fair and reasonable and in the interests of the Group and of the Shareholders as a whole.

Conditions precedent

Completion of the Agreement is subject to the fulfillment of, inter alia, the following conditions precedent:

- (a) the Vendor having provided to the Purchaser and its advisers documents (in substance and form satisfactory to the Purchaser in their absolute discretion) evidencing that the Corporate Reorganisation has been completed;

- (b) the Company having completed the due diligence investigation on the legal, financial and business aspects of the Project Company in relation to its structure, assets, liabilities, business and prospect and, with the Company's absolute discretion, is satisfied with the results of the due diligence investigation;
- (c) the Purchaser and its advisers having received and satisfied in their absolute discretion (in substance and form) a legal opinion issued by a firm of lawyers qualified to practise in the British Virgin Islands (at the Vendor's cost and expense) covering matters including, among other things, (I) the Target Company having been duly established and validly subsisting, (II) an updated list of directors and shareholders of the Target Company, and (III) such other aspect of the laws of the British Virgin Islands as the Purchaser may consider appropriate or relevant to the transactions contemplated by the Agreement;
- (d) the Company having received and satisfied in its absolute discretion (in substance and form) a legal opinion issued by a firm of lawyers qualified to practise in the PRC (at the Vendor's cost and expense) covering matters including, among other things, (I) each of the subsidiary of the Target Group incorporated under the laws of the PRC has been duly established and validly subsisting; (II) each of the subsidiary of the Target Group incorporated under the laws of the PRC has obtained all the licences and permits which are necessary for conducting its business and such licences and permits are in full force and effect; (III) the Project Company has legally obtained the Land Use Right Certificate in respect of the Project Land and its land use right to the Project Land is clear, without dispute, encumbrance and will not be confiscated or expropriated; and (IV) such other aspect of PRC laws as the Purchaser may consider appropriate or relevant to the transactions contemplated by the Agreement;
- (e) the approval by the Shareholders at the SGM of the Agreement and the transactions contemplated thereunder and all other consents and acts required under the Listing Rules having been obtained and completed;
- (f) the placing of the second tranche of the Convertible Notes having completed pursuant to the terms and conditions of a placing agreement dated 15 August 2013 made between the Company as issuer and Kingston Securities Limited as placing agent;

- (g) the Purchaser having received a final valuation report (in substance and form satisfactory to the Purchaser) issued by such professional valuers retained or to be retained by the Company, that indicates that the value of the Project Land is not less than RMB240,000,000;
- (h) all approvals, consents, authorisations and licences (so far as are necessary) in relation to the transactions contemplated under the Agreement having been obtained from the relevant governmental authorities;
- (i) the warranties set out in the Agreement remaining true and correct as at the date of Completion and as if repeated at all time between the date of the Agreement and the date of Completion; and
- (j) the Purchaser being satisfied in its absolute discretion, from the date of the Agreement to Completion, there has not been any change which has a material and adverse effect on the financial position, business or operations of the Target Group as a whole.

The Company may waive in writing any of the conditions precedents specified above (to the extent it is capable of waiving). If all the conditions specified above have not been satisfied or waived by 5:00 p.m. on the Long Stop Date, then the Agreement shall lapse and have no further effect and the parties shall be released from all their respective obligations under the Agreement save and except for any antecedent breach. In such event, the Vendor shall refund the RMB80,000,000 refundable deposit to the Purchaser.

As at the date of this announcement, none of the conditions precedents specified above have been fulfilled and the Company has no intention to waive any of the conditions precedent.

Completion

Completion of the Acquisition shall take place at 5:00 p.m. on the Completion Date or at such other place or time as may be agreed between the parties.

Guarantors

In consideration of the Purchaser agreeing to enter into the Agreement, Mr. Lin (the legal owner of the Vendor), Ms. Lin YT and Ms. Lin YJ (the beneficial owners of the Vendor) have agreed to guarantee the performance by the Vendor of all its obligations under the Agreement.

Representations and warranties

Under the Agreement, the Vendor has provided standard private equity representations and warranties as to corporate structure, legal matters and financial matters. In addition, the Vendor also represents and warrants to the Purchaser that (a) by a loan agreement dated 10 April 2012 (the “**Loan Agreement**”), the SZ Company had legally advanced a short-term loan in an aggregate sum of RMB30,000,000 to 天津中房雍陽置業有限公司 (the “**Debtor**”) on 13 April 2012; (b) the Debtor has failed to repay the loan amount and the interest accrued thereon to the SZ Company on maturity as stipulated under the Loan Agreement; and (c) based on the management accounts of the SZ Company, as at 30 September 2013, a total sum of RMB30,000,000 was due from the Debtor to the SZ Company (the “**Accounts Receivable**”). The Purchaser agrees that if any Accounts Receivable is collected or recovered by the SZ Company after Completion, the Purchaser shall procure the SZ Company to pay to the Vendor or its nominee(s) an amount equivalent to the amount of such collected or recovered Accounts Receivable less the costs and expenses incurred by the Group in relation to the collection and recovery of the Accounts Receivable.

INFORMATION RELATING TO THE TARGET GROUP

The Target Company is an investment holding company incorporated under the laws of BVI on 11 July 2013. The HK Company, a wholly-owned subsidiary of the Target Company, is an investment holding company incorporated under the laws of Hong Kong on 20 August 2013.

As at the date of the Agreement, the Target Group only consists of the Target Company and the HK Company. Prior to Completion, the HK Company will acquire from Ms. Lin YJ and Ms. Lin YT the entire equity interests of the SZ Company such that immediately before Completion, the SZ Company will be wholly-owned by the HK Company.

The SZ Company is a company with limited liability established under the laws of the PRC on 25 June 2010, with a registered capital of RMB1,000,000 (fully paid up), which as at the date of the Agreement, is owned as to 90% by Ms. Lin YJ and as to 10% by Ms. Lin YT. Pursuant to the Agreement, after completion of the Corporate Reorganisation, the entire equity interests of the SZ Company will be transferred from Ms. Lin YJ and Ms. Lin YT to the HK Company. The SZ Company is principally engaged in the business of investment in and development of business (application to be submitted for specific projects); investment consultancy (excluding securities, insurance, funds, financial business and other restricted areas); domestic trading (excluding state-run, state-controlled and state-franchised products).

The Project Company is a company with limited liability established under the laws of the PRC on 7 May 2012. Based on the information provided by the Vendor, the Project Company is a wholly-owned subsidiary of the SZ Company, with a registered capital of RMB10,000,000 (fully paid up). The Project Company is principally engaged in the business of foreign investment with internal funds, investment planning, whole-sale and retail business, property management and development and management of properties.

Pursuant to the Contract for Grant of State-owned Land Use Rights (國有建設用地使用權出讓合同) entered into between the State-owned Land Resources and Building Management Bureau of Zhencheng City (增城市國土資源和房屋管理局) and the Project Company on 17 May 2012, the Bureau agreed to grant the land use rights of the Project Land to the Project Company. According to the terms of the said contract, the Project Land has a total site area of 49,084.62 square meters (including planning construction site area of 32,784.55 square meters) and is permitted for residential and commercial use. The land use rights of the Project Land are to be granted for terms of 70, 40 and 50 years for residential use, commercial service use and other use respectively. Under the current plan, the Project Land will be developed into a comprehensive residential and commercial development with a total gross floor area of approximately 83,835 square meters. As at the date of the Agreement, the Project Company is in the course of obtaining the Land Use Right Certificate in respect of the said piece of land. It is a condition precedent of the Completion that the Project Company has legally obtained the Land Use Right Certificate in respect of the Project Land.

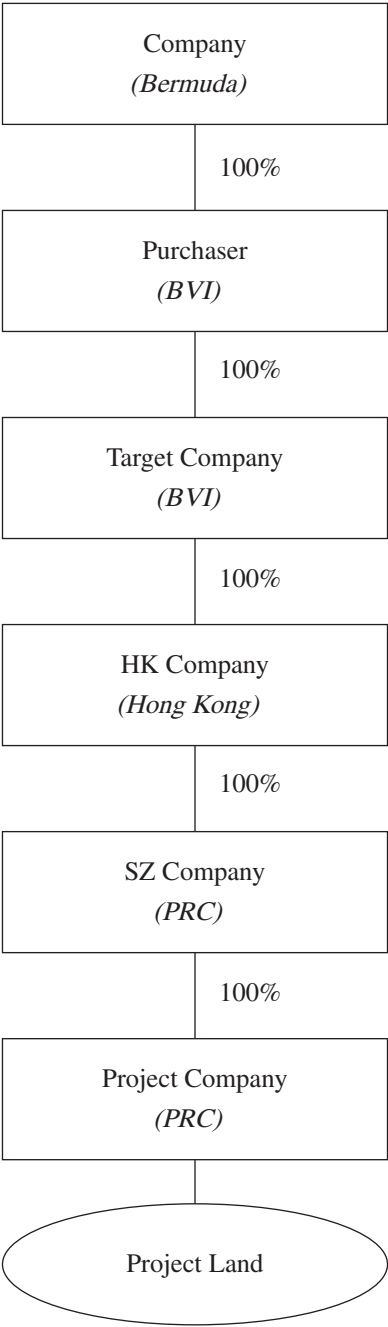
For the residential and commercial use, the land use right is of a term of 70 years and 40 years respectively, whereas for other use, the land use right is of a term 50 years.

Corporate structures

The following diagram illustrates the corporate structures of the Group and the Target Group after the Corporate Reorganisation and immediately before completion of the Acquisition:



The following diagram illustrates the corporate structure of the Group immediately after completion of the Acquisition:



Financial Information of the Target Group

Based on the currently available information, the Target Company and the HK Company are investment holding companies and have no items in significant amounts on their respective financial statement.

Based on the information provided by the Vendor, the unaudited net asset value/(net liabilities) of the SZ Company and the Project Company was approximately RMB970,400 and RMB(16,168,800) as at 30 September 2013. The financial information of the SZ Company and the Project Company for the two years ended 31 December 2012 in accordance with the PRC generally accepted accounting principles and practices were as follows:

	For the year ended	
	31 December	31 December
	2012	2011
	(unaudited)	(unaudited)
SZ Company		
Net loss before taxation	RMB2,000	RMB9,470
Net loss after taxation	RMB2,000	RMB9,470
		For the period from
		7 May 2012
		(date of incorporation)
		to 31 December 2012
		(unaudited)
Project Company		
Net loss before taxation		RMB643,650
Net loss after taxation		RMB643,650

DEVELOPMENT OF THE PROJECT LAND

The Company plans to divide the Project Land with a total site area of approximately 49,000 square meters into three phases and develop it into a comprehensive residential and commercial community with a total gross floor area of approximately 83,800 square meters, as to approximately 37,500 square meters for residential use, 16,500 square meters for commercial use and 29,800 square meters for other uses such as basement car park, facilities and greenery.

REASONS FOR ENTERING INTO THE AGREEMENT

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

It is the Company's corporate strategy to diversify the Group's businesses in order to improve its earning base. With such strategy in mind, the Group, with the endorsement of the Board, has been looking for investment opportunities on an on-going basis from time to time. Through an external debt settlement by the Company as a debtor in 2012, the Company obtained ownership of a number of properties in Hangzhou, the PRC. In the course of exploring the potential use of the said properties, the Directors noted the recent development in the PRC property market. Notwithstanding certain tightening measures have been imposed by the PRC government, including without limitation, the government intervention, the Directors consider such measures are beneficial to the development of a more sustainable and healthier property market in the PRC in long run and thereby expect a growth in the real estate sector in the PRC.

The Company has been reviewing several real estate projects and has identified the Target Group with the Project Land which the Board considered to be most probable. The Project Land leans against 增城東湖 (Zeng Cheng Dong Hu) and enjoys convenient transportation with several highways in the proximity. The Directors are of the view that the Project Land is good for development of mixed-use residential community and the Acquisition represents an opportunity that provides alternative income stream and business diversification to the Company.

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

LISTING RULES IMPLICATIONS

Given that the Percentage Ratios exceed 25% but below 100%, the entering into of the Agreement constitutes a major transaction for the Company under the Listing Rules and will be subject to the approval of the Shareholders at the SGM under Chapter 14 of the Listing Rules.

GENERAL

The SGM will be held to consider, and if thought fit, to pass the resolution(s) to approve the Agreement and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Acquisition and a notice of the SGM for the purpose of approving the Agreement and the transactions contemplated thereunder will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules. Based on the information currently available, the Directors expected that the circular will be despatched on or before 13 December 2013 pursuant to the Listing Rules since additional time is required for the preparation of relevant financial information.

Shareholders and investors should note that the Agreement is subject to various conditions as stated in the section headed “The Agreement – Conditions precedent” above and therefore the Acquisition may or may not complete. As such, investors and Shareholders are urged to exercise caution when dealing in the Shares.

RESUMPTION OF TRADING

Trading in the Shares was suspended at the request of the Company with effect from 9:00 a.m. on 11 November 2013 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the trading in the Shares to resume from 9:00 a.m. on 14 November 2013 following the publication of this announcement.

DEFINITIONS

“Acquisition”	means the sale and purchase of the Sale Shares contemplated under the Agreement
“Agreement”	means the share purchase agreement dated 13 November 2013 entered into between the Purchaser, the Vendor and the Guarantors in respect of the entire issued share capital of the Target Company at a total consideration of RMB246,000,000, which will be satisfied by cash
“associates”	has the meaning given to that term in the Listing Rules

“Board”	the board of Directors
“Business Day”	a day on which banks are generally open for business in Hong Kong (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.)
“Company”	Asia Resources Holdings Limited, a company incorporated under the laws of Bermuda with limited liability and the shares of which are listed on the Stock Exchange (stock code: 899)
“Completion Date”	the date which is the fifth (5th) Business Day after the date on which the conditions precedent of the Agreement are satisfied or waived or such other date as the Vendor and the Purchaser may agree in writing
“Completion”	the completion of the sale and purchase of the Sale Shares pursuant to the Agreement
“Competent Authority”	any person (including any national, state, federal, municipal or local government or governmental department or agency) having regulatory authority and includes any court of law or tribunal
“Convertible Notes”	(a) the zero coupon convertible note(s) in registered form comprising a total principal amount of HK\$185,500,000 issued by the Company to the placees; and (b) the five (5)% coupon convertible note(s) in registered form comprising a total principal amount of HK\$350,000,000 issued by the Company to the placees, pursuant to a placing agreement dated 15 August 2013 made between the Company as issuer and Kingston Securities Limited as placing agent

“Corporate Reorganisation”	the corporate reorganisation to be conducted by the Target Group which shall include the Target Company’s acquisition of the SZ Company (through the HK Company), the Project Company and the Project Land
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK Company”	Ever Ocean Greater China Investment Limited, a company incorporated under the laws of Hong Kong with limited liability, a wholly-owned subsidiary of the Target Company after the Corporate Reorganisation
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Land Use Right Certificate”	the certificate for the use of state-owned land (《國有土地使用證》) in respect of the Project Land
“Long Stop Date”	31 March 2014 or such later date to be agreed between the Purchaser and the Vendor in writing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Lin”	means Mr. LIN Junbo (林俊波), a Hong Kong citizen, the legal owner of the Vendor
“Ms. Lin YJ”	means Ms. LIN Yujuan (林育娟), a PRC citizen, one of the beneficial owners of the Vendor
“Ms. Lin YT”	means Ms. LIN Yiting (林奕婷), a PRC citizen, one of the beneficial owners of the Vendor

“Percentage Ratios”	means the “percentage ratios” as defined in rule 14.04(9) of the Listing Rules
“PRC”	People’s Republic of China
“Project Company”	means 廣州市中展投資控股有限公司 (in English, for identification purpose, Guangzhou Zhongzhan Investment Holdings Company Limited), a limited liability company established under the laws of the PRC, a wholly-owned subsidiary of the SZ Company
“Project Land”	the parcels of land located at Zengcheng, Guangzhou, the PRC (中國廣州·增城) and legally and beneficially owned by the Project Company
“Purchaser”	Continental Joy Limited, a company incorporated under the laws of the BVI with limited liability, a wholly-owned subsidiary of the Company
“Sale Shares”	the entire issued share capital of the Target Company, legally and beneficially owned and held by and registered in the name of the Vendor
“SGM”	special general meeting of the Company to be convened to approve, inter alia, the Agreement and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.25 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Shareholders Loan”	the shareholders loan, which is in an aggregate sum of approximately RMB175,550,000 as at 21 October 2013, which is interest-free and due from the SZ Company to its equity holders and namely Ms. Lin YT and Ms. Lin YJ, from time to time. Prior to Completion, the Shareholders Loan will be assigned by the Ms. Lin YT and Ms. Lin YJ to the HK Company and there will not be any outstanding Shareholders Loan immediately before Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SZ Company”	深圳市中投創展投資控股有限公司 (in English, for identification only, Shenzhen Zhongtou Chuangzhan Investment Holdings Limited), a limited liability company incorporated under the laws of the People’s Republic of China on 25 June 2010 with a registered capital of RMB1,000,000 (fully paid), the entire equity interests of which will be legally and beneficially owned and held by and registered in the name of the HK Company after the Corporate Reorganisation
“Target Company”	Gain Flourish Holdings Ltd., a company incorporated under the laws of the BVI with limited liability, and wholly-owned subsidiary of the Vendor prior to Completion
“Target Group”	as at the date of the Agreement, means the Target Company and the HK Company; after the Corporate Reorganisation, means the Target Company, the HK Company, SZ Company and the Project Company
“Vendor”	means Neo Fame Limited, a company incorporated under the laws of the British Virgin Islands with limited liability, the entire issued shares of which is legally owned by Mr. Lin

“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	means Renminbi, the lawful currency of the PRC
“%”	means per cent.

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

Hong Kong, 13 November 2013

As at the date of this announcement, the Board consists of three executive Directors, Mr. Chim Kim Lun Ricky, Mr. Cheung Kai Kwong and Mr. Yeung Yiu Bong Anthony; 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.