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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 DISPOSAL IN RELATION TO THE DISPOSAL OF 40% EQUITY INTEREST IN AND SALE LOAN OWED BY SHENZHEN PENGHONGSHENG INDUSTRIAL DEVELOPMENT COMPANY LIMITED#

DISPOSAL AGREEMENT

Reference is made to the announcement of the Company dated 27 April 2017 in relation to, among others, the April Disposal Agreement in relation to the disposal of 60% equity interest in the Target Company and the sale loan in the amount of RMB234,390,000 (equivalent to approximately HK\$264,860,700) to the Purchaser for a consideration of RMB240,000,000 (equivalent to approximately HK\$271,200,000).

On 6 June 2017 (after trading hours of the Stock Exchange), the Vendor, being an indirect wholly-owned subsidiary of the Company, entered into the Disposal Agreement with the Purchaser in relation to the Disposal, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 40% equity interest in the Target Company and the Vendor has conditionally agreed to sell and to procure certain members of the Group to sell and the Purchaser has conditionally agreed to purchase the Sale Loan owed by the Target Company for the Disposal Consideration of RMB160,000,000 (equivalent to approximately HK\$180,800,000).

After Completion, the Group will cease to hold any equity interest in the Target Company.

* For identification purposes only

IMPLICATIONS UNDER THE LISTING RULES

The transactions contemplated under the April Disposal Agreement and the Disposal Agreement are aggregated on the basis that the April Disposal Agreement and the Disposal Agreement are in relation to the disposal of the equity interest in and the loan owed by the Target Company to the Purchaser and thus shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the April Disposal Agreement and the Disposal Agreement (on an aggregate basis) are more than 25% but less than 75%, the entering into of the Disposal Agreement constitutes a major transaction on the part of the Company and is subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

SGM

The SGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Disposal Agreement and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors, no Shareholder has a material interest in the transactions contemplated under the Disposal Agreement. As such, no Shareholder will be required to abstain from voting on the resolution to approve the Disposal Agreement and the transactions contemplated thereunder. Any vote exercised by the Shareholders at the SGM shall be taken by way of poll.

The Circular containing, among other things, (i) information regarding the Disposal Agreement and the transactions contemplated thereunder; (ii) financial information of the Group; and (iii) a notice convening the SGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the Circular will be despatched to the Shareholders on or before 30 June 2017, as additional time is required to finalise certain financial and general information of the Group to be included in the Circular.

Shareholders and potential investors of the Company should be aware that completion of the Disposal Agreement is subject to fulfillment of the conditions precedent of the Disposal Agreement, and consequently the Disposal may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 27 April 2017 in relation to, among others, the April Disposal Agreement in relation to the disposal of 60% equity interest in the Target Company and the sale loan in the amount of RMB234,390,000 (equivalent to approximately HK\$264,860,700) to the Purchaser for a consideration of RMB240,000,000 (equivalent to approximately HK\$271,200,000).

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The principal terms of the Disposal Agreement are summarized below.

THE DISPOSAL AGREEMENT

Date: 6 June 2017

Parties: (1) Vendor : Hongyuan Information Consultancy (Shenzhen) Company Limited[#] (鴻源信息諮詢(深圳)有限公司), an indirect wholly-owned subsidiary of the Company

(2) Purchaser : Shenzhen Shi Anye Chuangzhan Investment Development Company Limited[#] (深圳市安業創展投資發展有限公司)

The Purchaser is a company established in the PRC and is principally engaged in the investment in industrial enterprises, investment planning and domestic trade. Save that (a) the Purchaser is the purchaser of both the April Disposal Agreement and the Disposal Agreement, and (b) the legal representative of the Purchaser is also the legal representative of Shenzhen Kingma Holding Group Company Limited[#] (深圳市金馬控股集團有限公司), being the seller in the agreements dated 9 February 2015 and 31 July 2015 respectively in relation to the acquisition of 15% and 20% equity interest in Shenzhen Zhaosheng Anye Investment Development Company Limited[#] (深圳招商安業投資發展有限公司) (“**Shenzhen Zhaosheng**”) by the Target Company (details of which are disclosed in the announcements of the Company dated 9 February 2015, 10 February 2015 and 31 July 2015), to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) is an Independent Third Party.

Subject of the Disposal

Pursuant to the Disposal Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 40% equity interest in the Target Company and the Vendor has conditionally agreed to sell and procure certain members of the Group to sell and the Purchaser has conditionally agreed to purchase the Sale Loan owed by the Target Company.

As at the date of this announcement, the registered capital of the Target Company amounts to RMB1,000,000 (equivalent to approximately HK\$1,130,000) which has been fully paid-up.

As at the date of this announcement, the Sale Loan amounts to RMB156,260,000 (equivalent to approximately HK\$176,573,800).

Disposal Consideration

The Disposal Consideration is RMB160,000,000 (equivalent to approximately HK\$180,800,000) and shall be paid by the Purchaser to the Vendor in the following manner:

- (a) as to RMB80,000,000 (equivalent to approximately HK\$90,400,000) within sixty (60) days from the date of the Disposal Agreement; and
- (b) as to RMB80,000,000 (equivalent to approximately HK\$90,400,000) within thirty (30) days from date on which the resolution of the Shareholders to approve the Disposal Agreement and transactions contemplated thereunder having been passed at the SGM.

The Vendor shall deliver or procure the delivery of the relevant documents for the industrial and commercial registration in relation to the Disposal within three (3) days from the date on which the Disposal Consideration was paid by the Purchaser to the Vendor.

The Disposal Consideration was arrived at after arm's length negotiations between the parties to the Disposal Agreement after taking into consideration of various factors, including (i) the reasons for the Disposal as discussed in the paragraph headed "Reasons for the Disposal and Use of Proceeds" in this announcement; (ii) the current financial position of the Target Company; and (iii) the Sale Loan in the amount of RMB156,260,000 (equivalent to approximately HK\$176,573,800);

The Directors consider that the terms and conditions of the Disposal Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

Completion

Completion of the Disposal Agreement is subject to the following conditions precedent having been fulfilled:

- (a) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of the Disposal Agreement and the transactions contemplated thereunder having been obtained; and
- (b) the passing by the Shareholders at the SGM the necessary resolution to approve the Disposal Agreement and the transactions contemplated thereunder.

If any of the conditions precedent of the Disposal Agreement has not been fulfilled on or before the date falling ninety (90) days from the date of the Disposal Agreement or such later date as the Purchaser and the Vendor may agree in writing, the Disposal Agreement shall be terminated and neither party shall have any claim against each other save for any antecedent breaches of the Disposal Agreement provided that the Vendor shall refund all the Consideration actually paid by the Purchaser (without interest) to the Purchaser.

If completion does not take place on the date falling one hundred (100) days from the date of the Disposal Agreement (or such other date as may be agreed between the Vendor and the Purchaser), the Disposal Agreement shall be terminated and neither party shall have any claim against each other save for any antecedent breaches of the Disposal Agreement provided that the Vendor shall refund all the consideration actually paid by the Purchaser (without interest) to the Purchaser and all changes brought by the entering into of the Disposal Agreement shall be unwound and the relevant parties shall be brought back to the position which they were in before the entering into of the Disposal Agreement.

INFORMATION OF THE TARGET COMPANY

As at the date of this announcement, the equity interest in the Target Company is owned as to 60% by the Purchaser and as to 40% by the Vendor. The Target Company is principally engaged in investment holding. As at the date of this announcement, the principal investment of the Target Company is 35% equity interest in Shenzhen Zhaosheng. Shenzhen Zhaosheng is a company with limited liability established under the laws of the PRC on 1 June 2007 with registered capital of RMB10,000,000 (equivalent to approximately HK\$11,300,000) and principally engaged in two property redevelopment projects in Shenzhen, the PRC as at the date of this announcement. Further details of Shenzhen Zhaosheng are disclosed in the announcements of the Company dated 9 February 2015, 10 February 2015 and 31 July 2015 respectively.

The following table summarises the unaudited financial results of the Target Company (prepared in accordance with the PRC GAAP) for (i) the financial year ended 31 December 2015; and (ii) the financial year ended 31 December 2016 respectively:

	For the year ended 31 December 2016 (RMB)	For the year ended 31 December 2015 (RMB)
Turnover	0	0
Loss before taxation	10,701	538,477
Loss after taxation	10,701	538,477

Based on the unaudited account of the Target Company made up to 31 December 2016 (prepared in accordance with the PRC GAAP), the unaudited net assets value of the Target Company as at 31 December 2016 was approximately RMB448,950 (equivalent to approximately HK\$507,314).

FINANCIAL EFFECT OF THE DISPOSAL

Based on the Disposal Consideration, the unaudited financial results of the Target Company for (i) the financial year ended 31 December 2015; and (ii) the financial year ended 31 December 2016, subject to further audit procedures to be performed by the auditors of the Company, the Group is expected to record an unaudited gain on disposal of approximately RMB2,000,000 (equivalent to approximately HK\$2,260,000) with reference to (i) the unaudited net assets value of the Target Company as at 31 December 2016 of approximately RMB448,950 (equivalent to approximately HK\$507,314); (ii) the Sale Loan in the amount of RMB156,260,000 (equivalent to approximately HK\$176,573,800); (iii) the Disposal Consideration of RMB160,000,000 (equivalent to approximately HK\$180,800,000); and (iv) all relevant expenses of approximately HK\$500,000.

After Completion, the Group will cease to hold any equity interest in the Target Company.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The Company is an investment holding company. The Group is principally engaged in iron mining business; securities and other trading business; money lending business; and property investments.

Given that (a) the property redevelopment projects engaged by Shenzhen Zhaosheng is still at an early stage and it is preliminarily expected that no revenue would be generated in the near future; and (b) a substantial amount of further financing would be required for such property redevelopment projects and the Group, through the Target Company, being the owner of 35% equity interest in Shenzhen Zhaosheng, may be required to provide financial assistance to finance such property redevelopment projects from time to time, the Board considers that the Disposal will provide a good chance for the Group to realise part of its investment in the Target Company, and allow the Group to retain more resources to pursue other possible business opportunities. The Board is confident that Disposal will contribute positively to the Group and will generate future benefits for the Company and the Shareholders as a whole.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Disposal Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

After deducting expenses relating to the Disposal, it is expected that there will be a net proceeds of approximately RMB159,550,000 (equivalent to approximately HK\$180,292,000) from the Disposal. It is intended that the net proceeds from the Disposal will be applied as the general working capital of the Group and to finance the investment opportunities as may be identified from time to time.

The Directors are of the view that the Disposal will not have any material adverse impact on the business operations and financial position of the Group.

LISTING RULES IMPLICATIONS

The transactions contemplated under the April Disposal Agreement and the Disposal Agreement are aggregated on the basis that the April Disposal Agreement and the Disposal Agreement are in relation to the disposal of the equity interest in and the loan owed by the Target Company to the Purchaser and thus shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the April Disposal Agreement and the Disposal Agreement (on an aggregate basis) are more than 25% but less than 75%, the entering into of Disposal Agreement constitutes a major transaction on the part of the Company and is subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

SGM

The SGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Disposal Agreement and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors, no Shareholder has a material interest in the transactions contemplated under the Disposal Agreement. As such, no Shareholder will be required to abstain from voting on the resolution to approve the Disposal Agreement and the transactions contemplated thereunder. Any vote exercised by the Shareholders at the SGM shall be taken by way of poll.

The Circular containing, among other things, (i) information regarding the Disposal Agreement and the transactions contemplated thereunder; (ii) financial information of the Group; and (iii) a notice convening the SGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the Circular will be despatched to the Shareholders on or before 30 June 2017, as additional time is required to finalise certain financial and general information of the Group to be included in the Circular.

Shareholders and potential investors of the Company should be aware that completion of the Disposal Agreement is subject to fulfillment of the conditions precedent of the Disposal Agreement, and consequently the Disposal may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“April Disposal Agreement” the disposal agreement dated 27 April 2017 and entered into between the Vendor and the Purchaser in relation to the disposal of 60% equity interest in the Target Company and the sale loan in the RMB234,390,000 (equivalent to approximately HK\$264,860,700) for the consideration of RMB240,000,000 (equivalent to approximately HK\$271,200,000)

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors from time to time
“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 (stock code: 899)
“Completion”	completion of the Disposal in accordance with the terms and conditions of the Disposal Agreement
“Circular”	the circular to be issued by the Company in accordance with the Listing Rules in respect of the Disposal Agreement and the transactions contemplated thereunder
“Directors”	the directors of the Company (including the independent non-executive directors) from time to time
“Disposal”	the proposed disposal of 40% equity interest in the Target Company and the Sale Loan under the Disposal Agreement
“Disposal Agreement”	the disposal agreement dated 6 June 2017 and entered into between the Vendor and the Purchaser in relation to the Disposal
“Disposal Consideration”	the consideration of RMB160,000,000 (equivalent to approximately HK\$180,800,000) for the Disposal
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	any person or company and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons (as defined in the Listing Rules)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC GAAP”	the general accepted accounting principles of the PRC
“Purchaser”	Shenzhen Shi Anye Chuangzhan Investment Development Company Limited [#] (深圳市安業創展投資發展有限公司) being a company established in the PRC with limited liability
“Sale Loan”	RMB156,260,000 (equivalent to approximately HK\$176,573,800), being 100% of the amounts owed by the Target Company to the Vendor and certain members of the Group as at the date of the Disposal Agreement
“SGM”	the special general meeting of the Company to be convened to consider, and, if thought fit, to approve the Disposal Agreement and the transactions contemplated thereunder
“Shareholders”	holders of the issued Shares from time to time
“Share(s)”	share(s) of HK\$0.25 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shenzhen Penghongsheng Industrial Development Company Limited [#] (深圳鵬鴻昇實業發展有限公司), a company established in the PRC with limited liability, the equity interest of which is owned as to 60% by the Purchaser and as to 40% by the Vendor as at the date of this announcement
“Vendor”	Hongyuan Information Consultancy (Shenzhen) Company Limited [#] (鴻源信息諮詢(深圳)有限公司), an indirect wholly-owned subsidiary of the Company

“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 of
Asia Resources Holdings Limited
Huang Yilin
Executive Director

Hong Kong, 6 June 2017

The English translation of the Chinese names or words in this announcement, where indicated, are included for identification 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, conversions of RMB into HK\$ is calculated at the approximate exchange rate of RMB1.00 to HK\$1.13. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

As at the date of this announcement, the Board consists of four executive Directors, Mr. Huang Yilin, Mr. Chan Shi Yin, Keith, Mr. Liu Yan Chee, James and Mr. Chan Yuk Sang; and three independent non-executive Directors, Mr. Zhang Xianlin, Mr. Kwok Hong Yee, Jesse and Mr. Ng Ping Yiu.